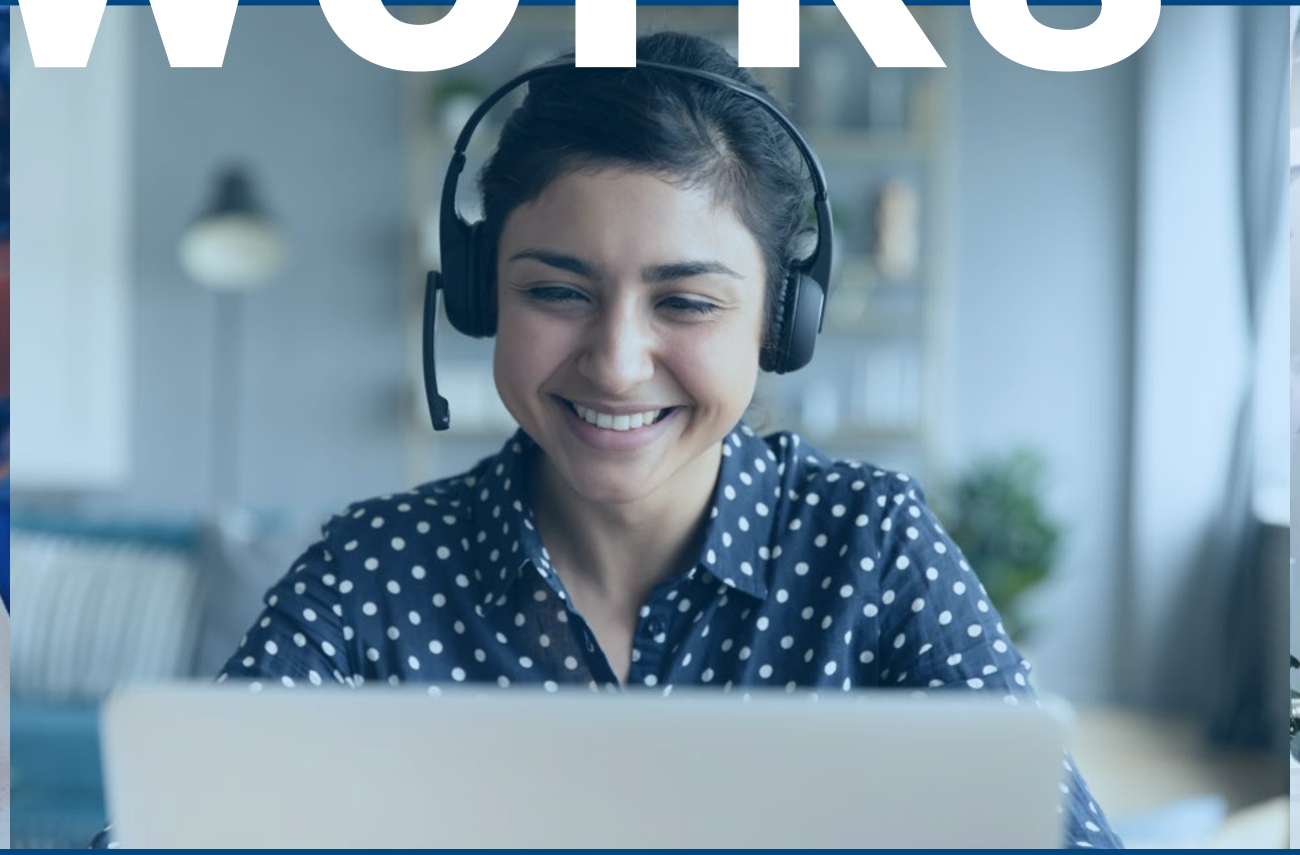
TeamViewer

2021

Annual Report

Creating a world that works better.

For society

Remove barriers to digital progress, bridge distances and reduce the carbon footprint

37m

tonnes of CO_2 avoided through use of TeamViewer solutions per year[1]

For free users

Enable people to connect and help each other

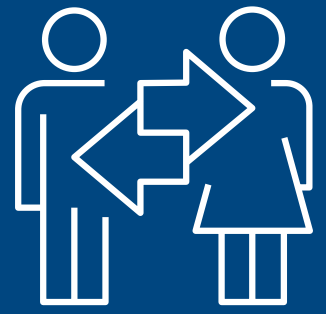
TeamViewer makes easy and free access to technology available to everyone

For customers

Digitalise business-critical processes along the value chain end to end and in all verticals

627k

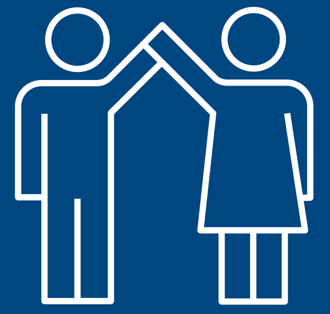
Customers rely on TeamViewer



For partners

Enable new business models and services

Numerous integrations with major software players, such as Microsoft, SAP, Salesforce



For employees

Provide a meaningful workplace with a strong company culture

~1,500

Employees with more than 70 nationalities

1 Source: DFGE – Institute for Energy, Ecology, Economy.

For shareholders: Creating value through long-term growth, attractive margins and cash generation

Global Megatrends in Focus

Global Connectivity

Using different devices from anywhere worldwide

New Work – The Future of Work

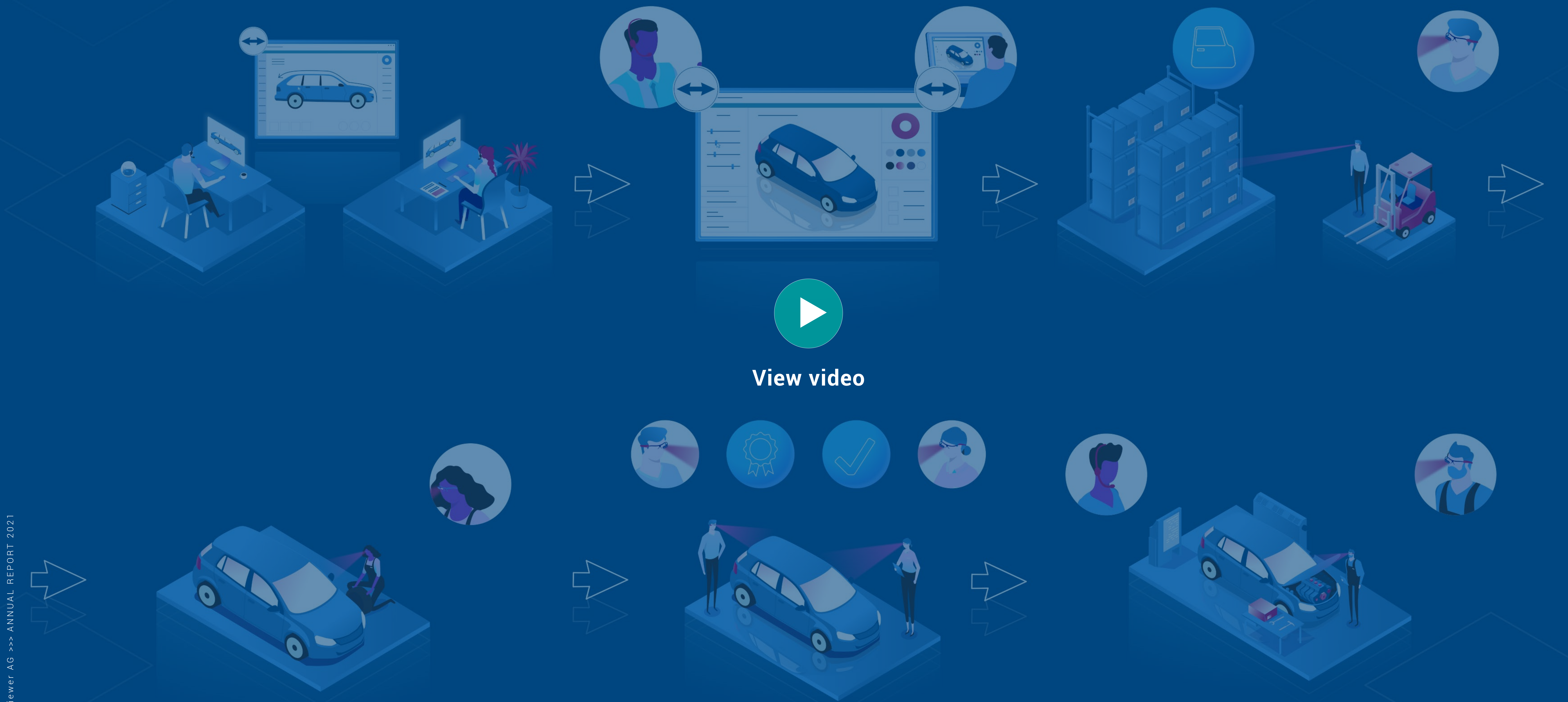
Working securely and efficiently – at the office, at home, and remotely

Robotics & Automation

Driving forward digitalisation

Reduction in CO_2 Emissions

Reducing travel through better connectivity



View video

Solutions for digitalisation along the value chain

As a global technology company, TeamViewer's software solutions support companies of all sizes and industries worldwide in digitalising their processes along the entire value chain. The fields of application range from remote access to IT devices, plants and machines and their control and maintenance to joint problem solving via remote support and augmented reality-supported optimisation of manual workflows in an industrial context.

In a private environment for non-commercial purposes, TeamViewer's solutions can be used free of charge – an important driver for the democratisation of technology and digital progress in society.

Success in figures

Billings 2021

547.6 EUR million

Adj. EBITDA

257.0 EUR million

Cash flow

194.0 EUR million

Adj. EBITDA margin

46.9 %

TeamViewer AG at-a-glance

	2021	2020
Group performance indicators		
Billings (in EUR million)	547.6	460.3
Adjusted EBITDA (in EUR million)	257.0	261.4
Number of subscribers (LTM) (in thousands)	627,000	584,000
Net retention rate (NRR LTM); recurring billings of existing subscription customers (in %)	98	104[1]
Financial performance of the Group		
Revenue (in EUR million)	501.1	455.6
EBIT (in EUR million)	117.4	164.1
EBIT (in % of revenue)	23.4	36.0
EBITDA (in EUR million)	168.3	205.1
EBITDA margin (in % of revenue)	33.6	45.0
Adjusted EBITDA (in EUR million)	257.0	261.4
Adjusted EBITDA margin (in % of billings)	46.9	56.8
Financial position and cash flows of the Group		
Equity ratio (in % of total assets)	20.7	22.6
Cash flows from operating activities (in EUR million)	194.0	224.5
Cash flows from investing activities (in EUR million)	(38.9)[2]	(110.2)[2]
Cash and cash equivalents (in EUR million)	550.5	83.5
Other key figures		
R&D expenses (in EUR million)	62.1	46.6
Full-time equivalent employees (as of reporting date)	1,477	1,256
Diluted earnings per share (in EUR)	0.25	0.52
Basic earnings per share (in EUR)	0.25	0.51

1 TeamViewer changed the NRR LTM definition as of the beginning of the 2021 fiscal year to allow it to be derived directly from reported annual recurring billings. The prior year's value has been adjusted accordingly.

2 Negative values in tabular overviews are shown in brackets.

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References in the text

- Page reference
- Website
- Email address

Gender-related spelling

In preparing this annual report, attention has been paid to using gender-inclusive language to the greatest extent possible. In references where this is not possible, this in no way implies discrimination of the other genders. In the interest of equal treatment, the corresponding terms apply equally to all genders.

A_ To our shareholders

B_ Combined Management Report

C_ Consolidated financial statements of TeamViewer AG

D_ Non-Financial Report

E_ Further Information

TO OUR SHARE-HOLDERS

A.

01 Letter to the shareholders

Dear Shareholders,

The year 2021 was a year full of momentum, continuous advancement and change for us at TeamViewer. We set the strategic course for the company's future, entered into landmark partnerships and further developed our product portfolio while taking a leading position in the field of augmented reality software. We successfully expanded our enterprise business and strengthened our global presence and brand awareness – all in the midst of the ongoing global corona pandemic. Along with all of these key achievements, 2021 also held some setbacks. The trust we lost in the capital markets in 2021 will need to be regained in the new year. TeamViewer is a strong, highly profitable company with tremendous potential in a growing market – this is something we can build on. Since our IPO, we have developed enormously and are very well positioned strategically and in terms of our product portfolio. This gives us confidence in our future.

"Creating a world that works better"

COVID-19 has ended up accelerating several megatrends over the past two years. Among them, work-from-anywhere, an increased number of connected devices globally, automation, Industry 4.0, the digital transformation of all industries and, last but not least, the idea of sustainability – all of which are now more relevant than ever before. We see our comprehensive offering, which goes far beyond software for classic IT support, addressing the important issues of our time better than ever before.

We have made it our aim to offer software solutions that help "Creating a world that works better", in private as well as professional environments. This motto gives us inspiration. We help other companies develop new business models and services and digitalise their business-critical processes along the entire value chain – regardless of their size and industry.

We provide millions of private users the ability to remotely connect with the devices of their families and friends to solve problems together free of charge. TeamViewer stands for the democratisation of technology, for easy access to software, for digital participation and inclusion across any distance – all important aspects for our information society.

The use of TeamViewer solutions also greatly helps to reduce (business) travel and in turn CO_2 emissions. Through this we are making an important contribution to a more sustainable world while helping our customers and users reduce their own CO_2 footprints. Sustainability's strong importance to us as a whole is also demonstrated by our c-a-r-e programme. Under this programme, we have accelerated our commitment to becoming climate-neutral no later than 2025 – five years earlier than originally planned. This target includes all upstream and downstream processes of our value creation. This is an ambitious goal and at the same time an important investment in a more sustainable future.

Left: Oliver Steil, CEO
Right: Stefan Gaiser, CFO

Scalable solutions for all steps of the value chain

To further evolve our solution portfolio, we continued to pursue our acquisition strategy from the prior year and at the beginning of 2021 acquired two very relevant AR providers: the US pioneer for augmented reality (AR), Upskill, and the Munich-based mixed reality specialist Viscopic. We already successfully integrated their technology into our enterprise AR platform Frontline. As a result, in just three years we have managed to take a leading global position in the field of AR solutions for the digitalisation of business processes. We are pleased to see this confirmed by renowned market research and analyst firms and major customers worldwide. Market leaders from all industries, including Ford, DHL and Airbus, are now using TeamViewer's AR solutions to digitalise their processes in production, maintenance, logistics, quality assurance and after-sales. Our focus on augmented reality has also been the basis for entering into promising new partnerships with technology pioneers such as SAP or Google Cloud, which once again underlines our relevance in the global technology ecosystem. Joint sales and marketing activities, product development and technology integration make up essential components of these partnerships so that we can ensure we provide our joint customers extraordinary added value in the future.

Beyond the field of augmented reality, we entered another attractive growth area, customer engagement software, with the acquisition of the Austrian start-up Xaleon at the beginning of 2021. This acquisition complements our portfolio with offerings for the digitalisation of sales and customer service. The technology served as the basis for the development of TeamViewer Classroom, a new solution for modern, privacy-compliant online learning that is marketed as an alternative to face-to-face instruction at schools, universities and other educational institutions. We also had solid successes with our core connectivity technology in 2021 and continued to develop our remote access and remote support solutions. Together with customers such as Siemens Healthineers, we proved that simple, scalable, cross-device and secure connectivity is fundamentally essential for a number of different remote services. It also supports the further evolution of business models in healthcare, manufacturing, production, and many other sectors.

In 2021, we decided to follow the successful examples of other larger technology companies to position the TeamViewer brand more prominently worldwide. We are convinced that higher brand awareness and the credibility that comes with it play an essential role in the purchasing decisions of our customers at all levels and therefore represents an important foundation to further growth going forward. This is the rationale behind our decision to enter into partnerships with two of the most successful sports teams in the world: the Manchester United Football Club and the Mercedes-AMG Petronas Formula 1 and Mercedes-EQ Formula E Teams. Both partnerships were launched in the middle of the year and have generated global attention, buzz and media value – metrics that we will use regularly to measure the success of the sponsorship. The collaboration goes far beyond logo placements on jerseys and race cars and includes extensive brand activation measures from classic advertising and social media to hospitality and events. Especially important to us however is the technology partnership where we can support both sports partners with our solutions to their respective challenges. These use cases can also in turn be translated to other industries, thereby bridging the gap between global branding and the operating business.

The overriding goal: stay on track

Those who want to evolve and progress need to be able to handle setbacks. It is important to quickly identify undesirable developments and take responsive action. We did this last year with our full determination. During the year, we had to recognise that our growth fell short of our own expectations. The reasons for this were complex. One was the strong pull-forward effects in the area of remote work in 2020, when companies worldwide were taken by surprise by the pandemic. This led to a larger adjustment in the purchased volumes of remote connectivity in the 2021 contract renewals and at the same time increased competition within the entry level of this segment. In addition, with the corona restrictions in place, we were not sufficiently successful in integrating the 477 new hires in 2021, physically matching them with experienced team members and accelerating their learning curve. All this meant that we had to correct our ambitious targets set at the beginning of the year, which resulted in extremely disappointing share price performance in 2021.

At our Capital Markets Day in November, we made a detailed presentation of our plans to better execute our growth initiatives and optimise our cost structure. A strong fourth quarter has already shown that these measures are taking effect. We closed full-year 2021 with around EUR 548 million in billings, corresponding to growth of 19 % compared to the extremely strong prior year, which was marked by corona-related pull-forward effects. With this result, we reached the upper half of the billings forecast range adjusted at the beginning of October. The main growth driver for the full year was the Enterprise business. The adjusted EBITDA margin in 2021 amounted to 47 %.

Growth plans for 2022

We have defined the targets for the 2022 fiscal year based on our achievements in 2021. We expect billings in the range of EUR 630 to 650 million and an adjusted EBITDA margin of between 45 and 47 %. However, the most important goal for us this year is to regain the confidence of the capital markets in our growth initiatives and our ability to effectively execute on our strategy. We want to continue TeamViewer's sustainable path to success in dialogue with you, dear shareholders. This includes making changes to our capital structure. Against the backdrop of our strong, long-term secured financing structure and continued high cash flow, we are aiming to achieve a sustainable leverage ratio of approximately 1.5x adjusted EBITDA by the end of the year. In accomplishing this, we have launched a share buyback programme of up to EUR 300 million or nearly 10 % of total shares outstanding. We have done this to ensure that our shareholders participate more directly in TeamViewer's success.

TeamViewer is a solid, promising company in an attractive and growing market. Our unique financial profile illustrates that strong growth, along with above-average margins and high cash generation, can go hand in hand. We are working every day to expand our leading position with new products, partnerships and further growth initiatives, thereby securing our long-term competitiveness.

We would like to take this opportunity to sincerely thank our workforce. In a challenging year, our approximately 1,500 employees around the world did everything they could to advance our business, to be there for our clients and users and to contribute to our success. We know that this required tremendous commitment and motivation in times of the ongoing pandemic and that this was not always easy. We would also like to thank our numerous business partners for their extraordinary cooperation during the past year. We want to continue to build on these relationships in 2022.

From an organisational perspective, we have restructured our senior leadership team and were able to gain some outstanding executives and enterprise software experts with the additions of Patty Nagle in the Americas region and Sojung Lee in the APAC region. The former Ubimax founder Jan Junker took over EMEA Enterprise Sales in addition to his responsibility for the Solution Delivery department. Since the beginning of 2021, Dr Hendrik Witt, also a Ubimax founder, has been responsible for the entire product portfolio. Under the leadership of Georg Beyschlag, we have combined the areas of strategy, corporate development and human resources. We are also pleased to have gained Hera Kitwan Siu, an internationally experienced manager, for the Supervisory Board. By summer 2022, the announced additions to the Management Board will have been implemented with the addition of a new chief financial officer and a new Management Board member focused on marketing and sales.

We have already outlined our product focal points in 2022 at our Capital Markets Day. The traditional use cases of remote access to all kinds of devices – from mobile phones to healthcare equipment to industrial machinery – are still enormously important for us. We complement these use cases with remote expert support via a shared camera stream and AR-based information, as well as by complete step-by-step instructions – known as AR workflows – for the digitalisation of work processes beyond pure IT support.

In this content, we will move forward with the further development of our enterprise AR platform Frontline, which includes above all the launch of new customised solutions for individual industries and further steps in the value chain, such as dedicated solutions for healthcare and employee training. We will also improve the user experience surrounding TeamViewer's core product, especially in the SME segment, and provide a more modern and customisable user interface for easy navigation within the product. We will continue to work on our customer engagement solution and the related TeamViewer Classroom, setting new standards in online interaction with customers, as well as pupils and students. In addition, we will expand our solution portfolio adding a new application based on artificial intelligence and will also integrate this technology into the Frontline platform, which holds a number of use cases for image and object recognition in industrial environments, among others. There will be an overall major focus on supporting our customers with our software to automate processes and make data-based decisions. And finally, we plan to continue expanding our strategic partnerships with joint customer acquisition, as well as implement far-reaching technical integrations with third-party systems to provide a seamless customer experience across stand-alone solutions.

We have set ourselves a number of goals for the year 2022 and are confident that we will successfully implement our plans, together with our employees, and in dialogue with you, dear shareholders. The better controllability of the global pandemic, which has strongly influenced all our lives and work in recent years, will certainly also contribute to this. Unfortunately, what concerns us now all the more is the terrible attack by Russia on Ukraine, which has shocked/has shaken us and which, like all forms of violence and aggression, we deeply condemn. We are extremely concerned about the humanitarian situation in the war zones, which is why we are trying to make our own contribution through donations and by providing special leave days to our staff for voluntary work. From today's perspective, we expect the immediate economic impact of the war on our business to be very small, as the share of billings from the countries involved amounts only to about one percent. However, should there be a further escalation in the conflict, the medium to long-term political, social and economic implications cannot be foreseen at present. We therefore hope that the war will end quickly and that talks can be resumed.

In this spirit, we wish our employees, our business partners, our customers and you, dear shareholders, good health and above all peace for 2022.

Yours sincerely,

Oliver Steil
CEO

Stefan Gaiser
CFO

Since our IPO, we have developed enormously and are very well positioned strategically and in terms of our product portfolio.

(Oliver Steil, CEO)

02 Report of the Supervisory Board

Dear Shareholders,

TeamViewer looks back on an eventful year with many ups, but also downs. The Supervisory Board is convinced that TeamViewer has made significant progress in key areas in 2021. The management team has followed a consistent acquisition strategy and as a result has gained highly talented and experienced specialists and managers for the Company while being very successfully at integrating innovative solutions into TeamViewer's product portfolio. TeamViewer has thus succeeded in significantly expanding its offering for the digitalisation of all steps in companies' value chains. Particularly worth noting here are TeamViewer's AR solutions for the digital support of workers outside the office environment. This software runs on smart glasses and mobile devices and provides step-by-step instructions for work processes in manufacturing, maintenance, repair, quality control, logistics and field services. With the integration of the technologies from the acquired companies into the overarching Frontline enterprise AR platform, TeamViewer now offers the full spectrum of AR capabilities. TeamViewer has demonstrated in 2021 that it can both conclude significantly larger contract volumes with existing customers and convince major global companies of its solutions and win them over as customers. TeamViewer also succeeded in establishing key partnerships with leading companies in the global tech ecosystem, underlining its successful evolution into an enterprise software provider. The key account segment grew by 75 % to EUR 93 million.

TeamViewer is in solid financial shape. The Company possesses continuously strong cash flows, attractive growth rates and excellent profitability. Looking at TeamViewer's development since the 2019 IPO, we see that the Company is much better positioned today in terms of its product portfolio, its global customer base and its business model. Therefore, from our perspective, it is important to assess TeamViewer's last two fiscal years in aggregate. Ultimately, both years were exceptional years: 2020 with its unexpectedly high growth, largely driven by tremendous, extraordinary demand for TeamViewer's remote connectivity solutions due to the lockdowns caused by the COVID-19 pandemic, followed in 2021 by a counterreaction on the customer side, bringing contract volumes from the previous year to a more sustainable level. TeamViewer's development averaged over the past two years has been very positive. Together with the strategic decisions TeamViewer made in 2021 to enhance its global brand positioning, which the Supervisory Board fully supports, the course is set for the Company's future sustainable growth.

Nevertheless, we must acknowledge that there were also some lows last year. The capital market was not immediately convinced of the rationale behind TeamViewer's extensive sponsorship partnerships in soccer and racing. In addition, TeamViewer fell short of its own expectations in terms of growth and the Company had to adjust its forecast in the course of the year. TeamViewer suffered a loss of confidence on the capital market and the share price reacted accordingly. The share price development is understandable in some respect, but it does not reflect the Company's extraordinary potential and its attractive, almost unique, financial profile. We therefore took the massive drop in the TeamViewer share price on the capital market very seriously and initiated corrective measures without delay.

Together with the management team, we set up a programme to successfully position TeamViewer for the changed market environment two years after the outbreak of the corona pandemic. The key measures of the programme include focusing on key growth initiatives and aligning the cost structure to generally bring them back more in line with the growth of billings. Going forward, TeamViewer will refocus on its historical strength and DNA and improve its classic remote connectivity product for non-commercial users and SMEs – in addition to its successful enterprise business. The Company also aims to increase the efficiency of digital marketing. In addition, the APAC region is expected to contribute more to future growth under the new leadership of Sojung Lee. In this context, we are pleased that with our new colleague Hera Kitwan Siu on the Supervisory Board, we now also have a proven Asia expert in our ranks, from whom the Company will certainly benefit.

In addition, we have initiated a reorganisation of the Management Board. In addition to CEO Oliver Steil, the Management Board will be reinforced with a new CFO and an additional member focused on sales and marketing. Both searches were launched already in October 2021. The current CFO, Stefan Gaiser, will leave the Company by mutual agreement when his contract expires in the summer of 2022. This follows the departure of Chief Marketing Officer Lisa Agona by mutual agreement at the end of 2021 due to changed requirements for this Management Board position. The Supervisory Board has closely aligned these changes and the accompanying strategy and capital markets communication with the Management Board. The Supervisory Board has also established specific new key performance indicators, which allow it to closely monitor the progress made in executing the strategy.

Another topic of discussion in the Supervisory Board was the question of in what form shareholders should participate more in the success of the Company and its value creation. After extensive consideration, the Management Board's proposal to launch a share buyback programme appeared to us to be the most advantageous. We are therefore pleased with the resolution and the implementation of this measure and are sure that in doing so TeamViewer is sending a positive signal to investors and can inspire increased confidence in its strategy. Regaining the trust of the capital market is still one of the most important goals that we as the Supervisory Board are pursuing together with TeamViewer's Management Board.

We are fully confident that TeamViewer has set the right course for long-term and sustainable success with its fundamental strategic orientation and definitive progress made during the past year, and as the Supervisory Board, we are fully behind the path taken.

In the following report, we would like to inform you about the work undertaken by the Supervisory Board and its committees during the 2021 fiscal year.

Collaboration between the Management and Supervisory Boards

The Company's Supervisory Board fulfilled the tasks and responsibilities assigned to it in the 2021 fiscal year and, in particular, focused on TeamViewer AG's and the Group's position and performance.

In doing so, the Supervisory Board always had a constructive, open and trust-based working relationship with the Management Board. The Supervisory Board gave advice to the management of the Company and monitored the Management Board as part of its regular, in-depth dialogue.

Inside and outside of meetings, the Management Board regularly, promptly, and comprehensively briefed the Supervisory Board about strategy development and implementation, planning and business performance, the Company's risk position and risk management, as well as about compliance, HR planning and investor communication matters and any additional ongoing events. In particular, the Management Board engaged in aligning and steering the Company's strategic direction together with the Supervisory Board. All transactions requiring the approval of the Supervisory Board due to legal or statutory provisions were submitted to the Supervisory Board for discussion and resolution. Of particular note were the approval of the marketing partnerships with Manchester United and the Mercedes-AMG Petronas Formula 1 and Mercedes-EQ Formula E teams, the approval of the promissory note agreements featuring a sustainability component, the bilateral loan agreement, and various M&A transactions in the reporting period. In addi-tion, the foundations for the new composition of the Management Board and the management level below the Management Board were laid at various Supervisory Board meetings.

During the reporting period, there were no conflicts of interest involving members of the Management and Supervisory Boards, which are required to be disclosed to the Supervisory Board without delay and of which the Annual General Meeting must be informed.

Supervisory Board meetings and priorities

The Supervisory Board met a total of nine times during the reporting period. Regular topics at meetings of the board included business performance, the strategic direction as well as the financial performance of TeamViewer AG and the Group. The Management Board discussed the relevant detailed reports in-depth with the Supervisory Board. They complied with legal requirements, the principles of good corporate governance and Supervisory Board guidelines both in terms of the topics addressed and their scope. The Supervisory Board also ensured that regular meetings were held without the Management Board.

In addition, in the fiscal year 2021, the Supervisory Board discussed the following topics in particular:

At its meeting on 3 February 2021, the Supervisory Board discussed, among others, the annual and consolidated financial statements for 2020, the compensation of the Management Board, the ongoing business development, and the Company's M&A strategy, and approved the acquisition of Upskill, Inc.

The meeting on 17 March 2021 focused on the marketing partnerships with Manchester United and the Mercedes-AMG Petronas Formula 1 and Mercedes-EQ Formula E teams, which the Supervisory Board unanimously approved. Also at this meeting, the Supervisory Board approved the conclusion of a bilateral loan agreement in the amount of EUR 100 million with a term of four years. The Supervisory Board also discussed the annual report due for publication and the proposal to the Annual General Meeting on the election of the auditors.

At the meeting on 27 April 2021, the business results for the first quarter of 2021, the Company's R&D strategy and the integration of the newly acquired subsidiaries were discussed. Preparations were also made for the Company's Annual General Meeting.

The main topics of the meeting on 28 July 2021 were the business development in the second quarter of 2022, including the Group's cost structure, as well as marketing activities and product and IT security.

At its meeting on 14 October 2021, the Supervisory Board again addressed the marketing strategy and business development in the third quarter of 2021. A comprehensive strategy meeting of the Supervisory Board was then held, at which the members of the Senior Leadership Team presented the strategies of their respective business areas. These strategies were reviewed in detail by the Supervisory Board and further developed as the basis for the Group's overall strategy. The meeting also focused on various considerations relating to the composition of the Management Board, which were discussed in greater depth at further meetings on 15 October and 17 October 2021. On 17 October 2021 the Company announced the decisions taken on the reorganisation of the Management Board in an ad hoc announcement. Based on these decisions, CEO Oliver Steil's contract was extended for an additional three years until October 2024. Chief Financial Officer Stefan Gaiser will leave the Company when his contract expires in 2022. The decision was also made to expand the Management Board by adding a further member focused on sales.

On 29 October 2021, the discussion focused on the current business performance and preparations for the Company's Capital Markets Day. In addition, the Supervisory Board approved various changes to the senior leadership team as part of the Group's overall strategy.

At its strategy meeting on 14 December 2021, the Supervisory Board dealt with the implementation of the efficiency programme, budget planning followed by the approval of the budget for 2022, and corporate governance issues.

In addition to the nine meetings, various resolutions were also passed by circular resolution. Of particular note are the resolutions relating to the appointment and mutually agreed departure of Lisa Agona, both of which had previously been discussed in detail at the meetings of the Supervisory Board and, particularly, by the Nomination and Compensation Committee, as well as the approval of the promissory note issue.

With the exception of Mr Salzmann, who was prevented from attending one meeting, all members of the Supervisory Board took part in all meetings of the Supervisory Board held in person, on-site or by video conference. Further details on the attendance of meetings by the Supervisory Board and its committees can be found in the table below.

	Full Supervisory Board (3.2., 17.3., 27.4., 28.7., 14.10., 15.10., 17.10., 29.10., 14.12.)	Audit Committee (3.2., 17.3., 27.4., 28.7., 29.10.)	Nomination and Remuneration Committee (4.3., 17.3., 1.4., 28.7., 29.10.)
Dr Abraham Peled	9 (9)	5 (5)	4 (5)
Jacob Fonnesbech Aqraou	9 (9)	5 (5)	3 (5)
Stefan Dziarski	9 (9)	5 (5)	–
Holger Felgner (until 3 Aug 2021)	4 (4)	–	–
Dr Jörg Rockenhäuser	9 (9)	–	5 (5)
Axel Salzmann	8 (9)	5 (5)	5 (5)
Hera Kitwan Siu (as of 26 Nov 2021)	1 (1)	–	–

Number of meetings attended by Supervisory Board members in 2021 (in brackets: total number of meetings held during the member's period of office).

Committees

To enable the efficient performance of its tasks, the Supervisory Board has formed the following committees:

The Audit Committee monitors accounting processes, risk management, the effectiveness of the internal control system and the internal audit system and focuses on compliance issues and environmental, social and governance (ESG) topics. Furthermore, it verifies the independence of the external auditor and deals with any other services to be provided by the external auditor, awarding the audit engagement, specifying audit priorities and agreeing the auditor's fees. The Audit Committee discusses the half-year financial reports and quarterly statements with the Management Board. Furthermore, it drafts the resolutions for the full Supervisory Board and prepares the preceding discussion about adopting the financial statements, profit appropriation and appointing the external auditor.

During the reporting period, the Audit Committee convened five meetings. In particular, the Audit Committee dealt with the following issues:

- Discussion of business performance and results, including the reporting on the annual report, the interim reports and the preliminary results
- Discussion and preparations for adopting the financial statements and profit appropriation
- Retendering of the audit of the financial statements
- Verification of the independence of the external auditor and of other services provided by them
- Determination and discussion of the audit priorities and the result of the audit with the auditor, discussion and agreement of the auditor's fees, issue of the audit mandate
- Discussion and monitoring of auditing processes
- Discussion and monitoring of risk management, the internal control system, the internal audit system and compliance, including a regular focus on compliance with data protection regulations
- Meeting focusing on corporate governance issues
- Determining the audit areas of the Internal Audit department

The Nomination and Remuneration Committee is tasked with putting forward suitable candidates to the Supervisory Board for its Annual General Meeting nominations for the election of new Supervisory Board members, if required. It also examines all aspects of remuneration and terms of employment for the Management Board and makes relevant recommendations to the Supervisory Board. Furthermore, it submits an assessment of how the Management Board has performed.

The Nomination and Remuneration Committee held five meetings in the reporting period. The focus was on the composition of the Management Board, the proposal to appoint Hera Kitwan Siu as a new member of the Company's Supervisory Board, and the preparation of the new remuneration system for the Management Board, which was approved by the 2021 Annual General Meeting. In the reporting year, the committee also dealt with the remuneration of the Management Board, the setting of targets for the variable remuneration components, and short- and long-term succession planning for the Management Board and Supervisory Board.

Education and development

The members of the Supervisory Board take responsibility for the education and development measures required for the performance of their tasks and were once again appropriately supported by the Company in the 2021 fiscal year. Following the appointment of Hera Kitwan Siu, the focus again was on measures dealing with the duties of Supervisory Board members of a company listed in Germany. Further focal points of the ongoing education and training measures in 2021 lay in the corporate governance and compliance areas as well as in strategy-relevant business fields.

Audit of the annual and consolidated financial statements

TeamViewer AG's annual financial statements, which were compiled by the Management Board in accordance with German accounting regulations (German Commercial Code, Handelsgesetzbuch, HGB); the consolidated financial statements, prepared in accordance with § 315e (1) HGB on the basis of the International Financial Reporting Standards (IFRSs); and the combined management report of TeamViewer AG and the Group for the 2021 fiscal year were audited and each given an unqualified audit opinion by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft (EY), Stuttgart. EY has acted as the Company's auditor since 2019. The audit partner responsible within the meaning of § 319 a (1) sentence 4 HGB was Mr Steffen Maurer.

The audit reports, the above-mentioned financial statement documents, and the Management Board's profit appropriation proposal were submitted to the Supervisory Board well in advance of the meeting to approve the financial statements on 11 March 2022, thus providing sufficient opportunity for scrutiny. The audit reports were explained in person by the auditor in charge of the audit to both the Audit Committee and the Management Board. In this process, the auditor reported the key findings of the audit and provided the Audit Committee and the full Supervisory Board with additional information. Following its own examination, the Supervisory Board concluded that no objections needed to be raised and concurred with the auditor's audit findings. Accordingly, at its meeting on 11 March 2022, the Supervisory Board adopted the TeamViewer AG annual financial statements and approved the consolidated financial statements along with the combined management report.

Furthermore, the Supervisory Board examined the contents of the non-financial report in accordance with § 171 (1) AktG. No objections needed to be raised following the outcome of this scrutiny, and the Supervisory Board adopted the contents of this non-financial report.

Corporate governance

The Supervisory Board attaches foremost importance to ensuring good corporate governance and is guided by the recommendations detailed in the German Corporate Governance Code (GCGC). In December 2021, the Supervisory Board together with the Management Board issued a declaration of conformity covering the reporting period in accordance with § 161 AktG, and this declaration can be permanently accessed in the Investors/Corporate Governance section of the Company's website. TeamViewer AG complies with the recommendations of the GCGC Commission without exception. Further information including the declaration of conformity can be found in the corporate governance statement.

The Supervisory Board would like to thank the Management Board and all employees of TeamViewer AG and the Group for their strong personal commitment during the 2021 fiscal year.

Göppingen, 11 March 2022

On behalf of the Supervisory Board

Dr Abraham Peled

03 TeamViewer on the capital market

Disappointing share price performance | Promissory note issued with sustainability component | First Capital Markets Day | Analyst coverage expanded

Disappointing trading year despite profitable growth

Promissory note issue and Upskill acquisition

The TeamViewer share initially got off to a good start in the 2021 trading year, supported by excellent preliminary results for 2020 that once again exceeded the guidance, which had already been revised higher several times in the course of the year. On the back of the successful placement of a promissory note with a sustainability component in the amount of EUR 300 million, the share reached its high for the year of EUR 49.64 on 19 February 2021.

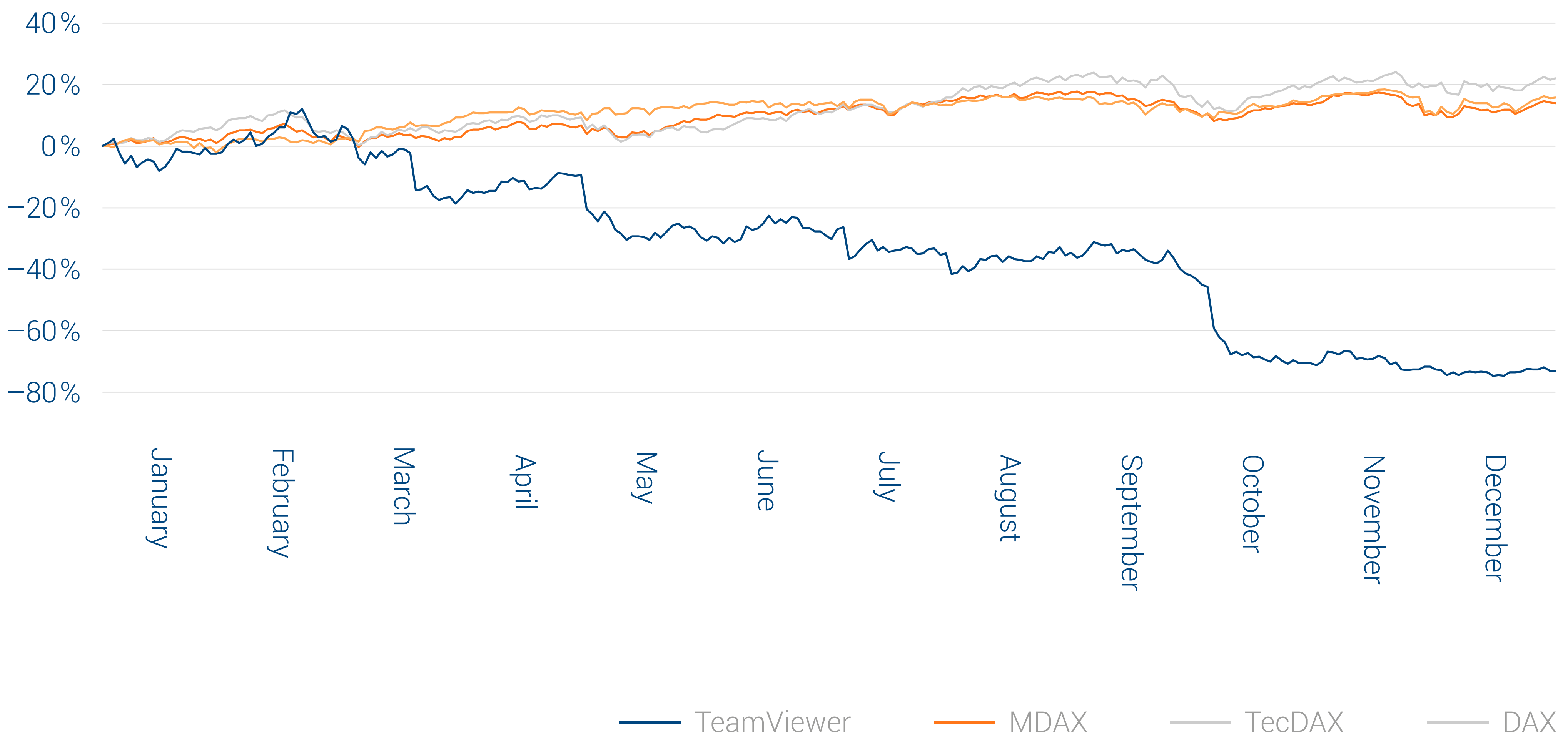
Later on in the spring, the acquisition of the US company Upskill was also positively received by the capital markets. With the integration of yet another leading provider of industrial augmented reality solutions following the Ubimax acquisition in the prior year, TeamViewer was able to further expand its positioning in this promising field. Upskill also represented the second expansion in the product portfolio in 2021, just a short time after the acquisition of Xaleon, an Austrian provider of customer engagement software, at the beginning of the year.

Long-term investments in strategic marketing partnerships

On 19 March 2021, TeamViewer and Manchester United announced a strategic marketing partnership. On that same day, a conference call was held with analysts and investors to provide detailed information on the rationale behind entering this partnership. In addition to being a Principal Shirt Sponsor, the five-year agreement includes a range of advertising and technology cooperation projects to further strengthen the global awareness of the TeamViewer brand, especially in the growth areas of augmented reality and enterprise connectivity. Shortly thereafter, a similar sponsorship agreement with the Mercedes-AMG Petronas Formula 1 and Mercedes-EQ Formula E teams was announced.

The investments in these strategic marketing partnerships resulted in a revision of the adjusted EBITDA margin forecast for the 2021 fiscal year from a range of 55 to 57% to 49 to 51%. In the minds of investors, the reduction in profitability in the forecast adjusted for the short- and medium-term outweighed the potential long-term growth momentum. Consequently, the share price dropped significantly. The TeamViewer management explained in detail the strategic rationale for the marketing partnerships in a webcast available on the ↗ Investor Relations website, as well as in numerous investor meetings.

TeamViewer share in index comparison from 30 December 2020 to 31 December 2021



Growth lower than expected in a difficult environment

The preliminary results for the first quarter of 2021 presented on 4 May exceeded the market's expectations. At the same time, however, management's more cautious growth outlook for the remainder of the year caused scepticism among investors. Following extraordinary strong demand for TeamViewer products at the beginning of the corona pandemic in the spring of 2020, accompanied by significant pull-forward effects and uncertainty regarding renewals, the year-on-year growth rates for the remainder of the fiscal year were said to be difficult to forecast. In combination with a subdued market environment in the technology sector, this led to a further downturn in the share price.

The acquisitions of Viscopic and Hapibot, announced a few days later, were not enough to alleviate the selling pressure on the shares. Nevertheless, both acquisitions were perceived by the market as sensible technology additions, as well as a continuation in the Company's growth strategy. The same applies to the strategic partnership with SAP announced one month later, which includes the close integration of SAP solutions with TeamViewer's augmented reality innovations as well as their joint distribution.

On 8 July 2021, TeamViewer published preliminary results for the second quarter in an ad hoc announcement, as billings growth was below the guidance of a minimum of 20 % per quarter. The outlook for full-year 2021 was confirmed, albeit at the lower end of the expected range. The share price continued its downward trend as a result. The preliminary results for the third quarter on 6 October 2021 failed to meet analysts' and investors' expectations of a stronger second half-year, which ultimately led to a downward adjustment in the 2021 full-year outlook.

First Capital Markets Day

Against the backdrop of disappointing share price performance, TeamViewer held the first Capital Markets Day in the Company's history on 10 November 2021. At this virtual event, management presented a holistic view of the corporate strategy and reported additional key figures to further increase the transparency towards the capital markets. Management also presented a plan of action to reinforce the existing growth initiatives and stabilise the cost base. Addressing the business model and all relevant issues in detail was positively received by both analysts and investors.

On 17 December 2021, the share price reached its low for the year of EUR 10.71 in the midst of a volatile market environment and went on to end the reporting year at a closing price of EUR 11.82. The market capitalisation of TeamViewer AG at the end of the 2021 fiscal year equalled EUR 2.38 billion.

At the beginning of 2022, TeamViewer's share price started to recover with the announcement of the 2021 preliminary results. With a year-on-year increase of 19 % to EUR 547.6 million, the forecast for adjusted billings had been fully achieved. Based on an adjusted EBITBA margin of 47 %, profitability was above expectations. Analysts and investors were particularly positive about the strong performance of the Enterprise business, which generated year-on-year billings growth of 75 %.

Communication with the capital markets

The past 2021 reporting year was an eventful year for TeamViewer, the course of which disappointed many shareholders. To address this, the management has continuously sought a close exchange with all market participants. Within the scope of numerous one-on-one meetings, twelve investor conferences and several road shows, management discussed the business development and the Company's strategic course with investors, analysts and financial journalists. The Company also held a webcast on 30 March 2021 regarding the strategic marketing partnerships and the first Capital Market Day on 10 November 2021. A large number of market participants worldwide took advantage of these offers to inform themselves in detail about TeamViewer.

TeamViewer's ↗ Investor Relations website also provides a wide range of up-to-date information on the shares, including documents and recordings of the virtual events, which are available for download. TeamViewer's Investor Relations team can be contacted by interested parties directly via telephone hotline or at ir@teamviewer.com.

High-quality analyst coverage expanded

Bank of America Securities	J.P. Morgan
Barclays	M.M. Warburg & CO
Berenberg	Metzler Capital Markets
Deutsche Bank	Morgan Stanley
DZ Bank	ODDO BHF
Exane BNP Paribas	Royal Bank of Canada
Goldman Sachs	UBS

The TeamViewer share is currently covered by 14 banks who publish detailed analyses. During the 2021 fiscal year, new coverage was initiated by Deutsche Bank, Metzler Capital Markets, ODDO BHF and UBS. At the end of the year, with an average target price of EUR 19.14, five analysts rated the TeamViewer share a "buy", and nine rated the share a "hold".

The analyst consensus of average estimates for billings, revenue, adjusted EBITDA and EBIT figures is regularly compiled by VARA Research and made available on TeamViewer's ↗ Investor Relations website.

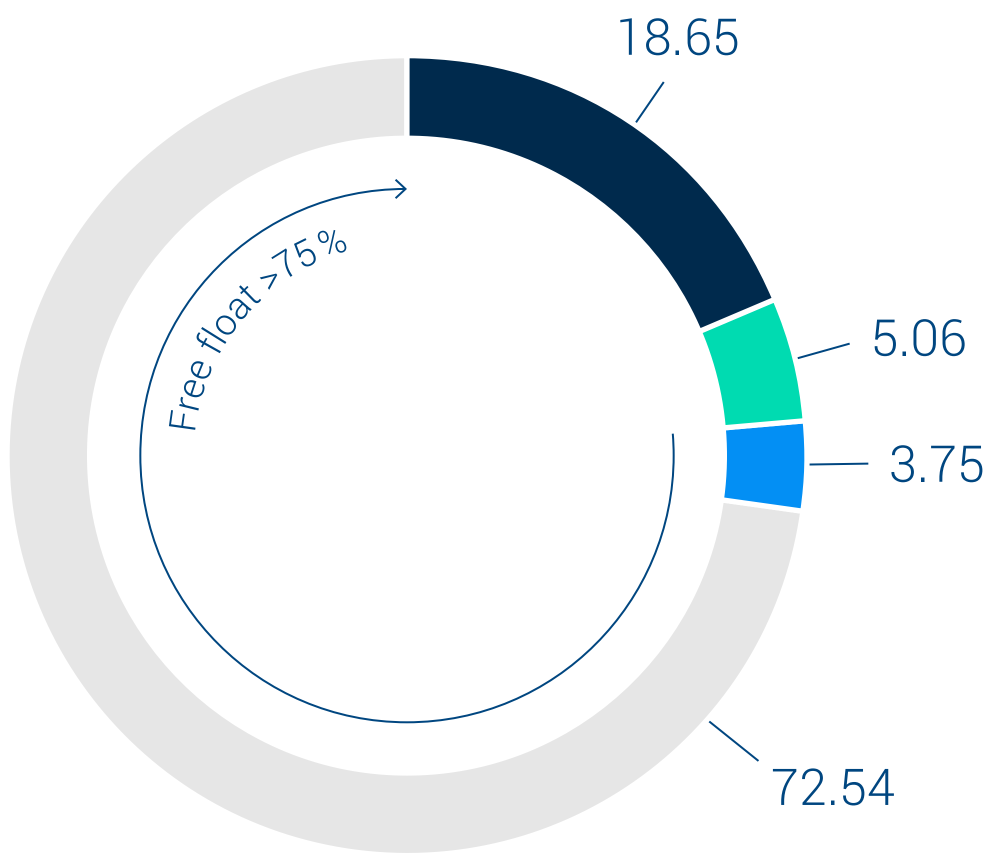
Shareholder composition
TigerLuxOne S.à r.l. (TLO), a subsidiary controlled by Permira Holdings Limited through various companies, remains the largest shareholder with 37.5 million shares, representing 18.65 % of the share capital. As of the previous year's reporting date, this figure was 27.85 %. The reduction in shareholding occurred primarily in the context of a share sale announced on 18 February 2021 in a voting rights notification. As a result, the free float amounts to 76.29 % as of 31 December 2021.

2021 Annual General Meeting
On 15 June, 2021, TeamViewer held its ordinary Annual General Meeting at the Mercedes-Benz Museum in Stuttgart, Germany. Due to the COVID-19 pandemic, this event was held in virtual format. The event, broadcast live on the internet, was also open to interested members of the public until the vote on the agenda items was held. Registered shareholders were able to cast their votes electronically over a portal. Numerous questions were received in advance and answered in full by the Management and Supervisory Boards. Shareholders were also able to submit written comments and video messages, which were read out loud or shown live during the Annual General Meeting.

In compliance with the conditions for exercising voting rights, all items on the agenda were passed with a large majority. The Company also intends to hold the 2022 Annual General Meeting 2022 in virtual format, as the COVID-19 pandemic currently makes it difficult to plan in-person events with sufficient certainty.

Share buyback programme in 2022
With the publication of the preliminary results for the 2021 fiscal year, TeamViewer announced and immediately launched a share buyback programme in February 2022, featuring a volume of up to EUR 300 million, or a maximum of 20 million shares. Based on the strong and long-term secured financing structure, as well as the continued high cash flow of TeamViewer's profitable business model, a leverage ratio of 1.5x adjusted EBITDA was communicated as the new target for the capital structure. TeamViewer announced that investors will be able to participate in the Company's success by means of regular share buyback programmes, as long as the leverage ratio remains below this target.

TeamViewer shareholder structure



18.65 % Permira Holdings Limited
5.06 % T. Rowe Price Group, Inc.
3.75 % BlackRock, Inc.
72.54 % Other shareholders

As at 7 December 2021 (in %), stake held by shareholders according to the most recent voting rights notification.

As of 7 December 2021: The diagram of the shareholder structure shows all voting rights of 3.00 % or more for which notification was received from the shareholders in accordance with §§ 33, 34 of the German Securities Trading Act (WpHG) in relation to the current share capital of TeamViewer AG. Voting rights held directly or through a subsidiary are also taken into account. Financial instruments pursuant to § 38 WpHG or aggregated shareholdings and instruments pursuant to § 39 WpHG are not included.

Reference data & key figures for the TeamViewer share as of 31 December 2021

ISIN:	DE000A2YN900
WKN:	A2YN90
Ticker symbol:	TMV
Stock market listing:	Frankfurt Stock Exchange
Stock market segment:	Regulated market (Prime Standard)
Index membership:	MDAX, TecDAX
Designated sponsors:	Goldman Sachs Int. & Morgan Stanley
Number of shares:	201,070,931
Share capital in EUR:	201,070,931
Share class:	No-par ordinary bearer shares
Highest price in Xetra trading in EUR:	49.64
Lowest price in Xetra trading in EUR:	10.71
Closing price in Xetra trading (30 December 2021) in EUR:	11.82
Average daily turnover (Xetra trading):	1,440 thousand shares
Market capitalisation (30 December 2021) in EUR million:	2,377
Free float in %:	81.35

COMBINED MANAGEMENT REPORT

B.

01 Group fundamentals

TeamViewer's portfolio consistently develops and expands in step with global megatrends | Strategic M&A activities advance with the acquisition and integration of Xaleon, Upskill, Visocpic and Hapibot | Billings in enterprise business grow by 75 % | Strong marketing partnerships in sports increase global brand awareness in strategic growth markets | Short-term excellence programme ReMax aims to accelerate growth and stabilise cost base

TeamViewer, founded in 2005, is a global technology company and provider of a cloud-based platform enabling digital connectivity between people and devices and the digital support of processes in industrial environments. Next to the high number of private users who can use portions of the product portfolio free of charge, TeamViewer's customer base comprises companies of different sizes and various industries. The TeamViewer Group employs 1,477 people globally. The Group's parent company is TeamViewer AG whose shares are listed on the Frankfurt Stock Exchange and in various indices, including the German MDAX and TecDAX.

Business Modell

As digital technologies continue to evolve, the way people work and interact is also changing. For companies, the need to connect both employees and a wide range of devices and applications – anywhere and anytime – is increasing, driving the digital transformation of their business processes. The ever-growing demand for connectivity solutions is largely motivated by several global megatrends. These trends include the proliferation of hybrid work models (e. g. home offices), the continuous increase in Internet-enabled endpoints and devices, the push to greatly reduce the carbon footprint, further advancements in automation, increased use of robotics and advances in augmented reality. In the 2021 fiscal year, as in the prior year, the COVID-19 pandemic proved to be another strong driver of digitalisation at companies worldwide.

Increase in the number of employees

2020
1,256

2021
1,477
+18 %

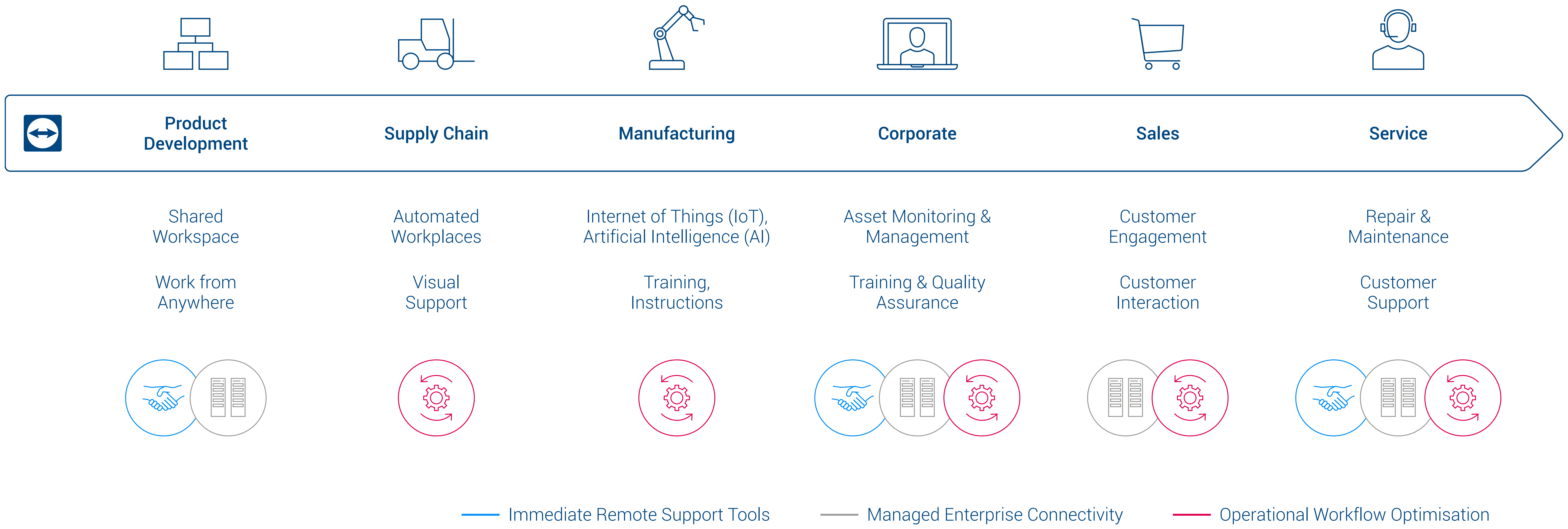
Full-time equivalents (FTE) as per 31 December 2021

TeamViewer's product portfolio is aligned with these megatrends and offers solutions to both private customers and companies to meet the resulting challenges. Based on its own Remote-as-a-Service platform, TeamViewer has a wide range of industry-leading solutions for a broad variety of application areas and target groups.

TeamViewer's portfolio enables companies of all sizes in all industries to digitalise their processes along the entire value chain and thereby generate added value. For a more detailed presentation of TeamViewer's product portfolio, please refer to the section entitled "Markets and Sales Model", starting on Page 28.

The majority of TeamViewer's revenue stems from the sale of its own software solutions. Since 2018, these solutions have been sold on a subscription basis, with the subscription period generally spanning twelve months. TeamViewer also offers services for implementing more complex solutions, such as those in an Internet of Things (IoT) environment or based on augmented reality (AR). In order to offer customers holistic solutions, hardware from other manufacturers is also sold in the AR area but accounts only for a low share of the total revenue.

Selected TeamViewer use cases along the entire value chain



Strategy

TeamViewer's strategy is oriented along three growth dimensions:

- Expanding TeamViewer's software to cover new use cases.
- Continuing the development of the already comprehensive TeamViewer portfolio for all customer segments – from private users to global companies.
- Expanding geographically and further penetrating international markets.

Within the framework of these three dimensions, TeamViewer is focused on organic growth and strategic acquisitions such as those made over the past two years to selectively supplement its solutions portfolio and technological know-how. This includes the successful integration of AR specialist Ubimax in 2020; the acquisitions of TeamViewer Austria (formerly Xaleon/Chatvisor GmbH) and its portfolio of solutions for online customer engagement; the US tech company Upskill, also focused on AR solutions; the German 3D and mixed reality specialist Viscopic; and the Portuguese software development office Hapibot, which took place in 2021. These acquisitions are now fully integrated into the TeamViewer Group and support TeamViewer's ranking at market research companies such as ABI Research (study from December 2021) as one of the leading providers of augmented reality solutions.

An essential pillar for advancing along the three aforementioned growth dimensions is not only acquiring new customers but also follow-on sales to TeamViewer's more than [627,000] existing subscribers. In its existing customer business, TeamViewer focuses on concluding higher revenue contracts, among others, by selling additional solutions for other uses ("cross-selling") and expanding existing use cases ("upselling").

Expanding use cases
TeamViewer enables the connecting of all types of devices across all relevant operating systems. This makes the potential applications for TeamViewer's software virtually unlimited. Customers use TeamViewer's solutions to remotely access, monitor, control, maintain, and repair devices and machinery/equipment. Beyond the pure networking of devices, TeamViewer creates added value through the use of new technologies such as augmented and mixed reality, IoT and artificial intelligence (AI). The digital transformation offers considerable scope for further use cases, particularly in the industrial sector. For example, a large number of applications access, analyse and intelligently use machine data and, at the same time, provide digital support to skilled on-site workers and service technicians for their activities outside of the office environment. TeamViewer's large base of users and customers and their continuous feedback are important sources for developing new use cases. New use cases are addressed either by adding new functionalities to existing solutions or on a selective basis through new applications. In addition to providing directly deployable solutions, TeamViewer also supports companies in the digital transformation of their business processes by offering precisely tailored solutions for individual industries or segments of the value chain.

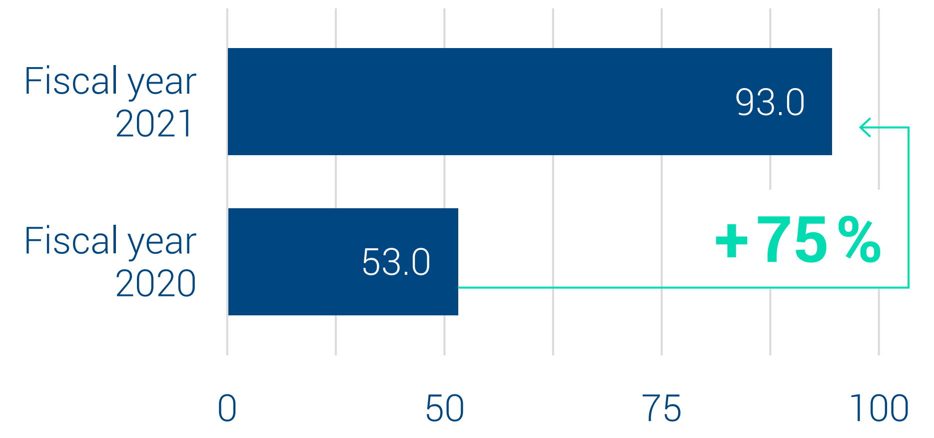
Coverage of customer segments
TeamViewer's product portfolio covers a broad customer spectrum from private individuals who can use the software free of charge for non-commercial purposes (free user community) to commercial users who are offered a variety of solutions and subscription models. TeamViewer focuses on two customer groups: small and medium-sized businesses (SMB) and large enterprise[1]).

In the SMB segment, demand is mainly for remote access and support solutions. Customers in this segment are primarily supported online or by our internal sales force. This makes the ongoing development of internal expertise in digital marketing and direct sales essential for further growth. TeamViewer utilises a web store and an internal sales force serving 30 languages to achieve global coverage without the need to be locally present in every country with its own employees. TeamViewer's historical roots are in the SMB sector, and it continues to generate a significant portion of its billings from this area.

Prior to its IPO in 2019, TeamViewer had already started to build up its Enterprise business with its own connectivity product for large customers. The TeamViewer Tensor enterprise suite also offers remote access and support but includes enhanced functionalities for management and security. Another growth driver in the large customer segment is the digitalisation of sales and customer service engagements, which are now being addressed by the new TeamViewer Engage product. With the AR solution TeamViewer Frontline, TeamViewer also optimises the operational workflows of employees who do directly work in an office environment. The broader product portfolio offers companies the opportunity to use TeamViewer in different departments and for diverse application scenarios, which also opens up the strong potential for cross-selling.

At the time of its IPO (end of Q3 2019), TeamViewer had 590 enterprise customers; by the end of 2020, this figure had already reached 1,885, growing further to 2,712 by the end of 2021. This resulted in customer growth in the Enterprise segment of 44 % versus 2020 and a [fivefold] increase since the IPO in 2019. This was achieved despite the fact that the onboarding of new sales colleagues and face-to-face meetings with enterprise customers were both limited as a result of the COVID-19 pandemic. Accordingly, billings in the enterprise business developed from EUR 17.4 million (2019) to EUR 53 million in 2020 (+ 204 % year-on-year) and EUR 93 million in 2021 (+75 % year-on-year).

Billings performance in the enterprise business



In EUR million, enterprise billings (min. EUR 10,000 volume) in the past twelve months

Geographic expansion and global brand recognition
TeamViewer is a global company with users and customers in nearly every country worldwide. Its long-standing central sales offices in Germany, the United States and Australia have been joined in recent years by additional sales locations in the APAC region. In 2021, the Company acquired the Portuguese software company Hapibot and developed it into a new software development site for TeamViewer in Portugal. TeamViewer also increased its sales and marketing activities in 2021 in strategic growth markets across all regions.

[1] Customers with invoiced billings across all products and services of at least EUR 10,000 in the past twelve months.

TeamViewer plans to continue establishing and expanding local sales activities with dedicated teams in the future. Adapting more closely to local conditions will significantly leverage TeamViewer's potential, particularly in its strategic growth markets. An important step in expanding the Company's positioning in the Asian region was establishing a new management position with responsibility for the entire APAC region. This position was filled in the fourth quarter of the fiscal year by Sojung Lee as President APAC.

TeamViewer's strategic orientation is aligned with the overriding goal of achieving long-term growth and a continuous increase in the Company's value. To help achieve this, extensive investments in brand value were made in spring 2021. The initial five-year partnerships as a Principal Shirt Partner of Manchester United and as Team Partner of the Mercedes-AMG Petronas Formula 1 Team and the Mercedes-EQ Formula E Team (until the end of the 2022 season) aim to increase TeamViewer's global brand awareness in strategic growth markets. Not only will they serve as an advertising platform but they will also help jointly develop and subsequently market various use cases for TeamViewer products. By integrating TeamViewer's IT and AR solutions into Manchester United processes, TeamViewer can demonstrate its solutions to the club's more than 1.1 billion fans and followers. Through its partnership with Formula 1 and Formula E, TeamViewer becomes part of a global high-tech ecosystem. The rigorous, data-driven environment of these racing series places extreme demands on connectivity solutions. Together with Mercedes, use cases can be found that are transferable from the race track to the industrial environment, which can also serve to generate potential added value for TeamViewer customers.

ReMax short-term excellence programme

To achieve its short-term goals, the ReMax excellence programme was established in the fall of 2021. The focus of the programme is accelerating growth and stabilising the cost base. Specifically, it consists of ten growth and cost initiatives that are to take effect in various areas of the Company. Next to an adjustment in the personnel structure following a disproportionate personnel increase over the past 2 to 3 years, the most important components of this programme are the following:

- A short-term innovation plan for the TeamViewer core product for remote maintenance and access that should improve the overall user experience by simplifying the user interface, expanding product features and renewing the design. This will be accompanied at the same time, by a discontinuation of research and development for solutions aimed outside of the focus products.
- A realignment of digital marketing focused on improving the customer journey and the performance of the web store. Essentially this relates to the global consistency of marketing initiatives, an increased focus on the latest marketing technologies for new customer acquisition, and the adequate online representation of our SMB as well as our enterprise business.
- A new structure for the APAC region, which will focus on key markets (Australia, China, Japan, New Zealand) and core products (TeamViewer Tensor and Frontline) under new management in order to return the region to a better growth trajectory. This also includes targeting closer cooperation between direct and indirect (resellers, partners) sales channels and better solution-oriented marketing of success stories, such as from the healthcare and logistics sectors.
- The global implementation of best practices for sales, allowing for faster onboarding and better cross- and upselling across all industries.
- A changed management structure with clear regional responsibilities and a leaner set-up of the senior leadership team to enable more focus across the organisation.

Medium-term growth targets

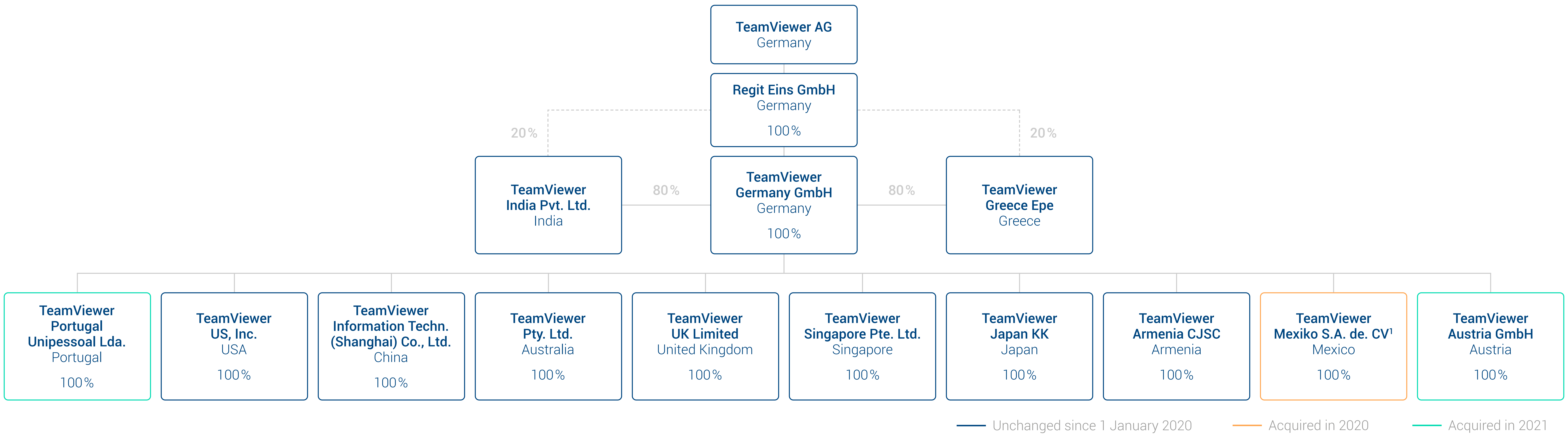
Supported by the aforementioned strategic growth initiatives – successive expansion of use cases, expansion of (enterprise) customer segments, and geographic expansion – TeamViewer continues to set ambitious targets for its future. The Company targets an increase in billings to EUR 625 to 640 million in 2022, and for fiscal 2023 and beyond, annual percentage billings growth in the range of 15 to 20 %, percentage revenue growth (IFRS) in the range of 12 to 17 %, and a recovery of the adjusted EBITDA margin in the range of 45 to 47 %.

Group structure and organisation

Legal structure

The TeamViewer Group consists of TeamViewer AG, based in Göppingen, and its total of fourteen subsidiaries. TeamViewer AG acts solely as a holding company for the TeamViewer Group and is responsible for the Group's uniform management and control. The operating business is managed by TeamViewer Germany GmbH, an indirect wholly-owned subsidiary of TeamViewer AG, and its subsidiaries.

Structure of the Group



[1] Share in TeamViewer Mexico S.A. de CV is held by Regit Eins GmbH.

In fiscal year 2021, the Group's scope of consolidation changed as a result of the following acquisitions:

Acquisitions of **TeamViewer Germany GmbH:**
- January 2021: TeamViewer Austria GmbH (formerly XALEON/Chatvisor GmbH)
- May 2021: Viscopic GmbH
- May 2021: TeamViewer Portugal, Unipessoal Lda (formerly Hapibot Studio, Unipessoal Lda)

Acquisition of **TeamViewer US, Inc.:**
- February 2021: Upskill, Inc.

Viscopic GmbH was merged into TeamViewer Germany GmbH following its entry into the commercial register on 5 October 2021. The merger is retroactive as of 1 January 2021. Ubimax Inc., USA, was merged into TeamViewer US Inc. on 29 January 2021 and Upskill Inc. on 30 September 2021.

Locations
TeamViewer has locations in thirteen countries. The Group's headquarters are situated in Göppingen (Germany), which also serves as the central development location and sales centre for the EMEA region. Other central sales locations include Largo, Florida (USA) for the AMERICAS region and Adelaide (Australia) for the APAC region. TeamViewer also has local sales offices in Tokyo (Japan), Mumbai (India), Shanghai (China), and Singapore, as well as further development sites in Bremen (Germany), Yerevan (Armenia), Ioannina (Greece), Porto (Portugal) and Linz (Austria).

Segments
The TeamViewer Group is managed on a single-segment basis with the TeamViewer platform serving as the foundation. Reporting on the platform is based on the geographic regions of the EMEA, AMERICAS and APAC as the reporting units.

Management system

Description of the management system

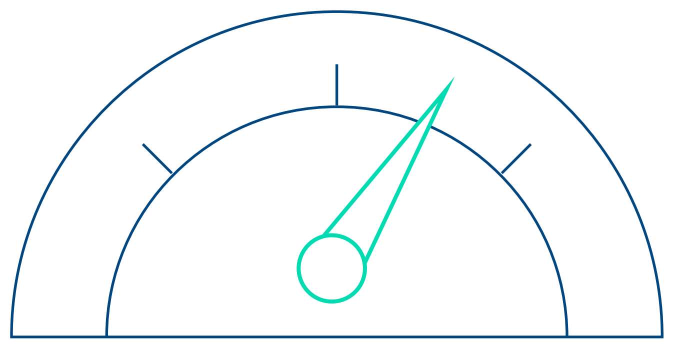
To manage and monitor the Group's development, TeamViewer uses an internal corporate management system based on financial performance indicators complemented by non-financial performance indicators.

These performance indicators involve TeamViewer-specific definitions, which are not defined or explained in applicable accounting frameworks, but the relevant financial performance indicators can be reconciled to indicators included in the IFRS consolidated financial statements. All performance indicators reflect the management team's view of the Company. Performance indicator levels are defined during the annual planning process and monitored on a monthly basis during the year. Actual values are compared with budgeted and prior-year values, and corrective action is taken where necessary. In some cases, the performance indicators are measured on a regional basis and serve to manage various regional initiatives. TeamViewer distinguishes between primary performance indicators with high internal management priority and secondary performance indicators that have subordinate internal management priority but still represent important informational metrics.

Primary performance indicators
The following performance indicators were the primary indicators used by TeamViewer in the 2021 fiscal year for the management of the Group:

- Billings
- Adjusted EBITDA

Performance Indicators



Primary Performance Indicators

Billings

Adjusted EBITDA

Secondary Performance Indicators

Net Retention Rate

Number of Subscribers

Number of Employees

4

successful company acquisitions in 2021

Billings
Billings represent the value (net) of invoiced goods and services billed to customers within a period and which constitute a contract as defined by IFRS 15. Billings are derived directly from customer contracts and are not affected by the timing of revenue recognition. Although the business model was changed, revenue in fiscal years 2020 and 2021 still include revenue from perpetual licences because licence fees are recognised as revenue over three years. In the view of the Company's management, billings are a better reflection of the TeamViewer Group's underlying business development than revenue because they are no longer impacted by perpetual licences. For this reason, the TeamViewer Group uses billings as a key performance indicator to measure and assess the Company's performance. Billings can be calculated from revenue under IFRS, adjusted for the change in deferred revenue recognised in profit or loss.

Adjusted EBITDA
Adjusted EBITDA is defined as operating income (EBIT) according to IFRS, plus depreciation and amortisation of tangible and intangible assets (EBITDA), adjusted for the change in deferred revenue recognised in profit or loss in the period under review and for certain business transactions (income and expenses) defined by the Management Board in agreement with the Supervisory Board. Business transactions to be adjusted relate to share-based compensation schemes and other material special items that are presented separately to show the underlying operating performance of the business.

Secondary performance indicators
In addition to the primary performance indicators, the following secondary performance indicators represent important informational metrics:

- Net retention rate (NRR LTM)
- Number of subscribers
- Number of employees

As a performance indicator to measure customer loyalty, the net retention rate (NRR LTM) is defined as recurring billings (subscription renewals, upselling and cross-selling activities) over the last twelve months (LTM) attributed to existing subscribers (subscribers who were already subscribers in the previous twelve-month period), divided by the total recurring billings of the previous twelve-month period. The number of subscribers and the number of employees also represent important information metrics for assessing the business performance of the TeamViewer Group.

TeamViewer's products and solutions are applicable in almost all industries

Markets and sales model

TeamViewer distributes its products and solutions in almost all countries worldwide. Geographically, TeamViewer divides its sales markets into the EMEA (Europe, Middle East and Africa), AMERICAS (North, Central and South America) and APAC (Asia, Australia and Oceania) regions. In fiscal year 2021, the EMEA region was once again the largest sales region, followed by the AMERICAS and APAC regions. On a country level, the USA remained the market with the highest revenue, followed by the home market of Germany. Sales markets are not further subdivided as TeamViewer's products and solutions are applicable in almost all industries. More information on the regional revenue breakdown can be found on [link] in the economic report.

Since the Company's founding, a key element of the sales strategy has been the provision of numerous TeamViewer products – especially the core product for remote access – free of charge for private use. Free private use combined with easy, accessible installation and high product performance have led to high brand awareness and a large user base. The partnerships entered into with Manchester United and the Mercedes-AMG Petronas Formula 1 and Mercedes-EQ Formula E teams in 2021 are also expected to increase brand awareness and broaden the user base. This benefits the entire sales model, particularly when it comes to selling commercial licences.

The sales model is based on numerous sales channels focused on different customer groups and licences.

Standardised licences for TeamViewer products are primarily sold via the Company's own web store or by telephone and include the TeamViewer Business, Premium, Remote Management, Corporate licences and licences for TeamViewer AssistAR, the augmented reality (AR) product. These products function according to the "plug & play" principle and can be used directly by customers without a major effort for installation.

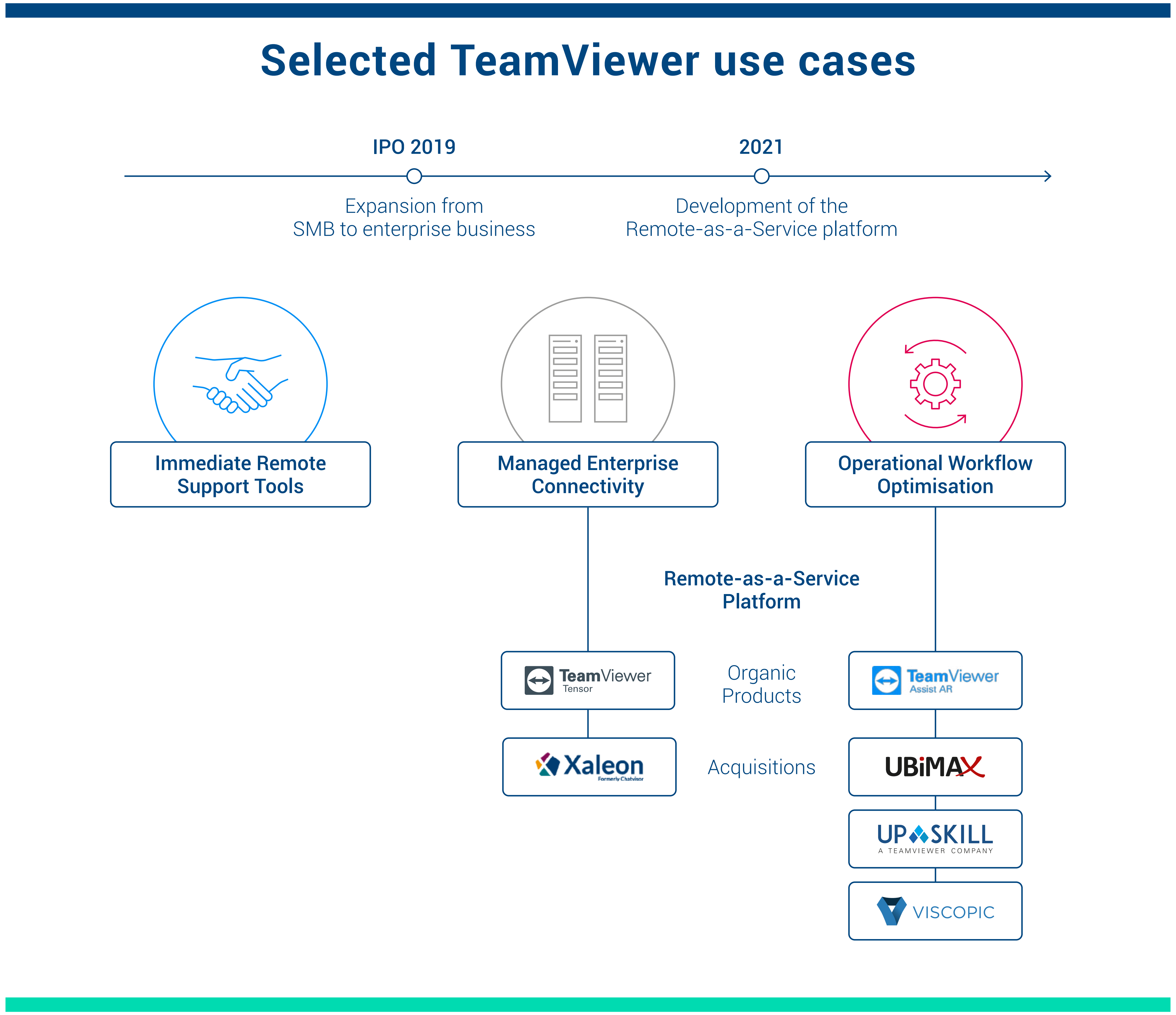
To create customised solutions for enterprise customers from its own proprietary product portfolio, TeamViewer employs a dedicated solution sales organisation. In addition to the TeamViewer Tensor product, which focuses on remote access and support tailored to the needs of enterprise customers, solutions for use cases in the IoT and AR areas are also important. Since the acquisition of Ubimax GmbH in 2020, TeamViewer has been continuously developing its sales and product capabilities for AR solutions and has gained further strength technologically (Viscopic, Mixed Reality) and geographically (Upskill, USA) with targeted acquisitions in fiscal year 2021. TeamViewer is now one of the world's top three providers of AR-based process optimisation. Through its acquisition of the Austrian provider Xaleon (now TeamViewer Austria GmbH), TeamViewer has also been able to expand its product range in the SMB and Enterprise segments to include online customer engagement as a new use case.

In addition to the aforementioned sales channels, TeamViewer works with various sales partners, who – depending on the partner – also sell standardised licences and develop and implement complex solutions.

TeamViewer works continually on integrations with strategic partners. In 2021, partnerships were concluded with SAP and Google Cloud, among others. Together with the Industry Cloud introduced by SAP, for example, TeamViewer simplifies access to innovative, customised solutions developed by SAP and its partners on an open platform. These AR-based processes can significantly increase productivity while reducing operating errors and machine downtime, and thereby cut costs.

The goal of the cooperation with Google Cloud is to make TeamViewer's AR portfolio available on the Google Cloud Platform. As part of the cooperation, both partners will also develop and market AR solutions for the Google Cloud that companies can use to digitalise their business processes. An example of this is the first jointly developed application called "Assisted Order Picking", which makes hands-free order picking possible and is particularly focused on use in grocery stores and retailers.

Focus: Integration of solutions acquired in 2020 and 2021 into the existing TeamViewer platform

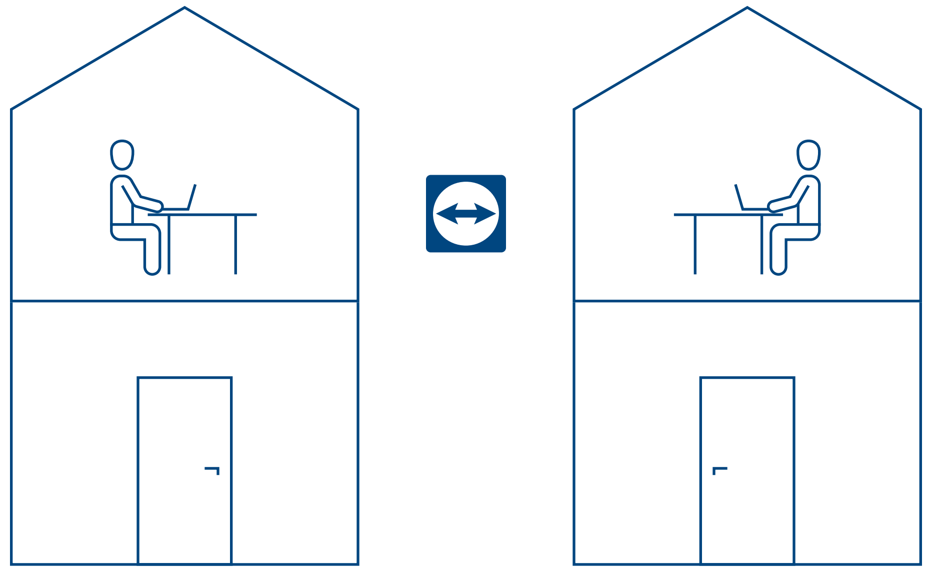


Solutions for digitalising the entire value chain

TeamViewer is a cloud-based Software-as-a-Service platform for digitalising processes along the entire operational value chain. The solutions developed by TeamViewer offer connectivity between a wide range of devices and operating systems. TeamViewer develops its products always in line with its mission to create a world that works better together. To accomplish this, TeamViewer is working on the future applications of ubiquitous connectivity, smart embedded devices, augmented and mixed reality (AR & MR) and artificial intelligence (AI). TeamViewer's solutions are highly compatible with one another, secure, scalable and easy to implement and intuitive to use. TeamViewer's goal in the further development of its product portfolio is to solve a wide variety of challenges in the digital transformation of companies in a targeted manner – solutions that could also involve the combination of several TeamViewer products. Regardless of their industry or size, companies are supported in implementing their digitalisation projects either step-by-step or as a whole. TeamViewer's technology platform is not limited to offices but goes beyond to digitalise workflows that typically take place outside the office, such as in the field, in manufacturing and in logistics. To further support this, TeamViewer placed a strong focus in fiscal year 2021 on successfully integrating the solutions acquired in 2020 and 2021 into the existing TeamViewer platform.

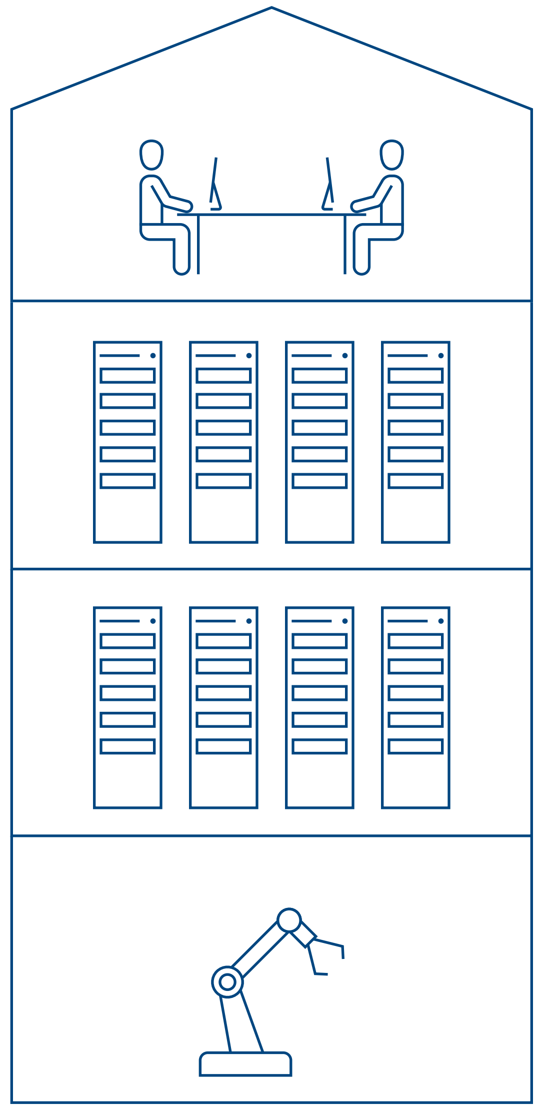
The solutions portfolio is based on the TeamViewer tech stack and can be divided into the areas of "Immediate Remote Support Tools", "Managed Enterprise Connectivity" and "Operational Workflow Optimisation". Together, these three areas represent the full range of the Company's solutions and reflect the Remote-as-a-Service concept.

Immediate Remote Support Tools



Immediate remote support tools
Solutions in the area of Immediate Remote Support Tools enable uncomplicated problem solving through fast, secure and device-agnostic connectivity. The best-known solution, which is also called TeamViewer and can be used free of charge by private users, has significantly shaped the perception of TeamViewer as a company. Remote access to another device enabled via the software remains the most common use case among customers. The software therefore continues to occupy the position of one of the Group's core products.

Managed Enterprise Connectivity

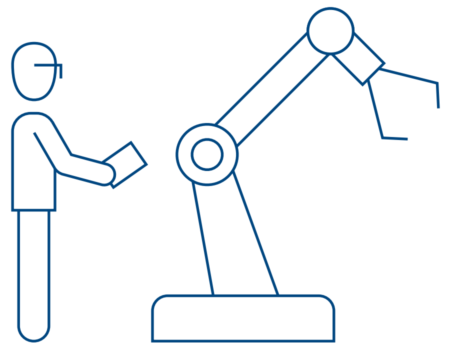


Managed enterprise connectivity
For companies looking to manage their entire IT and OT (Operational Technology) landscape, TeamViewer offers fully integrated solutions that enable connectivity in the areas of IT infrastructure and OT equipment. Fundamentally, the Managed Enterprise Connectivity area includes the functionalities of the Immediate Remote Support tools, but these can be individually adapted to the needs of the customer. A particular focus of the software is on network and access security. As one of the core areas in the rapidly growing enterprise customer segment, TeamViewer places a special focus on the further development of these enterprise solutions.

Operational workflow optimisation
Beyond the existing connectivity solutions, TeamViewer also offers solutions for the optimisation of business processes through AR and MR (mixed reality) supported workflows as a third area. AR- and MR-supported workflows are step-by-step instructions for processes in logistics, quality assurance, training, and manufacturing that are displayed on smart glasses or a mobile device. Real-time information and predefined workflows can be displayed directly in the employee's field of vision via smart glasses. A major advantage is that employees have both hands free while working. In the area of AR- and MR-supported workflows, TeamViewer enables connectivity to a variety of backend systems and thus simple integration into existing IT landscapes. With this offering, TeamViewer has established a market-leading position among European competitors within a short period of time.

Operational Workflow Optimisation

Assisted order picking



Maintaining machines and robotics with smart glasses

Solutions for the future – Engineering and development in 2022

Realignment of the development priorities

Driven by innovations and ever-evolving customer requirements, the software industry is developing dynamically. An important success factor for software companies is the ability to develop new solutions and bring them to market quickly. Therefore, the TeamViewer Group sees development activities as crucially important for future success and makes them a high priority. In fiscal year 2021, the focus was on realigning the further development of products and research projects.

Priorities included improving the user experience for the core remote maintenance and access product and further developing other core products such as the Frontline platform and AssistAR. The development of applications outside the core products in contrast was largely discontinued in order to realise the cost savings targeted under the ReMax programme.

Focus on usability
The user experience when using TeamViewer software for the first time is crucial for success in the small and medium-sized business (SMB) segment as well as for popularity among non-licenced users. This is why TeamViewer focused on improving the user interface during the past fiscal year and decided, among other things, to prioritise the TeamViewer focus product as part of its ReMax programme. This will secure TeamViewer's long-term lead as the most popular remote access solution. Additionally, TeamViewer is revising the browser-based version to continue to provide broad compatibility with a wide range of operating systems.

460

FTEs in research and development

Customer-oriented development
Other focus products in development are the AR solutions TeamViewer Frontline and AssistAR. TeamViewer has moved up to second place globally[1] in the field of AR solutions for enterprises as a result of the strategic acquisitions in fiscal years 2020 and 2021. In the European region, TeamViewer is the leading company in this field. In the further development of its solutions, TeamViewer works closely with customers to identify real challenges and develop practical solutions. This includes, for example, improving low and no-code tools for creating AR workflows. These are software interfaces that rely on the "drag and drop" principle, allowing customers to create AR-based instructions for workflows without IT knowledge and transfer them directly to smart glasses.

An eye on AI
TeamViewer also continues the development in the area of image recognition artificial intelligence. The Company's intelligent image recognition software can already be used by Frontline customers today. Warnings can be automatically recognised, and the wearer of the smart glasses made aware of them, for example, when special protective clothing must be worn in an area. The development focus is on enabling customers to easily train the AI themselves. This means that the software is not limited to one use case but can be trained to recognise any object without any programming knowledge.

Further development of AI expertise and existing AI-based solutions will continue to be a priority in the years ahead. AI and AR are two megatrends of the future that can also be profitably combined. Together, they have the potential to support people with intelligently processed data that is superimposed directly on the field of vision.

Future research projects
TeamViewer is involved in a number of university, public and private research projects to strengthen its own development expertise and exchange ideas. In this area, for example, data from wearables is being analysed to optimise personalised assistance systems. In one project, research is being conducted into how live data can be displayed via smart glasses to ship pilots during navigation. Various application scenarios of AR-supported systems are also being researched to support medical professionals as well as to explore the possibilities of remote access and control of medical devices for diagnostics and treatment.

R&D organisation

At the end of the fiscal year, 460 FTEs were employed in R&D throughout the Group (previous year: 384). This corresponds to an increase of 20 %. The majority of employees work in Germany, primarily in Göppingen, as well as in the university-based locations of Stuttgart, Karlsruhe and Bremen (former Ubimax development site). Additionally, TeamViewer maintains R&D locations in Armenia, Greece, Austria, Portugal and the USA. The locations in Austria, Portugal and the USA were brought into the TeamViewer Group through the acquisitions of Chatvisor GmbH, Hapibot Studio Unipessoal Lda and the former Upskill Inc. These international locations provide the Group with access to a qualified local workforce and the further expansion of the acquired technologies.

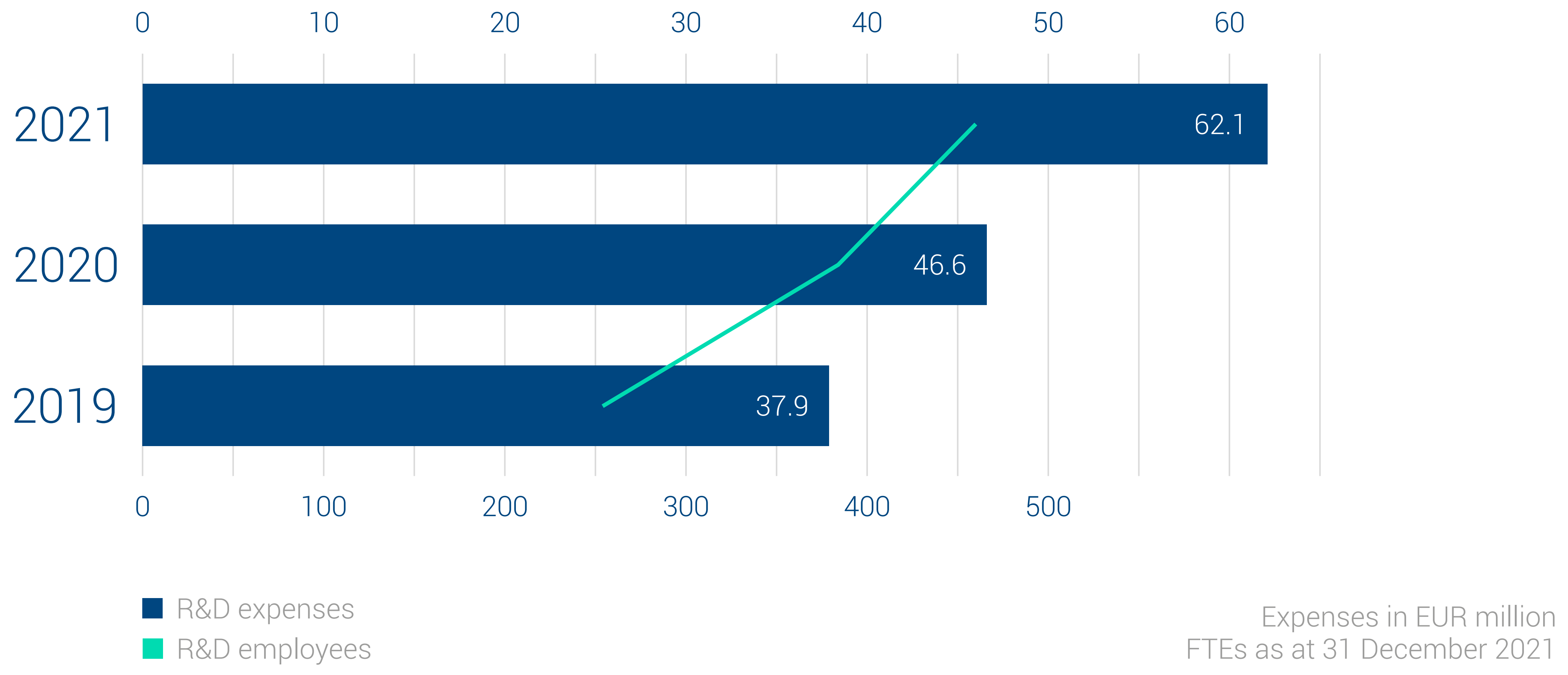
[1] ABI Research studies can be found at https://www.abiresearch.com/market-research/product/7779381-enterprise-augmented-reality-platforms/.

R&D expenses

Research and development expenses amounted to EUR 62.1 million in fiscal year 2021 (2020: EUR 46.6 million). They include personnel costs, costs for work performed by service providers and cooperation partners and services rendered, as well as depreciation and amortisation.

TeamViewer's R&D expenses, excluding depreciation and amortisation and including adjustments made under the definition of adjusted EBITDA, amounted to EUR 46.0 million (2020: EUR 34.8 million). This corresponds to a share of 8.4 % of billings (2020: 7.6 %).

R&D: Expenses and employees



Security and data protection

Millions of businesses and people worldwide rely on TeamViewer solutions every day for business-critical processes as well as for private applications, resulting in high demands being placed on privacy and cybersecurity. It is therefore of central importance for TeamViewer's business to ensure data protection as well as IT and product security in the best possible way at all times. To meet these requirements, the TeamViewer Group has invested more than EUR 30 million in cybersecurity and data protection over the past five years and assembled several dedicated teams with a total of more than 50 experts.

EUR 30 million invested in cybersecurity and data protection over the past five years

More than 50 experts on the cybersecurity and data protection teams

Infrastructure and product security

To ensure the highest possible level of IT security and cyber hygiene, TeamViewer makes it a priority to ensure the ongoing sensitisation of all employees to these topics. Periodic questions on the contents of a total of 26 internal policies and guidelines provide permanent and freelance employees practical guidance for an effective security culture. The latest expertise on the patterns of possible attack attempts and the necessary actions for defence are also taught within the scope of 12 mandatory training courses annually. In 2021, a total of 35 circulars on specific security readiness topics were distributed to the workforce.

26 internal guidelines, 12 annual training courses, 35 circulars

TeamViewer's security strategy follows a best-of-breed approach that prescribes the best available solution for each security application. In this way, the world's leading resources can be integrated into a comprehensive protection concept. Two dedicated IT security and product security teams are responsible for ensuring that TeamViewer's global IT infrastructure and all of the Group's products receive the best possible protection. These teams are supported by internal staff from other areas, alongside external consultants and providers of recognised security solutions. TeamViewer's system landscape, for example, is monitored around the clock by an external 24/7 security operations centre (SOC). The Group's security architecture is audited in accordance with HIPAA/HITECH, SOC 2, SOC 3, and TISAX, and all data centres processing TeamViewer data are ISO 27001 certified. TeamViewer's security level ranks in the highest category of the BitSight Cyber Security Rating and belongs to the top 10 % of the global tech industry in a peer comparison.

The security concept also encompasses the physical security of all global offices. TeamViewer regularly conducts detailed security reviews of its corporate locations to ensure they meet the respective security requirements at all times. Reviews are conducted at both existing properties and for the opening of new locations. A standardised process makes it possible to conduct comparable periodic reviews of compliance with protection definitions and security objectives along defined audit areas.

24/7 security operations centre

TeamViewer has a Computer Security Incident Response Team (CSIRT) and a Product Security Incident Response Team (PSIRT), whose permanent readiness is based on a regularly updated security incident response plan and other security playbooks. As a certified member of the internationally renowned Forum of Incident Response and Security Teams (FIRST), the Group actively participates in the global exchange of information and experience regarding current threat situations. TeamViewer's IT infrastructure, entire solutions portfolio and relevant supply chain partners are regularly subjected to detailed security audits by leading service providers and discussed in the weekly meetings of the Security Steering Board. In 2021, a total of 400 person-days spread over the year were spent on the penetration testing of TeamViewer products. Specialised security service providers carried out four major consulting projects, including stress tests of the existing infrastructure, to review and improve IT security.

Certified member of the Forum of Incident Response and Security Teams (FIRST)

400 person-days for penetration testing of the entire product portfolio

Leader in the tech industry, according to BitSight Cyber Security Rating

TeamViewer strives for the highest level of product security by means of a Secure Software Development Life Cycle (S-SDLC) in all phases of software development. TeamViewer's software is signed using DigiCert Code Signing Certificates. The TeamViewer Group supports the Responsible Disclosure principle and works closely with independent security researchers through the Vulnerability Disclosure Program (VDP). It also works together with the Bug Bounty Programme run by the vendor YesWeHack to identify and fix any potential vulnerabilities in the TeamViewer software. These fixes are communicated publicly as security bulletins in the TeamViewer Trust Centre. TeamViewer has been a partner of the weekday briefing "Tagesspiegel Background Cybersecurity" sponsored by the daily newspaper "Tagesspiegel" since the end of 2021. Through these media partnerships it demonstrates its support for the development of a platform for an informed debate on cybersecurity in Germany.

CVE Numbering Authority (CNA) as one of only nine German companies

Contributor to the weekday briefing "Tagesspiegel Background Cybersecurity"

In 2021, TeamViewer continued to enhance its software functionalities in the security area. Among others, multi-factor authentication (i.e. the login confirmation via a second device) for incoming connections is now available in addition to multi-factor authentication for accounts. This allows users to set up each connection so that it must first be authorised with a previously registered mobile device. The corresponding TeamViewer app can also be protected using biometric authentication. Based on artificial intelligence, efficient mechanisms have also been implemented to protect against brute force attacks and fraud attempts. In mid-2021, TeamViewer discontinued the functionality of legacy versions 8, 9 and 10, offering all users of the deactivated versions the opportunity to upgrade to the latest version and use it for 10 years as of the respective date of purchase. With this offer, TeamViewer can ensure that all users benefit from the most up-to-date software and security architecture possible. For the same reason, TeamViewer only offers free use of its software to private users using the latest version.

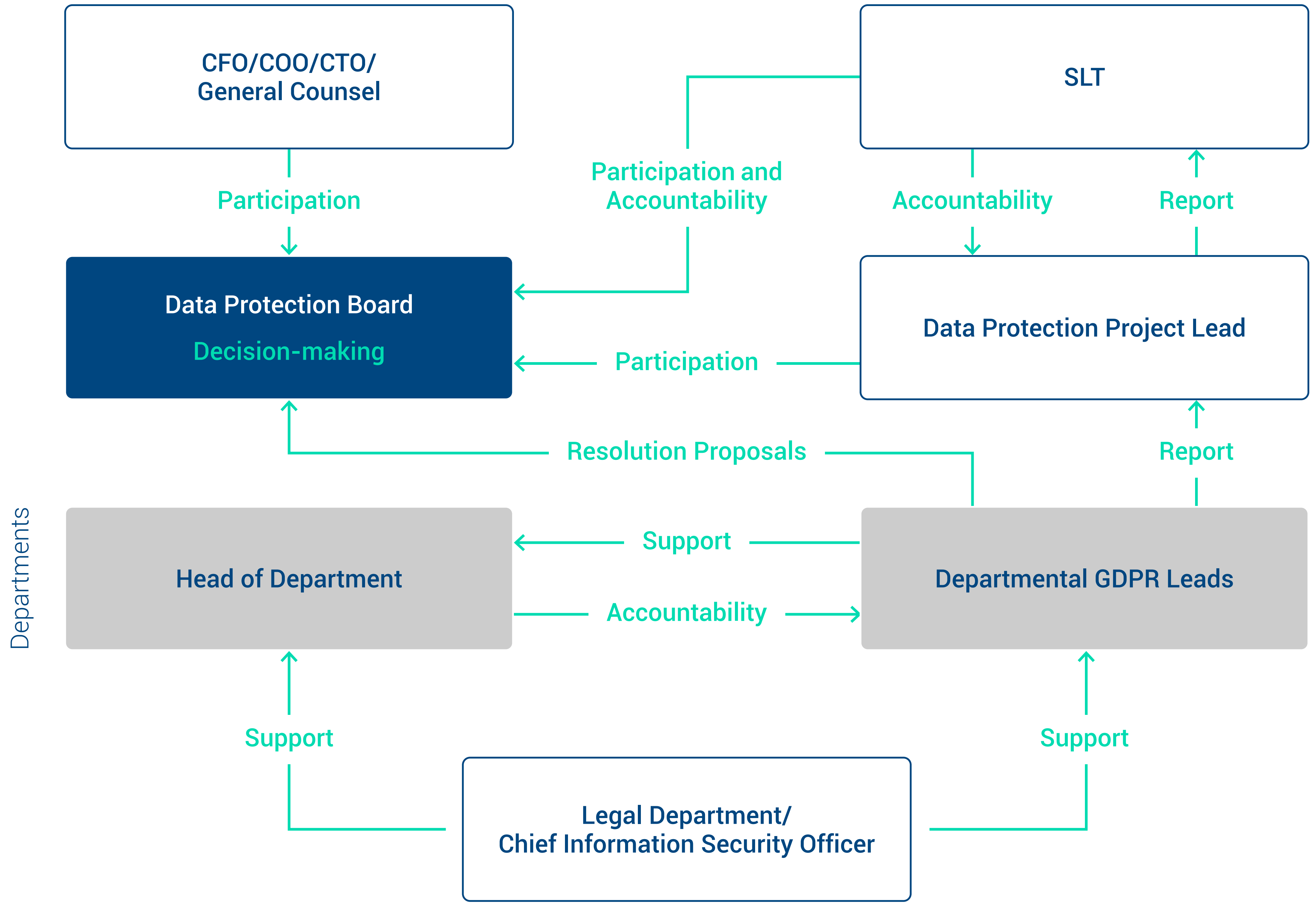
Innovative multi-factor authentication for individual connections

Highly effective fraud prevention based on artificial intelligence

The Management Board is kept continually informed of the current IT and product security developments and involved in the relevant discussions. The Management Board also reports regularly to the Supervisory Board regarding strategic cyber security issues. A Senior Leadership Team (SLT) deals with in-depth reports from the responsible experts for IT and product security at a detailed operational level. The security organisation is led by the Security Steering Board, which is chaired by the chief technology officer (CTO) and holds weekly meetings attended by all relevant department heads.

Regularly discussed by the Supervisory Board, Management Board, and Security Steering Board

TeamViewer's data protection organisation



Data protection

TeamViewer attaches very high importance to the protection of personal data. The Group's compliance policy places a special emphasis on adhering to the principles of personal data processing pursuant to Article 5 of the General Data Protection Regulation (GDPR). TeamViewer and all its affiliated companies, as data controllers and processors, fully acknowledge the resulting obligations.

The company-wide data protection organisation, established in 2017, has been continuously expanded and includes the **Privacy Management Framework,** which contains all data protection-related provisions, policies and procedures, including the Privacy Handbook, which is an internal set of rules containing the relevant processes and policies. In accordance with Article 5 GDPR, TeamViewer regularly and at least once annually prepares an accountability report on the implementation of the Privacy Management Framework. The current report is dated November 2021 and did not identify any relevant violations or deficiencies in the data protection organisation.

Each specialist department at the Company has a minimum of one dedicated and qualified employee known as the "GDPR Lead", who is responsible for GDPR compliance in the respective department. The tasks of the GDPR Leads include maintaining a complete inventory of processing activities, reviewing and concluding order processing contracts with contractors, and conducting data protection impact assessments. Appropriate technical and organisational measures are also implemented to ensure the security of all personal data entrusted to TeamViewer. In addition, the implementation of the principles "data protection through technology design" and "data protection through data protection-friendly default settings" is addressed.

Using a decentralised departmental structure, TeamViewer creates a strong link between data protection and GDPR compliance and operational responsibility. Responsibility for the implementation and compliance with the data protection organisation lies with the responsible department heads in the Senior Leadership Team (SLT), who declare themselves personally accountable for this in writing annually by means of a confirmation letter.

As an integral component of data protection, the experts from the TeamViewer Legal department provide the data protection organisation with ongoing support. TeamViewer has also appointed an external, independent data protection officer in accordance with Article 37 GDPR, who supports TeamViewer in an advisory and auditing capacity and represents TeamViewer vis-à-vis the supervisory authorities.

Each specialist department has at least one GDPR lead

Governance

When collecting data, TeamViewer acts in accordance with the principle of data minimisation (Article 5 GDPR). An example of the measures TeamViewer takes to minimise the processing of personal data is the mobile device testing process. When TeamViewer sends data to its third-party provider as part of the mobile device testing process, the data exchange is limited to dummy/non-customer data. TeamViewer will ensure that testing as part of this sharing is performed by TeamViewer employees. These restrictions serve to limit the sharing and processing of personal data, especially customer data.

When collecting data, TeamViewer acts in accordance with the principle of data minimisation

In 2021, TeamViewer finalised a company-wide deletion concept that is centrally monitored and continuously maintained at a departmental level. This includes retention periods and timelines, as well as applied deletion mechanisms per system and programme, (automated or manual) to ensure a consistent approach to data deletion.

Additionally, once each year, as part of the company-wide data deletion month, all employees are asked to delete the unstructured data they keep in their systems for which they are responsible. These concerted and systematic efforts take into account the requirement that personal data under the definition of the GDPR may only be stored for as long as it is necessary for the purpose for which it is processed (Article 25 (2) and Article 5 (1) lit b and e) GDPR in conjunction with recitals 39 and 66).

TeamViewer has implemented an appropriate level of security using defined technical and organisational measures (TOMs) to ensure that the requirements of Article 32 in conjunction with Article 25 GDPR are met.

Among other things, access to systems containing personal data is controlled by a mixture of role-based access control (RBAC) and user rights management. This ensures that access to and use of data is minimised both in terms of general processing and in terms of the list and scope of access for TeamViewer employees. These access controls vary depending on the sensitivity of the data stored and operational requirements.

Requests for information from data subjects are processed within one month according to internal guidelines. A corresponding email request to privacy@teamviewer.com generates a ticket in the Freshdesk ticket system used for customer support. The request is verified by a dedicated employee to determine whether or not the data subject is authorised for the information and confirm whether the data subject is a customer, a free user or a (former) employee. The information in the systems containing personal data is collected by an internal ticket system. The data subject receives the link with the personal data as a response in the corresponding Freshdesk ticket.

Training and certification

TeamViewer has developed and implemented a structured and holistic training programme for data protection and data security that focuses on raising awareness regarding data protection in general and the requirements of the GDPR in particular and promoting a sound data protection culture within the Company.

All permanent and freelance employees receive regular mandatory training on data protection and GDPR topics, both in person and via the TeamViewer internal learning management platform. The training is based on a mixture of externally and internally created content. Training is conducted regularly at least every two months and as needed to all employees or those in specific departments.

The following data privacy training courses were rolled out in fiscal year 2021:

- 8 data protection training sessions, 180 minutes for each employee: refresher on data privacy basics as well as policies and processes (e.g. a new policy on home office data protection, handling data breaches, deletion of unstructured data)
- 5 data protection training sessions, 240 minutes for each new employee: mix of data protection basics as well as a clarification of internal processes

In addition to the general employee training programme, TeamViewer offers a qualification programme that provides interested employees, and particularly those who deal with data protection in the broadest sense as part of their job, with the opportunity to obtain certifications in the area of data protection, such as the Certified Information Privacy Professional/Europe (CIPP/E) certification. This certification is awarded by the International Association of Privacy Professionals (IAPP), of which TeamViewer maintains a Gold membership. Among others, this membership enables employees to access numerous online resources on the topic of data protection and to regularly participate in data protection workshops and congresses. The CIPP certifications were offered for the first time in 2020 and have since been successfully acquired by 59 employees.

The management also decided to subject the processing activities within the product to an external data protection audit with subsequent certification in accordance with Article 42 GDPR. The procedure is carried out by TÜViT, which accompanies the process as an external provider. For the certification itself, the EuroPriSe data protection seal was chosen, a certification for IT products and IT-based services. The certification process is expected to be completed and the data protection seal awarded by May 2022. The initial scope includes the TeamViewer core product for remote maintenance. The next step will be to decide whether to certify additional products (TeamViewer Engage, Classroom, or Frontline).

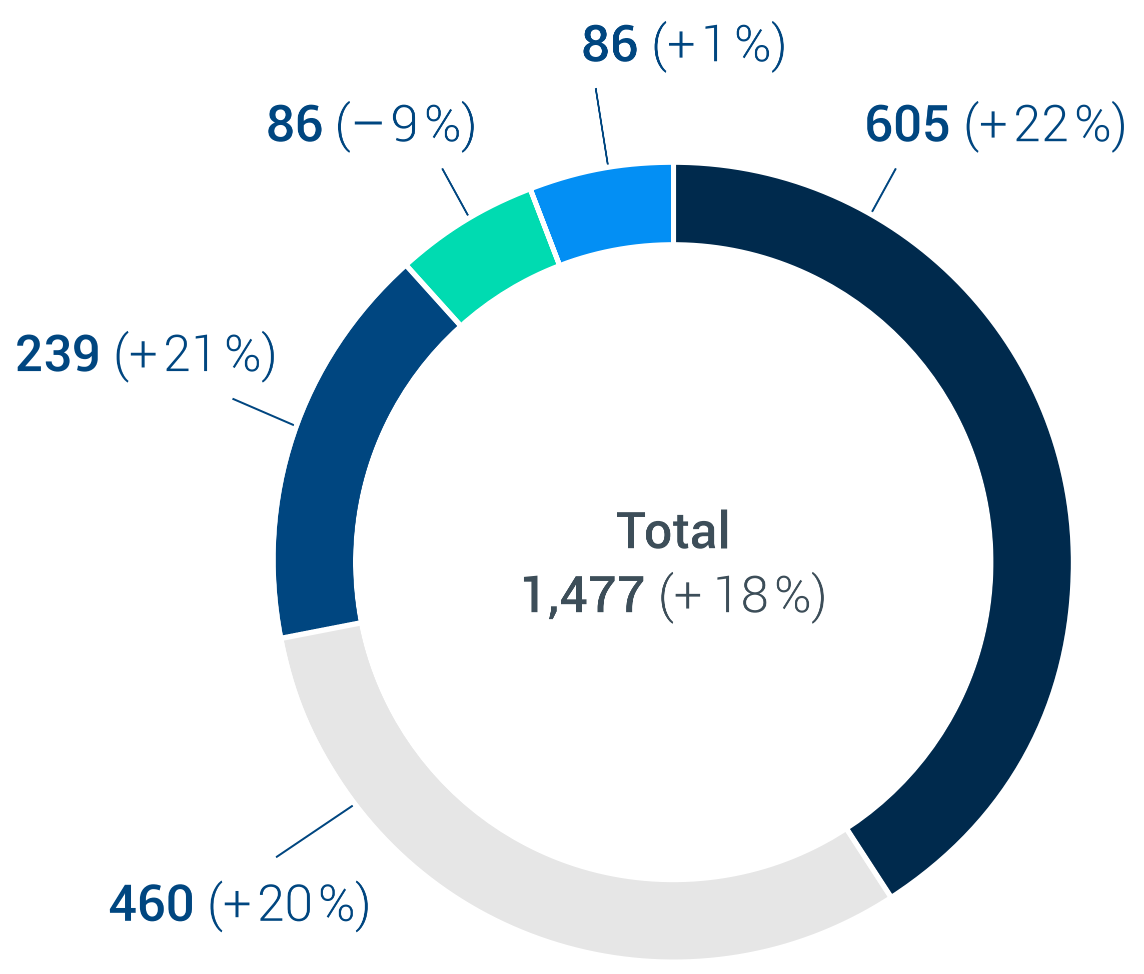
02 Employees

Increase in headcount (FTEs) of 18 %

As at 31 December 2021, the Group employed 1,477 people worldwide (31 December 2020: 1,256 FTEs), representing a year-on-year increase of roughly 18 %, in line with the growth in business volume. The largest percentage increases in headcount were in the APAC (+21 %) and Americas (+20 %) regions. In the EMEA region, the number of employees increased by 16 %. In terms of specialty areas, the majority of new hires were in sales (+22 %).

For more information on employee matters, please see the Non-Financial Report.

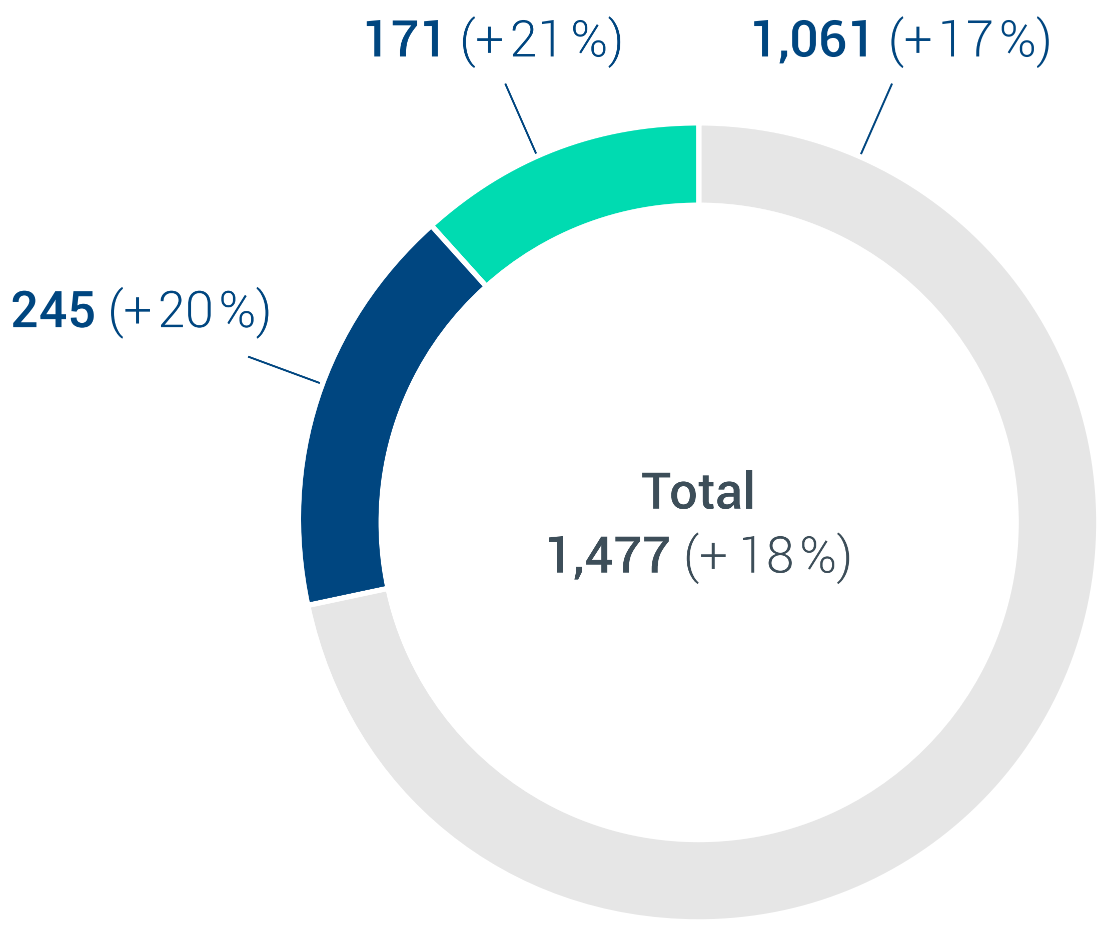
Breakdown of employees by function



605	(495)	Sales
460	(384)	Research & Development
239	(198)	Admin
86	(94)	Marketing
86	(85)	Tech Support
1,477	(1,256)	Total FTEs

As at 31 December 2021 (2020) in FTEs; change vs. previous year in percent

Breakdown of employees by regions



1,061	(911)	EMEA
245	(204)	AMERICAS
171	(141)	APAC
1,477	(1,256)	Total FTEs

As at 31 December 2021 (2020) in FTEs; change vs. previous year in percent

03 Corporate responsibility

Achieving climate neutrality no later than 2025 | Practicing a business model that takes social concerns into account by making software solutions available to private individuals free of charge | Joining the UN's Women Empowerment Principles programme to strengthen the advancement of women in leadership positions

TeamViewer aims to leverage its innovation to positively influence the world and lead the Company as an example of what it means to be a good local, regional, national and international partner.

TeamViewer divides its corporate responsibility according to the following three major categories of the ESG concept:

- E – Environment
- S – Social
- G – Governance

Environment

In 2021, TeamViewer's particular focus was geared towards the further progress of its climate strategy. TeamViewer is aware of its corporate responsibility and believes it is important to take a pioneering role in tackling the climate crisis. In line with this belief, it brought forward its target horizon for reaching climate neutrality for the entire company by five years, from 2030 to 2025. At the same time, it defined internal measures to help reduce CO_2e emissions by 50 % (in relation to sales). Joining the Science-Based Targets Initiative (1.5°C path) further illustrates the level of ambition.

A detailed description of the climate strategy, targets, and measures can be found in the Non-Financial Report.

Social

The Company attributes its greatest social impact to its business model. Through the use of TeamViewer solutions, millions of individuals gain access to digital infrastructure and free remote access, as well as remote control and support capabilities. TeamViewer products enable people to help others while simultaneously decreasing the need for travel and reducing associated CO_2e emissions.

For a detailed description of TeamViewer's approach to managing social responsibility and about related projects, please refer to the Social responsibility chapter of the Non-Financial Report.

Governance

TeamViewer is committed to global standards of sustainable corporate governance, such as the UN Global Compact, which it already joined in 2020. TeamViewer places a special emphasis on the topics of diversity and equal opportunity, including the promotion of women to executive positions. To underscore this emphasis, TeamViewer joined the UN's Women Empowerment Principles (WEPs) programme in 2021 to expand on its UN commitments.

A detailed presentation of governance topics can be found in the Corporate governance statement and in the comments on Security and data protection and Employees.

In the past fiscal year, TeamViewer's ESG performance was evaluated by several rating agencies resulting in an "AA" rating (on a scale of AAA-CCC) for TeamViewer AG from MSCI ESG Ratings (for more information, please refer to the Non-Financial Report).

Categories of the ESG concept

04 Economic report

Strategically well positioned in attractive growth markets | Billings growth of 19 % | Adjusted EBITDA slightly lower due to increased marketing expenses | Debt further reduced: net leverage decreases from 1.7 x to 1.3 x | Enterprise business growing very rapidly

Economic conditions

Macroeconomic conditions

According to the Kiel Institute for the World Economy (IfW), the global economic recovery lost momentum in the second half of 2021. For 2021, the IfW expects global gross domestic product (GDP) growth of 5.7 % for the year as a whole. In addition to the ongoing burdens of the COVID-19 pandemic, the economic recovery was hampered by increasing supply bottlenecks, associated restrictions on the production of goods, and increased inflationary pressure. In the advanced economies, economic activity had weakened noticeably by the end of 2021. In the United States, less fiscal stimulus, which was a particular driver of private consumption in the first half-year, as well as increasing problems in the procurement of intermediate products in industries, led to a slowdown in production growth. For the United States, the IfW expects GDP growth of 5.6 % in 2021. Due to the high level of COVID-19 infections in the European Union and the related containment measures, the IfW expects GDP in the EU to have increased by 5.0 % in the 2021 reporting period.[1]

Sector-specific environment

After a weaker year in 2020 as a result of the pandemic, global IT spending increased by 9.5 % to around USD 4.2 trillion[2] in 2021, according to estimates by the market research institute Gartner Inc. At the same time, the pressure to digitise, which became even more prevalent with the onset of the pandemic, remained at a high level. A study from consulting firm McKinsey & Company shows that the pandemic had led to pull-forward effects in 2020 in many areas, including in the areas of remote work and digital engagement with customers. This led to a level of adoption rates within a very short time that would have[3] otherwise taken several years to achieve without the influence of the COVID-19 pandemic. These pull-forward effects caused a slowdown in growth in the remote access and remote support markets in 2021, as many companies in 2020 had already made the investments that had been originally targeted for 2021. In contrast to this, the market for enterprise augmented reality applications continues to be characterised by strong growth. According to the projections of market research institute ABI Research, this market is anticipated to grow 66 % annually[4] until the year 2026. Consequently, the environment in the market segments relevant to the Group in the reporting year was characterised by sustained growth, albeit at a somewhat slower pace than in the previous year.

[1] Kiel Economic Reports of the Kiel Institute for the World Economy (IfW) Global Economy, Winter 2021.
[2] ↗ https://www.gartner.com/en/newsroom/press-releases/2021-10-20-gartner-forecasts-worldwide-it-spending-to-exceed-4-trillion-in-2022.
[3] ↗ https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/how-covid-19-has-pushed-companies-over-the-technology-tipping-point-and-transformed-business-forever.
[4] ↗ https://www.abiresearch.com/press/demand-augmented-reality-enterprise-and-consumer-markets-create-us175-billion-ar-market-2026/.

» The market for enterprise augmented reality applications continues to be characterised by strong growth

Business development

In 2021, TeamViewer took strategically important decisions to secure its future growth trajectory. It strengthened its product portfolio by acquiring Upskill Inc. and Viscopic GmbH, which are both active in the fast-growing field of augmented reality solutions. The offerings of these companies, whose customers include global corporations such as Ford, DHL, DB Schenker and Airbus, were fully integrated into the Frontline augmented reality platform during the reporting year. With its acquisition of Xaleon (now: TeamViewer Austria GmbH), TeamViewer also entered the customer engagement software segment, thereby expanding its portfolio along the value chain to include solutions for sales and customer support.

In addition, TeamViewer entered into numerous partnerships with leading companies from a variety of industries. Among the most important partnerships are the collaborations with SAP and Google Cloud. They represent an important pillar of TeamViewer's long-term growth as they accelerate the expansion into strategically relevant industries and enable the Company to broaden its sales presence. These partnerships also underscore the quality of TeamViewer's enterprise offering and the Company's prominence in the global tech ecosystem.

TeamViewer is investing heavily in its brand and increasing the marketing of its expanded product offering across all customer segments. Two important cornerstones to strengthen TeamViewer's brand awareness and bring the Company closer to its goal of becoming a global technology brand are the five-year partnership with Manchester United Football Club and the long-term partnerships with the Mercedes Formula 1 and Formula E racing teams. In the long term, these partnerships should intensify business growth with small and medium-sized businesses, as well as with large enterprise customers.

At the Capital Markets Day in November 2021, TeamViewer announced several initiatives to re-accelerate the Company's growth and stabilise its cost structure.

In December 2021, TeamViewer appointed Sojung Lee as President for the Asia-Pacific (APAC) region. Her appointment will drive TeamViewer's growth in the core markets of the APAC region, which includes China, Japan, India, Australia and New Zealand. As a further expert for the Asian markets, Hera Kitwan Siu was also appointed as a new member of the Supervisory Board in November 2021.

Comparison of actual versus forecast business development

In the 2020 management report, the TeamViewer Group projected billings of EUR 585 million to EUR 605 million (an increase of 29 % to 33 % compared to 2020) and revenue in the range of EUR 525 million to EUR 540 million for 2021. The expectations for the adjusted EBITDA margin ranged between 55 % and 57 %. In the course of the year, this forecast had to be adjusted as growth fell short of the original expectations. The reasons for this were complex. One was the strong pull-forward effects in the area of remote work in 2020, when companies worldwide were taken by surprise by the pandemic. This led to a larger adjustment in the purchased volumes of remote connectivity in the 2021 contract renewals and, at the same time, increased competition within the entry level of this segment. In addition, with the corona restrictions remaining in place, it was difficult for the Company to optimally integrate newly hired employees in 2021, physically match them with experienced team members, and accelerate their learning curve. All of this meant that the targets set at the beginning of the year had to be adjusted. With the full-year 2021 results, billings and revenue slightly exceeded the expectations that had been revised in October. At 47 %, the adjusted EBITDA margin also exceeded the revised forecast range of 44 % to 46 %, supported by the initial positive effects of the ReMax efficiency improvement programme announced in November 2021.

Original guidance for 2021 and adjustment in guidance in the course of 2021

In EUR million	Fiscal year 2020	Forecast (2020 Management Report)	Forecast (March 2021)	Forecast (October 2021)	**Fiscal year 2021**
Billings	460.3	585 to 605	585 to 605	535 to 555	547.6
Growth compared to previous year (in %)	+41.7	+29 to +33			+19.0
Revenue	455.6	525 to 540	525 to 540	495 to 505	501.1
Adjusted EBITDA	261.4				257.0
Adjusted EBITDA margin (in %)	+57	+55 to +57	+49 to +51	+44 to +46	+47

Earnings position of the Group

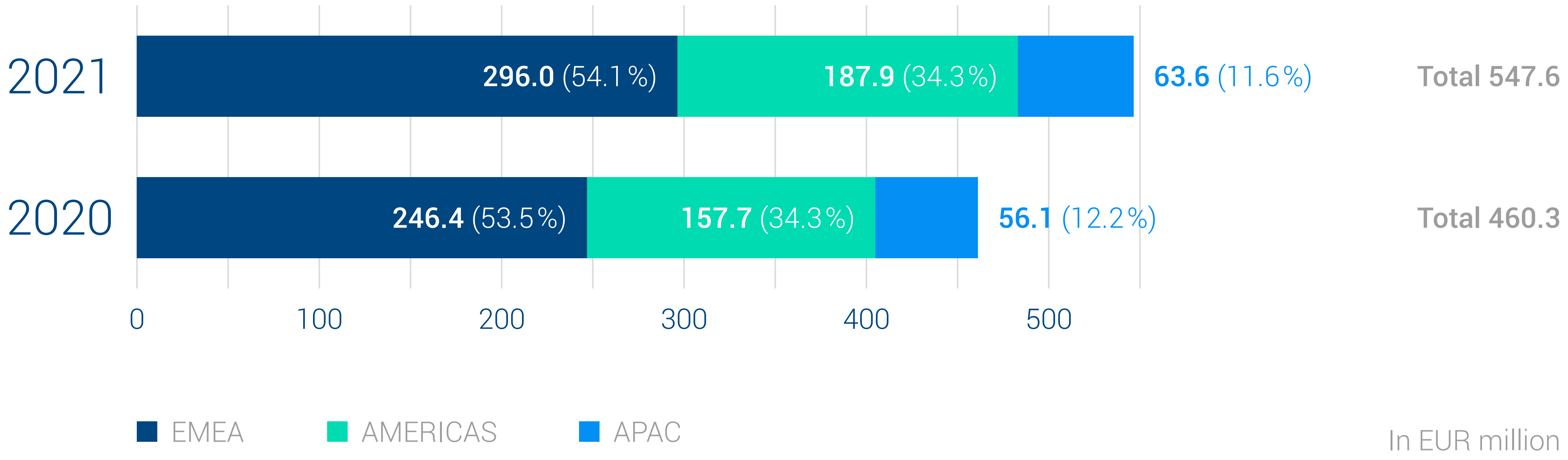
The following overview describes the development of the key earnings figures of the TeamViewer Group in fiscal year 2021 compared to the prior year. In addition to the most important items of the income statement according to IFRS, the overview also shows the reconciliation to the management view, in which the change in deferred revenue recognised in profit or loss and certain items defined by the Management Board in consultation with the Supervisory Board are adjusted. The individual items to be adjusted are explained in the section Operating profit (EBIT) and Adjusted EBITDA on page 38. TeamViewer management uses billings and adjusted EBITDA as primary financial performance indicators to manage the Group.

Key figures of TeamViewer Group's operating results

In EUR million	2021 IFRS	2021 Reconciliation	2021 Management view	2020 IFRS	2020 Reconciliation	2020 Management view
Revenue/billings	501.1	46.5	547.6	455.6	4.7	460.3
EBITDA[1]/adjusted EBITDA	168.3	88.7	257.0	205.1	56.3	261.4
EBITDA in % of revenue/ adjusted EBITDA in % of billings	33.6	13.3 pp[2]	46.9	45.0	11.8 pp[2]	56.8
EBIT	117.4			164.0		
Net income/(loss) for the year	**50.1**			**103.0**		

[1] EBITDA is not a key performance indicator according to IFRS but is included in the table for a clearer understanding.
[2] pp = percentage points.

Breakdown of billings by regions



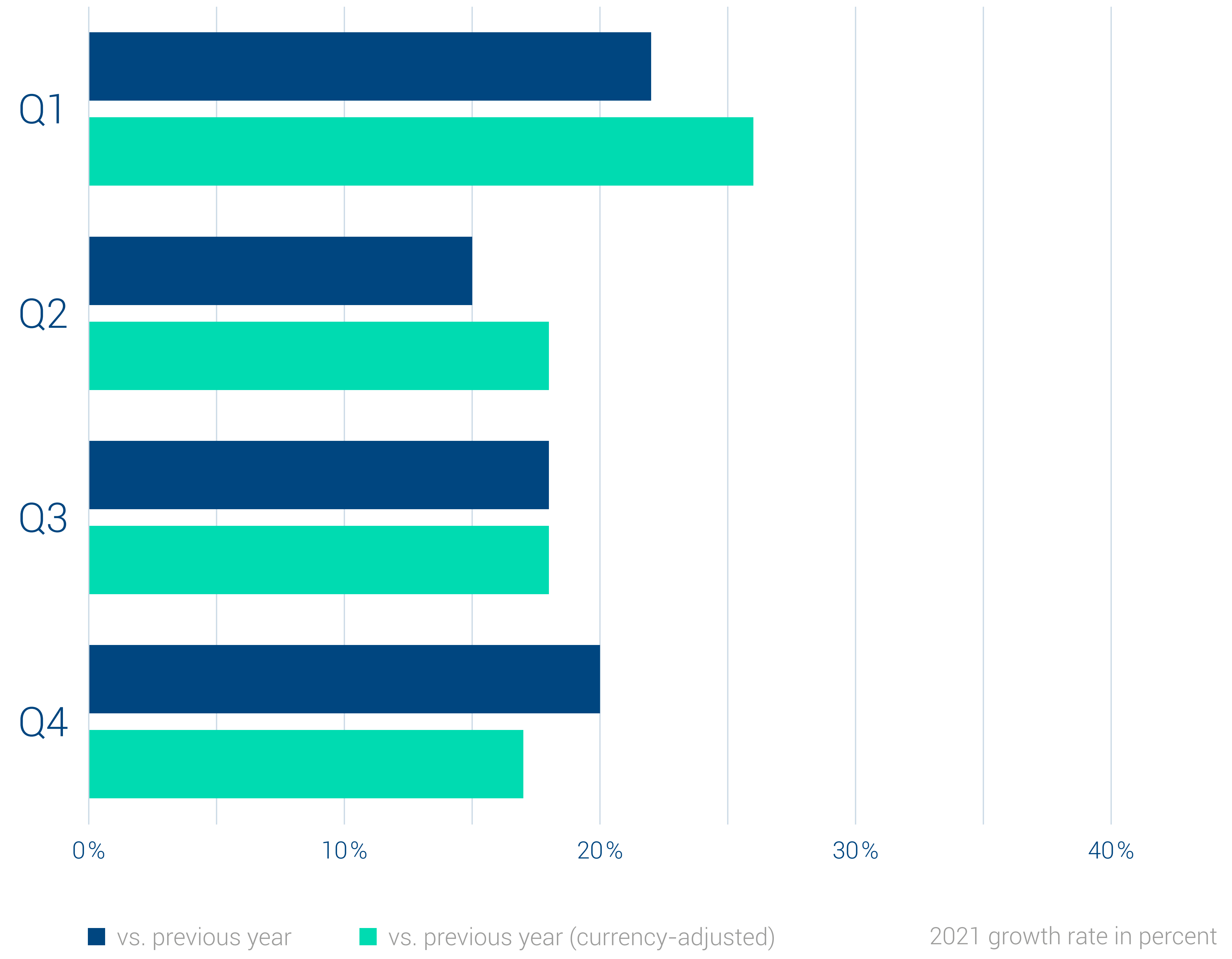
Billings

Billings represent the (net) value of goods and services invoiced to the customer within a specific period and which constitute a contract within the meaning of IFRS 15. Billings result directly from customer contracts and are not affected by the deferral of revenue. In the management's view, billings therefore reflect the underlying business performance of the TeamViewer Group better than revenue as they are no longer impacted by perpetual licences. Therefore, the TeamViewer Group uses billings as a primary performance indicator to measure and assess the performance of the Company. Billings can be reconciled from IFRS revenue, adjusting for the change in deferred revenue recognised in profit or loss.

The Group's billings in the 2021 reporting year increased by 19.0 % to EUR 547.6 million (2020: EUR 460.3 million). Adjusted for currency effects, the increase was 19.8 %[3]. The negative currency effect resulted primarily from the depreciation of the US dollar against the euro. For more information on currency translation, please refer to the explanations in the notes to the consolidated financial statement on page 89. The contribution of the companies acquired in the reporting year to the growth in billings was not significant.

[3] To determine the currency-adjusted billings of the fiscal year, the exchange rates used for the billings of the previous year are used and applied to the billings of the fiscal year. To determine the currency-adjusted growth, the currency-adjusted billings of the fiscal year are set in relation to the billings of the previous year.

Billings growth by quarter



The last two fiscal years were essentially atypical years: 2020 with unexpectedly high growth, largely driven by extreme extraordinary demand for TeamViewer's remote connectivity solutions as a result of the lockdowns caused by the COVID-19 pandemic; followed in 2021 by customers decreasing their contract volumes. TeamViewer's development on average over the past two years was very positive.

In the EMEA region, billings increased by 20.1 % to EUR 296.0 million (2020: EUR 246.4 million) in the reporting year. This increase resulted from the continued growth in the business with small and medium-sized enterprises and a significant expansion in business with enterprise customers. With a slightly higher share of 54.1 % of total billings (2020: 53.5 %), EMEA remained the Group's most important region in the 2021 fiscal year. In the AMERICAS region, billings increased by 19.2 % (adjusted for currency effects: 21.9 %) and reached EUR 187.9 million (2020: EUR 157.7 million). Growth in the AMERICAS region was driven mainly by the Enterprise segment. In the APAC region, the Group generated an increase in billings of 13.4 % (currency-adjusted: 14.1 %) to EUR 63.6 million (2020: EUR 56.1 million) in fiscal year 2021. The growth in the APAC region was primarily a result of the billings growth in Australia (EUR +3.1 million) and India (EUR +1.1 million).

Revenue

Revenue of the TeamViewer Group pursuant to IFRS includes billings and changes in deferred revenue recognised in profit or loss. The Group usually bills its software products at the start of the contract in one amount. This amount is mostly recognised in revenue over a period of 12 months. This means that if billings rise, the revenue of a fiscal year is lower than the billings of the fiscal year. The following table shows the reconciliation of billings to revenue for fiscal year 2021 and the prior-year period.

After the conversion of the business model to a subscription model in fiscal year 2018, the Group no longer sells perpetual licences. The revenue deferred under the old licence model is released over a three-year period and will therefore expire gradually. The release of deferred revenue from perpetual licences year resulted in revenue of EUR 2.6 million (2020: EUR 46.2 million) in the 2021 reporting.

The transition is now complete, and there is no further significant deferred revenue from perpetual licence sales. The almost complete elimination of these licence sales however has had a considerable impact on reported revenue growth and, given the very high gross margin, a corresponding significant impact on the Group's EBIT.

In the subscription business, the revenue is deferred over the term of the subscription (usually on a monthly or yearly basis). The balance from the release or addition of deferred revenue from the subscription business during the 2021 reporting year resulted in an effect on revenue of EUR (49.0) million (2020: EUR (50.9) million).

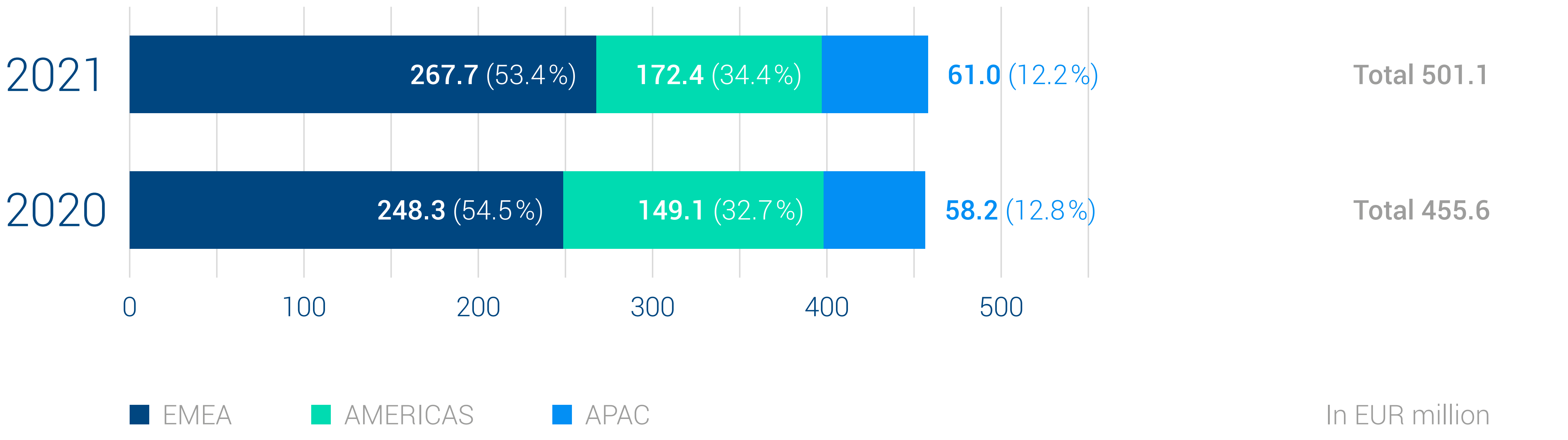
Reconciliation of billings to revenue

In EUR million	2021	2020	Change	In %
Billings	**547.6**	**460.3**	**87.3**	**19**
Change in deferred revenue recognised in profit or loss	(46.5)	(4.7)	(41.8)	(889)
of which from the subscription business	(49.0)	(50.9)	1.8	4
of which from perpetual licences	2.6	46.2	(43.7)	(95)
Revenue	**501.1**	**455.6**	**45.5**	**10**

Revenue Perpetual vs. Subscription

In EUR million	2021	2020	Change	In %
Subscription	498.5	409.3	89.2	21.8%
Perpetual	2.6	46.3	(43.7)	(94.4%)
Total	**501.1**	**455.6**	**45.5**	**10.0%**

Breakdown of revenue by region



Overall, the Group's revenue in the 2021 fiscal year increased by 10.0 % to EUR 501.1 million (2020: EUR 455.6 million). The lower percentage increase compared to the development of billings resulted primarily from the lower release of deferred revenue for perpetual licences.

In the EMEA region, the TeamViewer Group achieved revenue of EUR 267.7 million in 2021 (2020: EUR 248.3 million). This corresponds to growth of 7.8 %. The EMEA region remained the Group's strongest region in terms of revenue. In the AMERICAS region, revenue increased by 15.6 % to EUR 172.4 million (2020: EUR 149.1 million) and in the APAC region by 4.8 % to EUR 61.0 million (2020: EUR 58.2 million).

Total costs and other income

The Group's cost of sales increased by 10.7 % to EUR 70.9 million (2020: EUR 64.1 million) in fiscal year 2021. The main reason for the increase in cost of sales is the higher amortisation of intangible assets from business combinations. Cost of sales as a percentage of revenue was 14.2 %, almost unchanged from the previous year (2020: 14.1 %).

Gross profit, defined as revenue less cost of sales, increased accordingly by 9.9 % to EUR 430.2 million (2020: EUR 391.5 million).

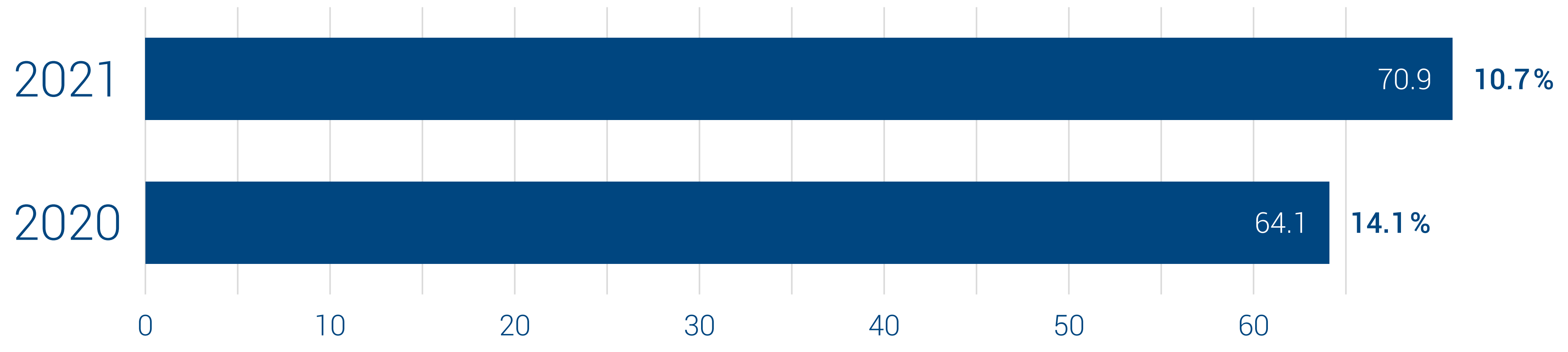
R&D costs increased by 33.3 % to EUR 62.1 million in 2021 (2020: EUR 46.6 million). The increase in the number of software developers was the main contributor to the higher costs.

The 149.8 % increase in marketing costs to EUR 96.1 million (2020: EUR 38.5 million) is largely attributable to higher sponsorship and advertising activities.

The 14.8 % increase in sales expenses in the reporting year to EUR 89.2 million (2020: EUR 77.7 million) resulted from the further expansion of the sales organisation.

The 6.2 % decrease in general and administrative expenses in the 2021 fiscal year to EUR 51.5 million (2020: EUR 54.9 million) mainly resulted from lower expenses for share-based compensation.

Cost of sales trend



In EUR million; in percent of revenue

Other income amounted to EUR 5.0 million in the 2021 fiscal year (2020: EUR 5.3 million) and largely includes income from the measurement of contingent purchase price payments and government grants.

The increase in other expenses to EUR 2.9 million (2020: EUR 0.4 million) mainly includes expenses from the measurement of currency options in the amount of EUR 2.5 million.

Impairment losses on trade receivables increased by 9.6 % to EUR 16.0 million in the 2021 fiscal year (2020: EUR 14.6 million). The increase is mainly due to the rise in revenue.

Operating profit (EBIT) and adjusted EBITDA

Operating profit (EBIT) declined by 28.4 % to EUR 117.4 million (2020: EUR 164.0 million) in fiscal year 2021. The EBIT margin in relation to revenue decreased from 36.0 % to 23.4 %, mainly due to the lower revenue from the release of deferred revenue from perpetual licences and the increase in marketing costs. In contrast, expenses for share-based compensation decreased by EUR 22.5 million. This is mainly due to a change in the estimate of the vesting period for the EPP programme.

Depreciation and amortisation on tangible and intangible assets, which are included in total costs, amounted to EUR 50.9 million in the reporting year (2020: EUR 41.1 million). This increase resulted mainly from additions to fixed assets in the context of business combinations. These mainly include software and customer relationships.

EBITDA, defined as EBIT plus depreciation and amortisation, decreased by 17.9 % to EUR 168.3 million (2020: EUR 205.1 million). The EBITDA margin in relation to revenue fell from 45.0 % in the fiscal year 2020 to 33.6 %. In line with the development of the EBIT margin, this decline was mainly due to lower revenue from the release of deferred revenue from perpetual licences and the increase in marketing costs.

The table on the next page shows the reconciliation from operating profit to adjusted EBITDA, the Group's primary performance indicator for operating profit development. Adjusted EBITDA is defined as operating profit (EBIT) according to IFRS, plus depreciation and amortisation on tangible and intangible assets (EBITDA), adjusted for the change in deferred revenue recognised in profit or loss in the period under review and for certain business transactions (income and expenses) defined by the Management Board in consultation with the Supervisory Board. Business transactions to be adjusted are related to share-based compensation models and other precisely defined material special items, which are adjusted in order to show the underlying operational development of the Company.

Expenses for share-based compensation of EUR 22.0 million (2020: EUR 12.1 million) result from remuneration programmes of the TeamViewer Group and the business combination with Ubimax. In addition, TigerLuxOne S.à.r.l. (TLO) has established remuneration programmes resulting in share-based compensation expenses of EUR 4.4 million (2020: EUR 36.8 million). Although the TeamViewer Group does not grant this share-based compensation itself, it is nevertheless obliged to account for it, because TeamViewer was part of the parent group of TLO and this share-based compensation represents share-based compensation transactions between group companies. The liquidity of the TeamViewer Group is not affected by these transactions.

Reconciliation from operating profit to adjusted EBITDA

In EUR million	2021	2020
Operating profit	**117.4**	**164.0**
Depreciation and amortisation	50.9	41.1
EBITDA	**168.3**	**205.1**
Change in deferred revenue recognised in profit or loss	46.5	4.7
Expenses for share-based compensation	26.4	48.9
Other items to be adjusted	15.8	2.7
Adjusted EBITDA	**257**	**261.4**

Other items to be adjusted include reorganisation expenses of EUR 7.2 million (2020: EUR 0.4 million), expenses from special IT projects of EUR 3.3 million (2020: EUR 1.9 million), expenses from the measurement of financial instruments of EUR 3.0 million (2020: revenue EUR 3.0 million), expenses for special legal disputes of EUR 0.6 million (2020: EUR 0.4 million) and expenses in connection with business combinations of EUR 0.0 million (2020: EUR 1.8 million). These include transaction costs in connection with business combinations of EUR 2.4 million (2020: EUR 1.8 million) and income from the measurement of contingent purchase price liabilities of EUR 2.7 million (2020: EUR 0.0 million).

The reorganisation expenses mainly relate to expenses from staff reductions in connection with the alignment of the workforce to growth areas and the optimisation of business processes.

In the 2021 fiscal year, adjusted EBITDA decreased by 1.7 % to EUR 257.0 million (2020: EUR 261.4 million). The main reason for this decrease is higher marketing expenses due to the sponsorship contracts with Manchester United and Mercedes-AMG Petronas Formula 1 Team and Mercedes-EQ Formula E Team. The adjusted EBITDA margin as a percentage of billings decreased to 46.9 % in fiscal year 2021 (2020: 56.8 %).

Earnings before taxes (EBT)

Finance income fell from EUR 3.0 million to EUR 0.6 million in fiscal year 2021. The previous year's figure included primarily income from refinancing in 2020. Finance expenses fell to EUR 19.2 million (2020: EUR 22.9 million). The decrease of EUR 3.7 million resulted mainly from lower interest rates on bank loans, which more than compensated for the increased financing volume.

The balance of currency translation income and expenses amounted to EUR (13.5) million in the 2021 fiscal year (2020: EUR 26.3 million). The decrease of EUR 39.8 million is mainly due to the measurement of financial liabilities in USD and GBP as at the reporting date.

Based on these developments, profit before taxation (EBT) fell to EUR 85.4 million in the 2021 fiscal year (2020: EUR 170.4 million).

Net income/loss

In the 2021 reporting year, income taxes consisted of current tax expenses of EUR 38.4 million (2020: EUR 42.6 million) and deferred tax benefits of EUR 3.1 million (2020: tax expenses of EUR 24.8 million). In the 2021 fiscal year, this resulted in a total tax expense of EUR 35.3 million (2020: EUR 67.4 million), corresponding to a tax rate of 41.4 % (2020: 39.5 %). The reduction in the current tax expense is mainly due to the decrease in profit before taxation. The change in deferred tax benefits in 2021 of EUR 3.1 million compared to a deferred tax expense in 2020 of EUR 24.8 million mainly results from a decrease in deferred tax expense for deferred revenue of EUR 12.8 million, deferred tax benefits for financial liabilities in USD and GBP of EUR 19.3 million and other changes for deferred taxes of EUR (4.1) million.

The tax rate in the fiscal year of 41.4 % (2020: 39.5 %) exceeded the Group tax rate of 28.8 %, mainly due to non-tax-deductible expenses from share-based compensation and from the non-capitalisation of loss carryforwards at the level of TeamViewer AG.

In the fiscal year 2021, the Group net income/loss was EUR 50.1 million compared to EUR 103.0 million in the previous year. This resulted in earnings per share of EUR 0.25 (2020: EUR 0.52).

Net assets and financial position of the Group

Net assets of the Group

The Group's total assets rose by 45.4 % to EUR 1,546.7 million as of 31 December 2021 (31 December 2020: EUR 1,063.4 million). As in the previous year, non-current assets accounted for the majority of the assets side of the balance sheet at EUR 970.0 million (31 December 2020: EUR 948.1 million). Current assets totalled EUR 576.7 million (31 December 2020: EUR 115.3 million).

Asset side of the balance sheet

In EUR million	31 December 2021 (Share of total assets)		31 December 2020 (Share of total assets)	
Non-current assets	970.0	62.7 %	948.1	89.2 %
Current assets	576.7	37.3 %	115.3	10.8 %
Total assets	**1,546.7**	**100.0 %**	**1,063.4**	**100.0 %**

As at 31 December 2021, the Group's non-current assets comprised goodwill, intangible assets, property, plant and equipment, financial assets, other assets and deferred tax assets. In total, non-current assets increased by EUR 21.9 million or 2.3 % in the reporting year.

The increase in non-current assets as at 31 December 2021 compared to the previous year resulted mainly from business combinations.

Goodwill increased by EUR 20.4 million to EUR 667.2 million (31 December 2020: EUR 646.8 million) in the fiscal year due to business combinations (Chatvisor GmbH, Upskill, Inc., Viscopic GmbH and Hapibot Studio Unipessoal Lda) and thus continued to represent the largest item within non-current assets. The decrease in intangible assets to EUR 248.2 million as at the reporting date (31 December 2020: EUR 255.3 million) resulted mainly from amortisation of EUR 39.3 million (2020: EUR 33.3 million). Additions resulted from business combinations in the amount of EUR 23.5 million (2020: EUR 37.6 million) and additions for software in the amount of EUR 8.6 million (2020: EUR 15.3 million), which mainly include capitalised implementation expenses for the ERP system in the amount of EUR 7.4 million. The increase in property, plant and equipment to EUR 45.5 million (31 December 2020: EUR 40.5 million) was due to investments of EUR 16.2 million (2020: EUR 26.2 million). This was offset by depreciation of EUR 11.6 million (2020: EUR 7.8 million).

The Group's current assets as at 31 December 2021 comprised trade receivables, other assets, tax receivables and cash and cash equivalents.

The increase in current assets as at 31 December 2021 resulted mainly from the increase in cash and cash equivalents due to the drawing of new bank loans and from the operating cash flow. At EUR 550.5 million (31 December 2020: EUR 83.5 million), cash and cash equivalents continued to be the largest item within current assets. The increase in other assets by EUR 5.4 million to EUR 13.0 million (31 December 2020: EUR 7.6 million) resulted mainly from capitalised costs for customer contracts. Trade receivables decreased in the reporting year to EUR 11.6 million (31 December 2020: EUR 19.7 million). This resulted from an increase in billings net yet due of EUR 11.1 million due to longer payment terms with Enterprise customers. The Group recognises trade receivables that are not due only in the amount of the services already rendered.

Equity and liabilities side of the balance sheet

In EUR million	31 December 2021 (Share of equity and liabilities)		31 December 2020 (Share of equity and liabilities)	
Equity	320.1	20.7 %	240.7	22.6 %
Non-current liabilities	889.5	57.5 %	471.7	44.4 %
Current liabilities	337.1	21.8 %	351.0	33.0 %
Total equity and liabilities	**1,546.7**	**100.0 %**	**1,063.4**	**100.0 %**

The Group's equity rose by EUR 79.4 million to EUR 320.1 million as at 31 December 2021 (31 December 2020: EUR 240.7 million). The increase resulted mainly from the Group net income of EUR 50.1 million generated in the reporting year. In addition, the capital reserve increased by EUR 27.6 million due to the recognition of equity-settled share-based payments. The equity ratio at the end of the fiscal year 2021 was 20.7 % (31 December 2020: 22.6 %). The decrease in the equity ratio results from the increase in total assets.

The Group's non-current liabilities increased by EUR 417.8 million to EUR 889.5 million as at 31 December 2021 (31 December 2020: EUR 471.7 million). Their share of equity and total liabilities increased to 57.5 % as at the end of fiscal year 2021 (31 December 2020: 44.4 %). Within this item, non-current financial liabilities increased by EUR 402.3 million to EUR 842.5 million at the end of the 2021 fiscal year (31 December 2020: EUR 440.2 million), mainly due to new bank loans and promissory notes. Other financial liabilities include contingent purchase price payments from business combinations of EUR 8.4 million (31 December 2020: EUR 0.0 million) and fixed purchase price liabilities from business combinations of EUR 6.3 million (31 December 2020: EUR 0.0 million). After netting deferred tax assets and liabilities, deferred tax assets amounted to EUR 0.5 million as at 31 December 2021 (31 December 2020: EUR 0.2 million) and deferred tax liabilities to EUR 29.8 million (31 December 2020: EUR 29.2 million).

Current liabilities fell by EUR 13.9 million to EUR 337.1 million as at 31 December 2021 (31 December 2020: EUR 351.0 million). This was mainly due to the decrease in current financial liabilities by EUR 47.1 million to EUR 35.0 million (31 December 2020: EUR 82.1 million). This resulted primarily from the full repayment of the revolving credit line. In contrast, current deferred revenue increased by EUR 29.7 million to EUR 244.5 million (31 December 2020: EUR 214.8 million) due to higher billings in the reporting period.

For the 2019 syndicated loans, the Group has to make an annual mandatory repayment of at least 5 % of the nominal value. In the fiscal year, the mandatory repayment amounted to EUR 25.2 million (31 December 2020: EUR 23.8 million). The Group has the unconditional right to repay the loans partially or completely early at any time. The revolving credit facility was repaid in full in the reporting year and was not drawn down as at 31 December 2021. Drawdown is possible in various currencies up to an amount of EUR 150 million (2020: EUR 150 million).

The promissory note includes variable and fixed-interest tranches with different maturities. Repayments are made in one amount, at maturity of the respective tranche. The interest coupons are paid semi-annually from 4 September 2021. The reference interest rate (6M EURIBOR) is fixed at 0 % for the variable tranches. The interest margins are linked to the assessments of the factors environment, social and governance in the Company (ESG ratings) prepared by the rating agency Sustainalytics and the Company's net leverage ratio.

EUR 550.5 million

cash and cash equivalents as at 31 December 2021

Financial liabilities

In EUR million	Currency	Nominal interest rate	Year of maturity	Principal amount (EUR)	**Carrying amount (EUR)**
			2021		
Loans					
2019 syndicated loan in USD	USD	1.88 %	2024	270.2	266.1
2019 syndicated loan in EUR	EUR	1.50 %	2024	112.5	110.7
2019 syndicated loan in GBP	GBP	1.93 %[1]	2024	71.3	70.2
2019 syndicated loan – revolving credit facility[2]	Diverse	Diverse	2024		
2021 bilateral bank loan	EUR	1.00 %	2025	100.0	100.0
Promissory notes					
Promissory note 3-year fixed interest	EUR	1.00 %	2024	27.0	27.0
Promissory note 3-year variable interest	EUR	1.00 %	2024	58.0	58.1
Promissory note 5-year fixed interest	EUR	1.20 %	2026	118.0	118.1
Promissory note 5-year variable interest	EUR	1.20 %	2026	75.0	75.1
Promissory note 7-year fixed interest	EUR	1.40 %	2028	13.0	13.0
Promissory note 10-year fixed interest	EUR	1.60 %	2031	9.0	9.0
Total interest-bearing liabilities				**854.0**	**847.3**
liabilities					

In EUR million	Currency	Nominal interest rate	Year of maturity	Principal amount (EUR)	**Carrying amount (EUR)**
			2020		
2019 syndicated loan in USD	USD	2.24 %	2024	263.2	257.9
2019 syndicated loan in EUR	EUR	1.75 %	2024	118.8	116.3
2019 syndicated loan in GBP	GBP	2.03 %	2024	70.4	68.9
2019 syndicated loan – revolving credit facility[3]	USD	1.89 %	2024	52.2	52.0
Total interest-bearing liabilities				**504.5**	**495.1**

1 Changed from LIBOR to SONIA +0.1193 % in the fiscal year.
2 As at 31 December 2021, TeamViewer had a credit line of up to EUR 150.0 million, of which EUR 150.0 million had not been drawn as at the reporting date.
3 As at 31 December 2020, TeamViewer had a credit line of up to EUR 150.0 million, of which EUR 86.0 million had not been drawn as at the reporting date.

The bullet bilateral bank loan matures on 31 March 2025. The interest rate is 1.00 % p.a. The interest is payable for the first time on 30 June 2021 and thereafter quarterly in arrears on the last day of each calendar quarter.

The TeamViewer Group's net financial liabilities, defined as the sum of interest-bearing current and non-current financial liabilities less cash and cash equivalents, decreased to EUR 326.9 million as of 31 December 2021 (2020: EUR 438.7 million). Due to the cash flow from operating activities generated in the reporting year, the Group's liabilities declined further despite the acquisitions made in 2021.

The net leverage ratio, which compares the Group's net financial liabilities to the adjusted EBITDA of the past twelve months, improved to 1.3x at year-end 2021 (2020: 1.7x).

Development of net leverage ratio

In EUR million	**2021**	2020
Current financial liabilities	35.0	82.1
Non-current financial liabilities	842.5	440.2
Cash and cash equivalents	(550.5)	(83.5)
Net financial liabilities	**326.9**	**438.7**
Adjusted EBITDA	257.0	261.4
Net leverage ratio	**1.3x**	**1.7x**

Basic features of financial management

TeamViewer's financial management is designed to ensure the Group's financial stability, flexibility and liquidity. It includes capital structure management and the financing of the Company, cash and liquidity management and the monitoring and control of market price risks such as exchange rate and interest rate risks. TeamViewer's financing structure is geared towards maintaining financial room for manoeuvre to take advantage of business and investment opportunities. This is achieved through a balanced ratio of debt and equity.

Under the terms of the 2019 credit agreements, the Group is required to comply with certain leverage covenants defined in the respective credit agreements based on the ratio of net financial liabilities to pro forma EBITDA (See financial liabilities in the notes to the consolidated financial statements on page 89).

Financial position of the Group

Cash flows from operating activities reached EUR 194.0 million in the 2021 fiscal year (2020: EUR 224.5 million), a decrease of 13.6 % compared to the previous year. The decline was particularly due to the lower profit before taxation as a result of increased marketing expenses.

Cash flows from investing activities was EUR (38.9) million in the 2021 fiscal year (2020: EUR (110.2) million). Investments in property, plant and equipment and intangible assets fell to EUR 15.2 million (2020: EUR 26.2 million). Business combinations led to a net cash outflow of EUR 23.4 million (2020: EUR 84.1 million).

Financial position

In EUR million	2021	2020
Cash and cash equivalents at the beginning of the period	**83.5**	**71.2**
Cash flows from operating activities	194.0	224.5
Cash flows from investing activities	(38.9)	(110.2)
Cash flows from financing activities	301.1	(95.8)
Other changes	10.8	(6.2)
Cash and cash equivalents at the end of the period	**550.5**	**83.5**

Cash flows from financing activities amounted to EUR 301.1 million in the 2021 fiscal year (2020: EUR (95.8) million). The repayment and proceeds from financial liabilities resulted in a net cash inflow of EUR 322.1 million (2020: cash outflow of EUR 62.8 million). In addition, interest payments in the 2021 fiscal year led to cash outflows of EUR 14.1 million (2020: EUR 28.1 million).

TeamViewer's cash and cash equivalents increased to EUR 550.5 million as of 31 December 2021, compared to EUR 83.5 million as of the previous year's reporting date. The Group was able to meet its payment obligations at all times in the past fiscal year.

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Levered free cash flow

In EUR million	2021	2020
Cash flows from operating activities (before income taxes)	**237.5**	**258.0**
Income taxes paid	(43.5)	(33.4)
Investments in property, plant and equipment and intangible assets	(15.2)	(26.2)
Payments for the redemption portion of lease liabilities	(6.9)	(4.9)
Interest paid on borrowed funds and leasing liabilities	(14.1)	(28.1)
Levered free cash flow	**157.8**	**165.4**
In % of adjusted EBITDA	**61**	**63**
In % of EBITDA	**94**	**81**

Overall statement on the economic situation

The year 2021 was an eventful year for TeamViewer with many ups, but also downs. The Company set several strategic courses for the future and entered into landmark partnerships. The product portfolio made major advances again, and TeamViewer took a leading position in the field of augmented reality software. TeamViewer also successfully expanded its enterprise business and boosted its global presence as well as its brand recognition.

Next to these important successes, the year 2021 also held some setbacks. Growth fell short of the original expectations, and the forecast had to be adjusted in the course of the year. The reasons for this were complex. One was the strong pull-forward effects in the area of remote work in 2020, when companies worldwide were taken by surprise by the pandemic. This led to a larger adjustment in the purchased volumes of remote connectivity in the 2021 contract renewals and, at the same time, increased competition within the entry level of this segment. In addition, with the corona restrictions in place, there was not sufficient success in optimally inducting newly hired staff in 2021, physically matching them with experienced team members and accelerating their learning curve. All this meant that the targets set at the beginning of the year had to be adjusted, resulting in extremely disappointing share price performance in 2021 for the TeamViewer share.

With the Capital Markets Day in November, TeamViewer presented plans to improve the execution of its growth initiatives and optimise its cost structure. The strong fourth quarter demonstrated that these measures are already taking effect.

The Management Board of TeamViewer AG is satisfied overall with the conclusion of the fiscal year and has set the course for continued profitable growth. Through key investments in its product portfolio, TeamViewer has built an industry-leading augmented reality platform, strengthening its position in key growth markets. In addition, partnerships with world-leading tech players such as SAP and Google Cloud are opening doors around the world and significantly expanding the Company's reach.

Financially, TeamViewer is in a very solid position based on its strong cash flow, attractive growth rates and continued very high profitability.

The Management Board of TeamViewer AG assesses the business development and the economic situation of the Group in the reporting year 2021 as positive overall.

05 Events after the reporting date

Share buyback programme resolved | Implementation of programme in fiscal year 2022 | Programme underscores TeamViewer's confidence in business development | Target leverage ratio of 1.5 x adjusted EBITDA

The Management Board of TeamViewer AG resolved a share buyback programme on 2 February 2022. The programme has a volume of up to EUR 300 million, or a maximum of 20 million shares, which corresponds to just under 10 % of all of the Company's shares outstanding. The buyback will be carried out in accordance with the authorisation granted at the Extraordinary General Meeting on 3 September 2019. The programme was initiated on 3 February 2022 and will be completed within fiscal year 2022. The majority of the repurchased shares are to be cancelled, and the Company's share capital reduced accordingly.

The share buyback programme underlines TeamViewer's confidence in the future development of its business and the Company's objective to generate value for its investors by enabling shareholders to participate in the Company's success while ensuring sufficient flexibility for the Company's future strategic development. Against the backdrop of the strong, long-term secured financing structure and continued high cash flow, TeamViewer is targeting a sustainable leverage ratio of approximately 1.5x adjusted EBITDA as at year-end 2022 (31 December 2021: 1.3x).

As part of its growth strategy, TeamViewer intends to steadily expand its geographical presence, including its sales and marketing activities. In addition to external market factors such as economic trends, business activities are also influenced by changes in the political, and particularly, geopolitical environment as well as by financial changes. The Russia-Ukraine conflict at the beginning of 2022 has led to a sharp increase in the risks resulting from the geopolitical environment worldwide. The extent of the medium-to long-term consequences of this are nearly impossible to predict. TeamViewer has therefore classified the related risks to the results as high overall. The expansion of business activities in China, for example, may also be accompanied by an increased political risk for TeamViewer in the corresponding market.

The share buyback programme underlines TeamViewer's confidence in its future business development

06 Opportunity and risk report

Risk and control system as a key element of good corporate governance | No risks identified that could jeopardise the Group's continued existence | Growth opportunities for the Group are based on numerous technological and social trends

Material opportunities

Based on various technological and social trends, TeamViewer has a wide range of growth opportunities. The Management Board has identified the following opportunities in particular:

Digitalisation along the entire corporate value chain

The Group sees digitalisation and the associated potential for virtually all companies from all industries to increase their productivity within the entire value chain as an opportunity for itself. Since TeamViewer's product portfolio includes both horizontal solutions for use in corporate functions and in the IT context as well as vertical solutions for the digitalisation of logistics or production in the area of Operations Technology (OT), the Company can offer its customers solutions almost along the entire value chain.

Robotics, automation and Industry 4.0

TeamViewer sees opportunities in the increasing automation and process optimisation in the course of Industry 4.0., particularly for TeamViewer's Frontline augmented reality platform. With the help of AR-supported step-by-step instructions, the use of TeamViewer Frontline can increase the speed and efficiency of manual work processes and at the same time reduce the frequency of errors in the areas of logistics and manufacturing, maintenance, repair and after-sales. The fact that the software runs on smart glasses and thus enables people to work with both hands simultaneously is enormously important for many industries. The connection of these processes to the production or inventory systems of the respective customer makes the Frontline software so attractive. The acquisitions of Ubimax (2020), Upskill (2021) and Viscopic (2021) have also greatly contributed to this development, and their technology has been fully integrated into the Frontline platform. As a result, considerably more industrial use cases can now be covered than two years ago. But TeamViewer's strength in remote access to so-called "embedded devices", i.e. any non-IT devices outside the traditional office environment, also plays a major role in this context and supports IoT scenarios such as the networking of robots, industrial machines and similar equipment.

Smart devices need omnipresent connectivity

TeamViewer sees the global expansion of broadband Internet (5G) as an opportunity to support additional and more data-intensive use cases for connected devices with its products. The increasing spread of mobile devices and wearables such as smartphones, tablets and smart glasses in conjunction with the progressive introduction of IoT technology in commercial and industrial use cases is a mega-trend from which TeamViewer can benefit. But not only here, the use of smart, internet-enabled devices and the associated possibility for use cases in the area of remote access and remote maintenance is also increasing in the non-commercial environment.

Strengthening the idea of sustainability

Environmental concerns and the reduction of one's own ecological footprint are becoming increasingly important for companies and governmental organisations, as well as private individuals. One example is the EU's commitment under the Paris Climate Agreement to reduce CO_2e emissions by 40 % compared to 1990 levels by the year 2030.12 TeamViewer's connectivity solutions can contribute to reducing emissions by enabling people to interact with each other and control and manage devices remotely, thereby reducing travel. The Management Board therefore believes that this will result in further growth opportunities for the TeamViewer Group.

Mobile first

With the widespread use of smartphones and tablets, access to corporate software via mobile devices is also steadily increasing. The trend towards mobile software solutions is reinforced by the integration of the young, digital-native generation into professional life, the improved mobile connection performance, such as through the 5G network, and the focus of many development teams on mobile applications.

TeamViewer considers itself to be ideally positioned in this respect and will continue to expand its offerings for mobile end users. An example of this is the further development of the TeamViewer remote assist solution AssistAR, which lets employees in the field get AR-based support remotely on their mobile devices from technical experts.

Flexible and location-independent working

The changes in the modern working world, driven by an increasingly geographically distributed and flexible workforce, are seen by the Management Board as a further opportunity for the TeamViewer Group. Companies are increasingly giving their employees remote access to company systems, data and devices and allowing them to collaborate with colleagues, teams and third parties across locations. This presents an opportunity for TeamViewer to offer its solutions for secure remote access and online collaboration. In addition, device support and management is a growing challenge for corporate IT departments. Here, too, there are opportunities for TeamViewer's connectivity solutions to enable the centralised support and management of a globally distributed device landscape and IT infrastructure, thereby realising cost savings and efficiency gains.

The global coronavirus pandemic has rapidly accelerated the trend towards location-independent and increasingly digital work. The "new normal" is shaping today's working world. With its product offering, TeamViewer sees itself well-positioned to continue to benefit from this development.

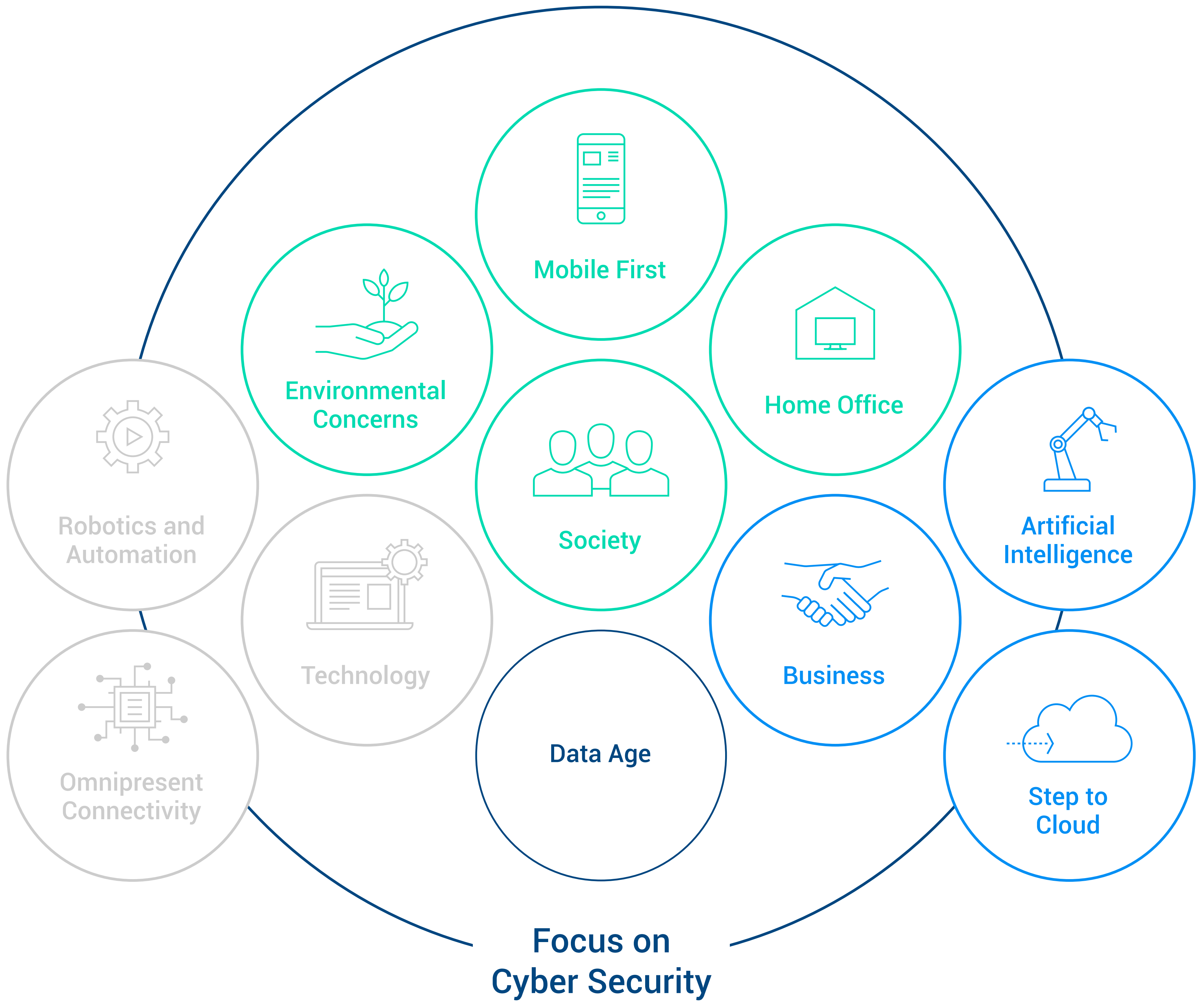
Artificial intelligence (AI)

TeamViewer sees an opportunity for its business from the increasing use of artificial intelligence to solve business-critical problems and optimise processes. For this reason, the Company integrates AI functionalities into its existing solutions and also works on proprietary innovations in this area. Data-driven decisions will become increasingly important in the future, especially in the industrial environment.

Partnerships

TeamViewer has massively expanded various marketing and distribution partnerships. This also presents numerous opportunities to expand its sales channels, reach and integration.

Material Opportunities



Risk management, internal audit and internal control system

Risk management

The TeamViewer Group seeks to progressively develop its products and adapt them to market and customer requirements, thereby continuously improving its market position. TeamViewer's success rests on its ability to systematically identify and seize opportunities while controlling risk in a targeted manner. TeamViewer has implemented a risk management and control system to ensure the early identification, assessment and controlled handling of potential risks. The risk and control system is considered one of the key elements of good corporate governance.

Risk management system

The continued evolution of the risk management system is ensured through the ongoing review and adaption to the Company's needs and the developments in the market.

TeamViewer's risk management system was implemented based on the Enterprise Risk Management Standard of the Committee of Sponsoring Organisations of the Treadway Commission (COSO) and the auditing standards PS 340 and PS 981 of the Institute of Public Auditors in Germany (IDW) and includes the identification and assessment of the Group's risks.

In the context of the updated version of auditing standard PS 340 (new version) and the resulting requirements for the risk management system, TeamViewer has reviewed its risk management system and has introduced a risk management application to ensure it fully complies with the new requirements.

The revisions focused specifically on the definition and review of the Company's risk-bearing capacity and the fully automated aggregation of risks (Monte Carlo simulation).

TeamViewer's risk management system consists of the following elements:

Aim of the risk management system
The aim of the risk management system is to provide the Management Board with an overview of risks and support the decision-making process on how to handle these risks at both the strategic and operational levels. The risk management system is designed to identify potential risks at an early stage, assess them and broadly mitigate them through controls and measures.

Identification and monitoring of risks
Risks are identified in a semi-annual cycle by the risk manager in cooperation with the respective risk officers appointed for each department. In addition to regular reporting, the risk officers are required to review risks on a continual basis. A further ad hoc reporting system is in place to inform the Management Board and the risk manager promptly of current risk events.

Assessment of the risks
All identified risks are assessed semi-annually based on their probability of occurrence and potential impact on the Company in relation to the achievement of financial and non-financial corporate objectives, corporate reputation and compliance. The evaluation and classification of the individual risks are carried out using the following matrix:

In the past fiscal year, TeamViewer verified the precise quantification of all risks on a monetary basis so that a fully automated aggregation of the risks could be carried out based on the Monte Carlo simulation. The quantification of the risks of all categories has been carried out according to the value limits below:

Qualification of the risks

Scale	Category	Adjusted EBITDA (in EUR million)
1	Marginal	< 0.5
2	Minor	0.5–3
3	Moderate	3–5
4	Moderate	5–20
5	Major	> 20

The assessment is performed on both a gross and a net basis. The gross basis represents the risk before consideration of all risk mitigating measures and controls. The net risk refers to the risk remaining after all risk-mitigating measures and controls have been considered. The resulting net assessment is as follows:

Effectiveness of measures/controls

Risk	Inexistent	Partial effective	Effective
Low	Low	Low	Low
Medium	Medium	Medium	Low
Significant	Significant	Significant	Medium
High	High	High	Significant

Risk assessment matrix

Probability of occurence		Impact				
Description	Scale	1 Marginal	2 Minor	3 Moderate	4 Significant	5 Major
Certain	5	Medium	High	High	Major	Major
Probable	4	Medium	Medium	High	High	Major
Likely	3	Low	Medium	Medium	High	High
Possible	2	Low	Low	Medium	Medium	High
Unlikely	1	Low	Low	Low	Medium	Medium

In the following report on the main risks, the risks that could have a significant or high impact on the Group result on the basis of a gross assessment are explained.

Risk-bearing capacity and risk aggregation

The Management Board defines the Group's risk-bearing capacity in accordance with IDW PS 340 (new version). According to this, risk-bearing capacity is defined as the Group's ability to bear all potential losses from the risks inherent in the business so that business operations can be maintained. This includes ensuring that the Group has sufficient liquidity to bear the maximum possible losses from the existing risks. At the same time, the requirements for all financing and refinancing needs must be met.

When assessing risks, the Management Board considers both the probability of occurrence and the possible aggregated effects of various risks that may occur (aggregation of risks). The Management Board does this through the use of recognised methods for risk aggregation, such as the Monte Carlo simulation. The aggregated risks may at no time be higher than the risk-bearing capacity.

In addition, the Group has prepared potential alternatives for action in the event that the Group's risk-bearing capacity limit is reached or exceeded.

Risk control

Risk owners are responsible for ensuring that appropriate risk-mitigating measures and controls are developed and implemented within their area of responsibility. They analyse the responses in terms of the impact of the risk-mitigating measures and controls on the risk consequences and probabilities, their costs relative to the benefits, the resources available, the controls and measures in place and possible opportunities. Depending on the nature of the risk, they identified different risk strategies, such as risk acceptance, risk avoidance, risk mitigation and the transfer of risk to third parties.

Risk reporting

The Management Board and the Senior Leadership Team are kept informed semi-annually of the Group-wide risk situation, especially of the greatest risks and changes to the risk assessment. Ad hoc reports are made to the Risk Steering Group, which consists of the Management Board, the Risk Manager and the Risk Officer of the division concerned. There were no ad hoc reports during the past fiscal year.

Together with the Management Board, the Risk Manager informs the Audit Committee about risk management and existing risks at routine intervals.

Material risks

The TeamViewer Group subdivides its risks into strategic, operational, compliance-related, and financial risks. An overview of these risk categories follows below, including a detailed description of the risks deemed significant or high by the Company. The other risks are summarised in an overview. Risks classified as at least significant or high in the previous year and which were given a lower classification during the reporting year are shown in the following overview for illustrative purposes.

In the following overview, the risks were aggregated, and the highest-rated risk within each risk group was listed.

Risk assessment

	Group risk assessment (gross risk)	Group risk assessment (net risk)	Trend[1]
Strategic risks			
Macroeconomic risks			
General macroeconomic environment	High	High	→
Coronavirus pandemic	Significant	Significant	↘
Geopolitical environment	High	High	↗
Competitive environment	High	High	→
Partnerships	Significant	Significant	↗
Operational risks			
Product risks	Significant	Significant	→
Product and IT security	High	High	→
Sales risks	Significant	Significant	→
Migration of the heterogeneous IT system landscape	Medium	Medium	↘
Personnel risks	Significant	Significant	↗
Compliance-related risks			
General legal and regulatory risks	Significant	Significant	→
Data protection	Medium	Medium	↘
Financial risks			
Foreign currency risk	High	Significant	→

[1] Trend: Net risk level compared to the prior year.

Legend:
Lower net risk ↘
Unchanged net risk →
Higher net risk ↗

Strategic risks

TeamViewer defines strategic risks as all risks resulting from the strategic orientation of the business model. These may include risks that result from the market environment or the Group's internal strategic orientation.

Macroeconomic risks

General macroeconomic environment

The development of TeamViewer is influenced by macroeconomic developments and the general business climate. An economic downturn might result in a decline in product subscriptions, longer sales cycles, increased price competition and problems recruiting new customers, which could lead to a drop in revenue volume and profitability for TeamViewer. Small and medium-sized businesses, which account for most of TeamViewer's customers and customers in emerging markets in the Latin American and Asia-Pacific region with more volatile economies, are especially susceptible to macroeconomic changes. To counter this risk, TeamViewer closely monitors the different regional markets and offers market-specific solution portfolios meeting the requirements of the respective markets.

Coronavirus pandemic

TeamViewer classifies the risk of potential negative effects from the coronavirus pandemic as significant in principle. The coronavirus pandemic presents companies in general, as well as the TeamViewer Group in particular, with significant general, health and overall economic challenges. Although TeamViewer has so far been able to reduce health risks for employees to a large extent through measures such as work-from-home arrangements and the introduction of on-site shift work, the Group cannot rule out the future possibility of employee absences due to illness or the economic damage as a consequence. The medium- to long-term macroeconomic effects on customer behaviour as well as on the risks associated with sales travel activities are also difficult to assess.

Geopolitical environment

As part of its growth strategy, TeamViewer intends to steadily expand its geographical presence, including its sales and marketing activities. In addition to external market factors such as economic trends, business activities are also influenced by changes in the political, and particularly, geopolitical environment as well as by financial changes. The Russia-Ukraine conflict at the beginning of 2022 has led to a sharp increase in the risks resulting from the geopolitical environment worldwide. The extent of the medium- to long-term consequences of this are nearly impossible to predict. TeamViewer has therefore classified the related risks to the results as high overall. The expansion of business activities in China, for example, may also be accompanied by an increased political risk for TeamViewer in the corresponding market.

In terms of billings, the United States was TeamViewer's largest single geographical market in the past fiscal year. The TeamViewer Group has its own sales and marketing organisation in the United States which generates a significant portion of the Group's earnings. Political and macroeconomic developments in the United States may trigger uncertainty to a particular extent and have a negative impact on the investment decisions of TeamViewer's customers.

Competitive environment

The Group sees a particular risk in the competitive environment. A further increasing competition from existing competitors and/or new competitors could lead to increased price pressure, reduced margins, and the loss of market share. A high risk arises particularly when one of the major international software providers decides to expand its own products and solutions offering in such a way that it increasingly overlaps with TeamViewer's solutions portfolio. In addition, there is a risk of increased price pressure due to the emergence of new competitors, especially in the low-price segment. TeamViewer is closely monitoring the current market developments, at the same time maintaining close relations with the leading software firms. The Group is also making substantial investments in the continuous deepening and broadening of its solutions portfolio to set itself apart from competitors on a long-term basis.

Partnerships

TeamViewer maintains numerous partnerships relevant for the continued success of the business and has been expanding these partnerships successively over the past several years. In addition to sponsoring partnerships in the sports environment, these include various technology and sales partnerships. The Group now classifies the risks generally associated with partnerships as significant. This assessment is based, among others, on the variety of negative headlines in the sports environment which, in the context of sports sponsoring, could lead to mainly reputational risks for TeamViewer. Financial risks also exist due to the difficulty involved in quantifying and planning returns on investment in the sports sponsorship area. In relation to technology and sales partnerships, risk exists of an inability to monetise the product integration or sales channel expansion as planned.

Operational risks

TeamViewer defines operational risks as all risks associated with business operations such as product, product security, distribution, and infrastructure.

Product risks

Damage and interruptions may occur in the infrastructure used by TeamViewer and in the infrastructure provided by third parties. The damage or failure of the infrastructure could lead to data losses and disruptions or delays in the services provided by the Group. Internal processes have been established by TeamViewer to avoid such failures and disruptions, and remedy them as quickly as possible.

TeamViewer's software enables endpoint connectivity across a wide range of different operating systems. Updates and further developments of these operating systems as well as the introduction of new operating systems may result in the full or partial malfunction of TeamViewer's software solutions. This could have a negative impact on customer relationships and lead to a loss of TeamViewer's reputation. To counter this risk, the Group's R&D department is constantly monitoring updates to operating systems and is also in close contact with TeamViewer's customer support service to remedy any software malfunctions immediately.

Due to the rapidly changing software market, there is a fundamental risk that TeamViewer's innovative edge over its competitors could be lost, that the Group's product development may not meet market expectations with regard to new trends and innovations and that, as a result, the Group's products lose their appeal and customers switch to competitors. In order to recognise market expectations and to be able to react quickly to them, TeamViewer constantly incorporates customer feedback in the product development. Moreover, TeamViewer uses agile software development methods to allow it to respond more quickly to changes.

The software technology underlying TeamViewer's products is complex and may include material faults or shortcomings, especially when new products are launched or new functions or options are unlocked. The costs incurred during the analysis, correction or remedy of material software bugs or shortcomings may be significant. Although TeamViewer frequently issues software updates, it is possible that it may not be able to remedy vulnerabilities or errors promptly or in full, which could harm the Company's competitive position to a certain degree. Actual, potential, or perceived shortcomings may lead to disruptions in the availability of the software and result in lost or delayed market acceptance and sales, forcing TeamViewer to reimburse customers, or lead to liability claims in another way. Liability may also result from the continuing use of older versions of the TeamViewer software by customers.

Product and IT security
TeamViewer's business model includes providing solutions that enable end users to securely access devices and networks remotely (remote connectivity as well as Frontline solutions). Any unauthorised access, network disruptions, denial of service (an attack designed to prevent legitimate users from accessing the services) or similar malicious third-party influences have the potential to adversely affect the integrity, continuity, security and trust in the software, services or systems of TeamViewer or its customers. This may result in cost-intensive legal disputes, significant financial liabilities, increased regulatory controls, financial sanctions, and a loss of trust in TeamViewer's products. Existing or potential customers may, thus, opt for other IT solutions instead. Cyberattacks are becoming ever more sophisticated and increasingly originate from highly professional parties. Cloud-based platform providers of products and services and product offerings in remote connectivity are rapidly becoming attractive targets for such cyberattacks.

Alongside traditional cyberattacks such as computer hacking, malicious code (e.g. viruses or worms), theft or misuse by employees and denial-of-service attacks, TeamViewer is also seeing cyberattacks by highly professional and financially well-endowed players, often state-affiliated or politically motivated. Attacks may aim to damage TeamViewer and its users or they may form part of external or internal spying activities or acts of sabotage. Already the rumour of unauthorised access or supposed security vulnerabilities may have a significant impact on TeamViewer's reputation and business performance. TeamViewer's security team focuses on steadily improving the protection of its products and the underlying infrastructure. To this end, various measures have been taken to identify and prevent cyberattacks and attempts of unauthorised access to TeamViewer's networks and servers at an early stage. Potential risks are regularly assessed through threat modelling, penetration tests, risk classifications, testing and threat profiles. A security operations centre (SOC) monitors the IT and product infrastructure 24/7 to identify potential attacks immediately. In addition, the internal security structures are regularly reviewed and, where necessary, adjusted by internal and external parties. Switching off older product versions which no longer comply with current security standards is another security measure.

There is also a risk that TeamViewer's products could be misused for unauthorised purposes, such as employment of the product in connection with malware or for fraudulent business models. This may lead to reputational damage for TeamViewer and have an adverse effect on customer acquisition and customer loyalty. The product security measures described above also constitute risk-mitigating measures for these events. TeamViewer is, furthermore, working together with external specialist bodies to identify suspected cases early on and to take adequate security measures.

Sales risks
To a considerable extent, TeamViewer's success is dependent on its ability to gain new customers and to maintain and expand its business relationships with existing customers. There is a risk that customers will not renew their licence at the end of their subscription period, that they will cancel it or reduce its extent. TeamViewer seeks to counter this risk through various measures, especially through specific regional sales strategies and the targeted use of sales partners. However, it is not possible to ensure an ongoing customer retention and continuous expansion of the use of TeamViewer's product by existing customers in every case. The high net retention rate in recent years is proof of the strong degree of customer loyalty and thereby the success of the Group's sales measures.

The Group's sales risks vary by region and are very high in regions with unstable underlying economic and political conditions such as Asia and Latin America, in particular. As well as other factors, TeamViewer's growth strategy is based on the expansion of customer relationships in such regions. In these countries, TeamViewer is thus exposed to risks associated especially with business operations in emerging markets. The Group counteracts these risks through the continuous expansion of its regional sales structures in order to meet the specific requirements of each individual market.

Migration of the heterogeneous IT system landscape
The migration of the IT system landscape was not yet fully completed last year and was therefore classified as a significant risk. After the completion of this migration in the 2021 fiscal year, the risks associated with the TeamViewer Group's IT system landscape have now been classified as medium.

TeamViewer's business model includes providing solutions that enable end-users to securely access devices and networks remotely

Personnel risks

Retaining highly qualified employees for the long term and attracting new qualified employees is a challenge for the Group, as it is for many other companies, especially in the technology sector. The loss of knowledge from the departure of key employees could lead to TeamViewer's inability to meet the market requirements for its products or its strategic initiatives not being sufficiently implemented. If TeamViewer is unable to recruit sufficient qualified employees due to the current shortage of professionals, there is a risk that the Group could miss its growth and innovation targets. To mitigate this risk, TeamViewer employs a variety of measures to retain and recruit talent, including flexible work schedules, appealing workplace models, the addition of new locations, and competitive remuneration, which includes a bonus programme.

Compliance-related risks
TeamViewer understands compliance-related risks to include all legal and regulatory risks as well as corporate governance risks.

General legal and regulatory risks
TeamViewer defines general legal and regulatory risks as those resulting from infringements of the legal provisions and from contractual obligations. TeamViewer is exposed to a large number of different laws and underlying legal conditions in different jurisdictions, including those which regulate Internet use, privacy, data protection, IT security, consumer protection and conditions underlying the labour market. These underlying legal provisions are subject to change and may have a substantial impact on TeamViewer's business activities or their expansion into new areas of business.

Due to the continuous widening of its customer base and sales models, TeamViewer is increasingly exposed to contractual liability risks and product requirements of enterprise customers. This may lead to deviations from the standard end user licence agreement, the negotiation and ongoing checking of which may tie up significant resources at TeamViewer and delay the sales cycle. Furthermore, their technical integration into the operational requirements of enterprise customers is often complex and necessitates individually agreed development work. Breaches of contractual obligations may lead to liability claims by customers in respect of damages suffered and reputational damage. To minimise such risks where possible, TeamViewer's legal department subjects enterprise agreements and service level agreements to in-depth scrutiny prior to their conclusion.

TeamViewer offers its products to many customers all over the world, often without personal contact and via the Internet. This entails the risk of a breach of sanctions or export control restrictions. Such breaches may result in the payment of penalties, legal consequences, and reputational damage. TeamViewer has established comprehensive compliance mechanisms to counteract this risk.

Data protection
The Group's assessment of its data protection risk was reduced to medium in the 2021 fiscal year. This was based on the more experienced market practice in implementing the provisions of the new data protection environment, which also facilitated the better predictability of its application by market participants and authorities.

Financial risks
TeamViewer defines financial risks as all risks resulting in connection with financial resources, accounting, reporting and taxes.

Foreign currency risk
TeamViewer transacts business in around 180 countries and more than 40 currencies. In particular, the billings denominated in U.S. dollars contributed a considerable share to Group billings, revenue and accordingly the earning power of the Group in the 2021 fiscal year. Any changes in the exchange rate of these currencies against the euro thus harbour a currency risk for the Group. TeamViewer used derivative financial instruments to hedge the USD currency risk. The valuation of USD and GBP bank loans at the current exchange rates constitutes a foreign currency risk that runs counter to billings in these currencies.

The reporting currency of the TeamViewer Group is the euro. The TeamViewer subsidiaries report in different currencies, including the U.S. dollar, pound sterling, Australian dollar, Japanese yen, Indian rupee, Singapore dollar and Armenian dram. The income and expenses of the foreign subsidiaries are converted into euros at the average exchange rate applicable during the period.

Overall assessment of risks
The Management Board is convinced that the identified risks do not currently pose a threat to the continued existence of the Group or any of its material subsidiaries, either individually or in the aggregate.

Accounting-related internal control system

The accounting-related Internal Control System seeks to identify, assess and control all risks which may have a material impact on the due and proper preparation of the annual and consolidated financial statements. The following elements are covered with the control system:

- Functions which are material for the accounting process are separate and responsibilities are clearly assigned
- Statutory amendments and new accounting standards are analysed at regular intervals
- Financial statements across the Group are prepared using standard accounting policies and the principle of dual control is observed in all relevant processes
- The administration of accounts receivable and accounts payable, as well as internal recharging within the Group are managed centrally
- The individual companies are consolidated centrally using standard consolidation software; the data received is subject to random checks
- In the course of monthly report preparation, reporting figures are reviewed internally on a monthly basis
- Invoice-relevant measures are covered in the risk management system and in the Internal Control System
- The Code of Conduct moreover describes the principles of correct and responsible action with respect to financial reporting; a corresponding set of policies has been implemented

The Internal Control System is a crucial element of corporate governance within the TeamViewer Group to ensure full and correct financial and other reporting. Based on the risks outlined in the risk management system, the Internal Control System ensures that the financial risks are mitigated by means of relevant controls.

Internal audit
Internal Audit is an active part of TeamViewer Group's corporate governance. It ensures that internal processes and organisational structures are audited and legally compliant, appropriate and economically efficient. It also seeks to create added value for the TeamViewer Group by assessing the effectiveness and efficiency of business processes.

Internal Audit reports directly to the Management Board and the Audit Committee and operates worldwide. Together with the Management Board, the divisions and issues to be analysed for the upcoming fiscal year are defined and submitted to the Audit Committee, which approves the annual audit programme. The Audit Committee is kept regularly informed of the progress of the projects.

The Management Board is convinced that the identified risks do not currently pose a threat to the continued existence of the Group or any of its material subsidiaries, either individually or in the aggregate

07 Outlook

Billings growth in the range of EUR 630 million to EUR 650 million | Adjusted EBITDA margin in the range of 45 % to 47 %

Expected macroeconomic and sector-specific situation

For 2022, the Kiel Institute for the World Economy (IfW) expects global production to grow by 4.5 %, following an increase of 5.7 % in 2021. This forecast is based on the assumption that the economic impact of the COVID-19 pandemic will decline despite new waves of infection. Supporting this assumption is the fact that vaccination rates are very high, and a large proportion of the population has already come into contact with the virus, which means the health consequences are likely to be limited. As production capacities and value chains increasingly adjust to the changed demand structure, supply bottlenecks, which have had a restraining effect, should gradually be overcome. For the European Union, the IfW expects GDP to increase by just under 3.5 % in 2022 and by around 3.2 % in 2023. For the United States, GDP is expected to rise in the next two years at rates of 4.4 % and 3.2 %[1].

The market research institute Gartner expects global IT spending to grow by 5.5 % to USD 4.5 trillion in 2022, which is lower than in the previous year (9.5 %)[2]. The digital transformation market, in contrast, is expected by the market research institute IDC to achieve annual growth of 16.4 % (CAGR) in the period 2021 – 2025, with investments accelerating in 2022, particularly to meet long-term strategic digitisation goals[3]. For the enterprise augmented reality market, high growth rates are expected both for 2022 and beyond. The market research institute ABI Research is forecasting growth in this area of 66 % annually (CAGR)[4] until 2026.

Future development of the Group

TeamViewer expects demand for its solutions to continue to grow in the coming quarters. Global megatrends surrounding digitalisation, connectivity, and sustainability will continue to support the Company's growth path in 2022. TeamViewer continues to target billings growth rate in the high teens and expects billings in fiscal year 2022 in the range of EUR 630 million to EUR 650 million (2021: EUR 547.6 million). Revenue is expected to grow in the mid-teens to EUR 565 million to EUR 580 million (2021: EUR 501.1 million). Adjusted EBITDA margin is expected to be between 45 % and 47 %. The Company also expects a significant increase in cash flow from operating activities compared to 2021 (2021: EUR 194.0 million).

Overall assessment of future development

The Management Board is confident that the TeamViewer Group will be able to build on the achievements of the 2021 fiscal year and expects continued positive business development in fiscal year 2022.

[1] Kiel Economic Reports of the Kiel Institute for the World Economy (IfW) Global Economy, Winter 2021.
[2] ↗https://www.gartner.com/en/newsroom/press-releases/2021-10-20-gartner-forecasts-worldwide-it-spending-to-exceed-4-trillion-in-2022.
[3] ↗https://www.idc.com/getdoc.jsp?containerId=prUS48372321.
[4] ↗https://www.abiresearch.com/press/demand-augmented-reality-enterprise-and-consumer-markets-create-us175-billion-ar-market-2026/.

Global megatrends surrounding digitalisation, connectivity and sustainability will continue to support the Company's growth trajectory in 2022

08 Remuneration report

Compensation structure geared to sustainable entrepreneurial development | Malus and clawback conditions anchored

The remuneration report describes the basic principles of the remuneration system for members of the Management and Supervisory Boards as well as the individual remuneration amounts for members of TeamViewer's corporate bodies that were received or granted in the 2021 reporting year. This report complies with the legal requirements of § 162 AktG, the relevant accounting provisions (HGB, IFRS) and the recommendations of the German Corporate Governance Code (GCGC) as amended on 16 December 2019. In preparing the remuneration report, the Management Board and Supervisory Board of TeamViewer AG have prioritised clear, comprehensible and transparent reporting. The remuneration report was audited by the auditor in accordance with § 162 (3) sentences 1 and 2 AktG.

Remuneration for fiscal year 2021 in retrospect

Performance in fiscal year 2021

The development of the TeamViewer AG in fiscal year 2021 shows a mixed picture. Despite some challenges, the Company achieved a strong result. Billings increased by 19 % year-on-year and came to EUR 547.6 million, and the adjusted EBITDA margin was 47 %. The Company's financial profile continues to be characterised by double-digit growth, high profitability, and very good cash flow. Nevertheless, expectations for both billings growth and adjusted EBITDA margin were significantly higher following the exceedingly strong, corona-related extraordinary demand in fiscal year 2020. The Company's own growth forecast was set too optimistically based on the exceptional year 2020 and had to be reduced in the course of 2021. Previously, the new sports partnerships in soccer and racing and the associated additional marketing costs had already led to a revision in the margin target. The adjusted forecast was then fully met at the end of the year and even exceeded in terms of the adjusted EBITDA margin. Overall, the Management Board has set an important strategic course for the future: TeamViewer acquired several smaller companies and fully integrated their technology into its product range. This significantly expanded the solution portfolio, which explains TeamViewer's increased relevance as an enterprise software provider. Strategic partnerships were also concluded with major technology pioneers to ensure future growth.

The failure to achieve the original forecast for billings and adjusted EBITDA resulted, among other things, in the complete omittance of STI payments to the Management Board in fiscal year 2021. The principle of the remuneration system, that exceptional performance should be appropriately rewarded and missed targets should result in a reduction in remuneration, so-called Pay for Performance, is thereby reflected here, in particular, and in the Management Board remuneration for the fiscal year 2021 presented below.

Changes in Corporate Governance

In the 2021 reporting year, there were changes in both the Management Board and the Supervisory Board of TeamViewer AG. In the period from 19 April 2021 to 31 December 2021, Lisa Agona was a full member of the Management Board. Following the pre-term departure of the previous member of the Supervisory Board of TeamViewer AG, Holger Felgner, Hera Kitwan Siu has been court-appointed as a substitute member of the Supervisory Board as of 26 November 2021. The confirmation by the Annual General Meeting will be carried out at the regular Annual General Meeting in 2022. Apart from these, there were no other changes in the Management Board and Supervisory Board of TeamViewer AG.

In the 2021 reporting year, the new remuneration system for the Management Board and the Supervisory Board of TeamViewer AG was also introduced and approved by the Annual General Meeting. This system sets out the principles of remuneration, which are explained in more detail below.

Principles of Management Board remuneration

Objective of the remuneration system

The remuneration system for the members of the TeamViewer AG Management Board was adopted by the Supervisory Board on 17 March 2021 at the recommendation of its Nomination and Remuneration Committee. It was then approved by the Company's Annual General Meeting on 15 June 2021, with a 96.23 % majority of the votes cast. The remuneration system incorporates the requirements of the German Stock Corporation Act, in compliance with the Second Shareholder Rights Directive (SRD II), and complies with all recommendations of the GCGC.

The new remuneration system is designed to promote the Company's business strategy as well as its long-term positive development. Above all, it creates effective incentives for driving growth and profitability and aims to improve non-financial performance, including sustainability aspects (Environmental, Social, Governance – ESG aspects). The remuneration system is an important tool for ensuring that TeamViewer's growth strategy is implemented and achieved while giving appropriate consideration to the individual tasks and performance of the Management Board's members as well as the overall situation and performance of TeamViewer.

Structure of Management Board remuneration

The remuneration for the members of the Management Board encompasses a mix of short- and long-term remuneration components intended to effectively promote the Company's strategy and sustainable, long-term development. Non-financial performance targets are included in addition to the financial performance targets. These non-financial performance targets incorporate ESG aspects related to TeamViewer's corporate and sustainability strategy, thus setting incentives for TeamViewer's consistent and lasting success. To ensure that the Management Board's interests are aligned with those of the shareholders, the long-term variable remuneration component is strongly linked to TeamViewer's share price development. To further reinforce the alignment of interests, TeamViewer's Management Board members are also required to purchase and hold TeamViewer shares.

When determining the Management Board's remuneration, the Supervisory Board also takes the remuneration and employment conditions of TeamViewer's senior management as well as its workforce into account. To ensure that the remuneration systems for the Management Board, upper management circle, and employees are consistent with one another, the same performance targets and incentives are set for steering the Company.

The remuneration system for the Management Board applies to new Management Board members, to reappointments of incumbent Management Board members, and to other amendments to existing employment contracts. The remuneration system also applies to the employment contract of Oliver Steil since his reappointment in October 2021. There are therefore no deviations from the Management Board remuneration system as defined by § 162 (1) sentence 2 no. 5 AktG. In addition, the employment contract of Oliver Steil until the time of his reappointment, the employment contract of Lisa Agona, as well as the existing employment contract of Stefan Gaiser largely complied with the regulations of the remuneration system introduced for the first time in 2021.

Further information, including the Management Board remuneration system approved by the Annual General Meeting, is available on the ↗TeamViewer website.

Process for determining, implementing and reviewing the Management Board remuneration system

The Supervisory Board is responsible for determining, implementing and reviewing the Management Board remuneration system and is supported by the Nomination and Remuneration Committee in performing these tasks. The Nomination and Remuneration Committee is responsible for formulating recommendations for the Management Board's remuneration that take into account the aforementioned principles and the recommendations of the GCGC as amended. The remuneration system, prepared by the Nomination and Remuneration Committee, as well as all other matters relating to the remuneration of individual Management Board members are discussed and resolved by the Supervisory Board. When necessary, both the Nomination and Remuneration Committee and the Supervisory Board may consult an independent external remuneration expert to assist in developing the remuneration system for the members of the Management Board and in assessing the appropriateness of the remuneration. An independent external remuneration expert was called in by the Supervisory Board to assist in the development of the remuneration system.

The remuneration system adopted by the Supervisory Board is further submitted to the Annual General Meeting for approval. The Supervisory Board reviews the remuneration system regularly and makes any changes it deems necessary. In accordance with the requirements of § 120a AktG, the remuneration system is resubmitted to the Annual General Meeting for approval no later than every four years and in the event of significant changes. Should the Annual General Meeting reject the remuneration system, a revised remuneration system is submitted to the subsequent Annual General Meeting for approval.

The Supervisory Board's Rules of Procedure set out requirements for avoiding conflicts of interest when determining, implementing and reviewing the Management Board's remuneration.

Appropriateness of Management Board remuneration

Management Board remuneration appropriately considers the individual duties and performance of the individual member, as well as the economic situation, success, and future prospects of TeamViewer.

The Nomination and Remuneration Committee regularly reviews the appropriateness of the Management Board's remuneration and proposes adjustments to the Supervisory Board when necessary in order to comply with regulatory requirements and ensure the remuneration is commensurate with the market.

In order to assess the appropriateness of remuneration, the Nomination and Remuneration Committee conducts a horizontal comparison which views the amount of remuneration in comparison to what is received by management board members of comparable companies as well as a vertical comparison that evaluates the appropriateness of remuneration in relationship to the remuneration and employment conditions of TeamViewer AG's upper management circle and workforce and the development of the remuneration ratio over time.

For the horizontal comparison, the Supervisory Board selects a group of comparable companies based on the country, company size and sector. To assess the remuneration granted in the 2021 fiscal year, the Board used a group consisting of international technology companies of similar size and the companies listed in the MDAX. This provided an appropriate comparison both in terms of similarly sized companies in Germany and international companies in the same sector. The Supervisory Board's comparison took primarily the following aspects into account:

- the mode of action of the individual fixed and variable remuneration components, i. e., their methodology and success parameters;
- the relative weighting of the components, i. e., the ratio of the fixed base remuneration to the short- and long-term variable components;
- the amount of target total remuneration, consisting of annual base salary and fringe benefits, short-term incentive (STI) (annual bonus) and long-term incentive (LTI); as well as
- the maximum potential amount of remuneration granted.

The vertical (internal) comparison encompasses TeamViewer AG's upper management circle and its workforce. The comparison assesses both the current ratio and the change in the ratio of the remuneration of the Management Board to the remuneration of the upper management circle and the workforce. The Supervisory Board determines how the upper management circle and the workforce are to be defined for the comparison. In determining the remuneration granted in fiscal year 2021, the Supervisory Board's comparison used the management level below the Management Board as the upper management circle, as well as the total workforce, consisting of all employees of TeamViewer AG. The remuneration of the senior leadership team and the entire workforce at the Group level were also taken into account.

Overview of remuneration components

The remuneration of Management Board members comprises fixed (non-performance-based) and variable (performance-based) remuneration components, the total amount of which determines the respective overall target remuneration of each Management Board member.

Fixed remuneration consists of an annual base salary as well as fringe benefits, which may vary from year to year depending on events and the particular individual. Variable remuneration comprises short-term variable remuneration (short-term incentive – STI) (annual bonus) and long-term variable remuneration (long-term incentive – LTI).

To reinforce the Pay-for-Performance concept of the remuneration system, variable, performance-based components make up the majority of the target total remuneration for each Management Board member. To ensure that remuneration is aligned with TeamViewer's sustainable, long-term development, the percentage share of long-term incentives outweighs the percentage share of short-term incentives.

The percentage of fixed remuneration as a share of total target remuneration ranges between 30 % and 40 %. The annual base salary accounts for 90 % to 100 % of fixed remuneration and fringe benefits amount to up to 10 %. The percentage of variable remuneration as a share of total target remuneration is between 60 % and 70 %, of which STI ranges from 30 % to 47 % of the total and LTI from 53 % to 70 %.

Subsequent changes to the target values or comparison parameters set by the Supervisory Board in each case for the upcoming fiscal year are excluded.

The weighting of the individual components may vary for Management Board members who received compensation payments to the extent permitted by law for remuneration forfeited from previous employers when they took office.

Management Board remuneration in fiscal year 2021

Fixed remuneration

In the 2021 fiscal year, all Management Board members received an annual fixed base salary in cash, payable in twelve equal monthly instalments. As chairman of the board Oliver Steil received a gross amount of EUR 900,000 p.a., and Stefan Gaiser received a gross amount of EUR 550,000 p.a. The annual base salary of Lisa Agona was a gross amount of USD 450,000 p.a. (equivalent to a gross amount of approx. EUR 397,315.91, depending on the exchange rate) and was paid on a pro rata basis from the date of her appointment to the Management Board on 19 April 2021 until the end of her employment with the Company on 31 December 2021.

Performance-related variable remuneration

In addition to fixed remuneration, Management Board members are entitled to receive a variable short-term incentive bonus (STI bonus) based on the Company's annual performance, as well as a long-term incentive bonus (LTI bonus) under the Company's applicable long-term incentive programme (LTIP).

Short-term variable remuneration/STI bonus

The annual variable bonus (STI bonus), paid in cash, is based on the achievement of specific financial targets (according to billings-based performance targets and/or adjusted EBITDA targets), as well as certain optional non-financial corporate targets (particularly sustainability and ESG aspects). The amount of the STI bonus also depends on the achievement of personal performance targets, which are weighted on a percentage basis and set by the Supervisory Board at the beginning of the fiscal year individually for each Management Board member. The new remuneration system includes the option of taking non-financial corporate objectives into account for the STI assessment, which is meant to ensure that sustainability aspects are incorporated into the STI bonus consideration to an even greater extent than before, reflecting the overriding importance TeamViewer places on ESG aspects. To underline this strong importance as early as for the 2021 fiscal year, the Supervisory Board decided to make ESG aspects a central criterion in assessing the individual performance ("modifier criteria") of all Management Board members.

The calculation and payment of the STI bonus also incorporates special malus and clawback criteria that may result in the reduction, complete elimination or clawback of the STI bonus.

Subject to any reductions or clawbacks (malus and clawback), the STI bonus for a fiscal year is generally calculated as follows:

Assuming 100 % target achievement (and no malus or clawback provisions applicable), the STI bonus (target STI) for Oliver Steil in fiscal year 2021 was EUR 900,000 (gross), EUR 500,000 (gross) for Stefan Gaiser, and USD 450,000 (gross) for Lisa Agona, corresponding to EUR 279,754 (gross, depending on the exchange rate) on a pro rata basis.

Basis for the assessment of the STI bonus

Overall degree of target achievement in % based on financial and, where applicable, non-financial targets × Target remuneration × Modifier factor = STI bonus

The STI bonus is limited to a maximum of 200 % of the target STI bonus. If the respective employment contract begins or ends during the year, the STI bonus is calculated on a pro rata basis for the period of the employment contract's existence in the respective fiscal year. If a Board member leaves the Company during the year, the target achievement is still determined based on the parameters that were originally defined and paid out at the regular due date. For Board members entitled to an STI bonus, the bonus payout is due six weeks following the adoption of the consolidated financial statements.

The target values for the STI bonus for the 2021 fiscal year were set by the Supervisory Board on 3 February 2021 for Mr Steil and Mr Gaiser, and on 28 July 2021 for Ms Agona. In addition to the performance targets for billings and adjusted EBITDA, each weighted at 50 %, the Supervisory Board also specified collective as well as individual performance criteria for each Management Board member.

A billings target of EUR 594 million was set for Oliver Steil and Stefan Gaiser in the 2021 fiscal year. The range of billings to be achieved was set at a minimum value of EUR 570 million and a maximum value of EUR 623 million. The level of target achievement is determined by linear interpolation within these amounts. The corresponding target for adjusted EBITDA was EUR 331 million with a minimum value of EUR 310 million and a maximum value of EUR 355 million. The target values set for Oliver Steil and Stefan Gaiser were each at the mid-point of the Company's 2021 full-year guidance announced in February 2021. The same billings targets were set for Lisa Agona. Because the target for the adjusted EBITDA margin communicated to the capital market was reduced before Ms Agona joined the Company, the STI target for Ms Agona for the 2021 fiscal year was also adjusted to a target of EUR 296 million, with a minimum value of EUR 290 million and a maximum value of EUR 330 million.

The individual performance criteria for Management Board members focused primarily on achieving consistent and long-term corporate growth, sustainability (ESG aspects, such as improving the Company's ESG scores and attracting and promoting high-caliber female executives), the continued development and strengthening of the Company's organisational structure and processes, and the effective execution of the M&A strategies.

The performance of CEO Oliver Steil in fiscal year 2021 was largely measured by the success of the growth initiative in the enterprise business, setting regional priorities – particularly the development and execution of an investment programme for the U.S. market and the implementation of the M&A strategies – strengthening TeamViewer's remote management suite, incorporating ESG aspects, implementing the acquisition and partnership strategy, and strengthening the organisational structure and processes.

CFO Stefan Gaiser was assessed in 2021 based on the achievement of individual targets related to the success of the CFO organisation, the future strategic orientation of the Company on the capital market, investor relations activities, the inclusion of ESG aspects, the implementation of the acquisition and partnership strategy, and the support and promotion of growth initiatives.

The achievement of the personal performance criteria in Lisa Agona's board area of responsibility in fiscal year 2021 was measured by the development of a multi-year marketing strategy, maximising business development through existing partnerships, and increasing demand and revenue through targeted, strategic marketing efforts.

After the close of the 2021 fiscal year, the Supervisory Board and the Nomination Committee dealt in detail with the achievement of targets by the Management Board as a whole and by each individual Management Board member.

The lower limits of the STI financial performance targets were not achieved by any Management Board member in fiscal year 2021, resulting in overall target achievement of 0%. On this basis, the Supervisory Board decided not to pay out an STI bonus for the 2021 fiscal year. For this decision, the Pay for Performance principle of the remuneration system was particularly relevant. Against this background, the assessment of the modifier factors was no longer decisive for the calculation of the STI bonus.

STI bonus for 2021 fiscal year

Management Board member	Overall target achievement in %	Target remuneration	Modifier factor	**STI bonus for 2021 fiscal year**
Oliver Steil	0%	EUR 900,000	n/a	**0**
Stefan Gaiser	0%	EUR 500,000	n/a	**0**
Lisa Agona	0%	USD 450,000	n/a	**0**

On 25 January 2022, the Supervisory Board set the target values for the 2022 STI bonus. In addition to the targets for billings and adjusted EBITDA in the 2022 fiscal year, individual targets have been set for each Management Board member that explicitly include ESG criteria.

Long-term variable remuneration (Long-term incentive/LTI bonus)

In fiscal year 2021, the members of the Management Board continued to participate in the Company's long-term incentive programme (LTIP).

Long-term incentive (LTI) is measured based on performance shares with a four-year performance period. The Supervisory Board determines the terms of the LTIP for each performance period at its own discretion. Unless the Supervisory Board decides to redefine the terms of the LTIP, the terms of the LTIP for the previous fiscal year continue to apply to the subsequent performance period.

At the beginning of each performance period, the Supervisory Board sets a target for each of at least three performance targets which, if achieved, results in 100% target achievement. For each of these performance targets, the Supervisory Board also defines, where possible, a minimum value as the lower end of the target corridor that, if achieved, results in 50% target achievement (minimum value). In addition, a maximum value is determined that, if achieved or exceeded, results in 200% target achievement (maximum value). If the value achieved with respect to the performance target falls below the minimum value, the degree of target achievement for that performance target is 0%. If the value achieved with respect to the performance target reaches or exceeds the maximum value, the degree of target achievement is 200%.

The payout amount is determined by multiplying the final number of performance shares for the performance period by the average closing price of the Company's share for the 60 trading days preceding the end of the performance period. Assuming the share price is unchanged and 100% target achievement overall (without the intervention of malus or clawback provisions), the LTI payout amount would be equal to the original grant value. The maximum payout of an LTI tranche (before taking into account any malus or clawback provisions) may generally not exceed 200% of the original grant value.

Overall target achievement for the performance period takes the following components into consideration:

- 30% – financial performance targets "average billings growth" and "average adjusted EBITDA growth" (equally weighted)
- 50% – relative total shareholder return (TSR) measured against the two peer groups "STOXX® 600 Technology" and "MDAX" (equally weighted), or other peer groups and share indices determined by the Supervisory Board for comparison
- 20% – non-financial performance targets, which include sustainability aspects (Environment, Social, Governance – ESG) in particular

The payout is then calculated based on TeamViewer's average share price for the 60 trading days preceding the end of the performance period. The payout is capped at 200% of the LTI target amount.

If the employment agreement or the right to participate in an LTIP begins or ends during the year, the allocation value shall be reduced on a pro rata basis to an amount corresponding to the number of calendar months during which the employment agreement or the right to participate existed in the allocation year (the first year of the performance period). Any forfeiture in accordance with the respective LTIP remains unaffected.

LTIP for the 2021 to 2024 performance period

Each fiscal year marks the start of a new assessment period (performance period) in accordance with the terms of the applicable LTIP. After the end of each fiscal year, the achievement of certain predefined targets is measured. The LTIP allocated in the 2021 fiscal year is based on the 2021 to 2024 performance period.

The Supervisory Board defined the following target components for the 2021 fiscal year:

Management Board remuneration components

	Weighting	Criteria
1. Long-term financial target	30 %	50 %: Average billings growth 2021 – 2024[1] 50 %: Average adjusted EBITDA growth 2021 – 2024[1]
2. Financial strategic target	20 %	50 %: Net promoter score (collected externally) 50 %: ESG targets
3. Share price/return-based target	50 %	50 %: Relative share return vs. STOXX® 600 Technology 50 %: Relative share return vs. MDAX®

[1] Average of the four annual growth rates of the years 2021 to 2024.

In addition to setting the target values for the long-term financial targets (average billings and adjusted EBITDA growth in the years 2021 to 2024), the non-financial targets were supplemented by a further ESG-based remuneration component aimed at effectively increasing the proportion of women on the Management Board. Targets were also set for the relative return for TeamViewer shares compared with the STOXX® 600 Technology and MDAX, with a relative performance target of 6.67 % outperformance over the respective benchmark index (minimum value of 0 % and maximum value of 20 % outperformance).

The terms of the current LTIP provide for the allocation of a tranche of virtual shares (performance shares) at the beginning of the first fiscal year of the performance period 2021 to 2024. The initial tranche of performance shares allocated is used as the basis for calculating any LTIP payout at a later date, taking into account performance measurement/target achievement at the end of the four-year measurement period. The initial number of performance shares allocated in a tranche is calculated by dividing the allocation value promised to the Management Board member by the average closing price of the Company's share on the last 60 trading days before the start of the performance period (rounded to full performance shares).

The grant value in fiscal year 2021 was EUR 1,000,000 for Mr Steil, EUR 550,000 for Mr Gaiser, and USD 340,000 for Ms Agona (which, calculated at the ECB reference rate of 0.847, corresponds to an amount of EUR 287,980), based on an annual target amount of USD 510,000 and calculated on a pro rata basis.

At the end of the performance period, an overall target achievement level is determined for the performance targets set by the Supervisory Board before the start of the performance period. The payment amount for the respective performance period is due with the next possible salary statement following the adoption of the Company's consolidated financial statements after the end of the respective performance period and no later than 31 December of the fiscal year following the end of the performance period.

Based on the current LTIP, the final number of performance shares at the end of the performance period is determined by multiplying the initial number of performance shares by the overall target achievement level. The overall target achievement level is determined from the target achievement levels of the individual targets set by the Supervisory Board for the respective performance period.

The total expense arising from the 2020 LTIP amounted to EUR 300,700 for Mr Steil, EUR 152,600 for Mr Gaiser and EUR 0 for Ms Agona in the 2021 fiscal year. The total expense arising from the 2021 LTIP amounts to EUR 14,800 for Mr Steil, EUR 19,600 for Mr Gaiser and EUR 17,100 for Ms Agona in the 2021 fiscal year. Further information on share-based payments through performance shares is provided in 05 Notes to the consolidated financial statements. We also consider this information to be a component of this remuneration report.

Malus and clawback

The STI and LTI are subject to malus and clawback conditions (as of the Company's IPO). This means that before determining the payout amount of an STI or LTI, the Supervisory Board reviews as to whether a malus provision justifies a reduction or even the elimination of the variable remuneration amount, which is determined on the basis of the target achievement level and the LTIP conditions.

Variable remuneration amounts already paid out can be reclaimed within a clawback period if a clawback criteria emerge during the period for which the variable remuneration component was paid. The clawback period for each variable remuneration component begins with the expiry of the performance period on which it is based and ends two years after this date. In the 2021 fiscal year, there were neither reductions nor clawbacks of variable remuneration components due to malus or clawback events.

Fringe benefits

Management Board members were also granted non-cash fringe benefits. These consisted primarily of lump-sum payments of EUR 2,000 per month for the use of a private car for business travel (or USD 2,000 in the case of Ms Agona), contributions to (private or statutory) health and long-term care insurance (in the amount of the statutory employer's contributions to statutory health and long-term care insurance or a maximum of half the contribution actually paid), the continued payment of wages in the event of incapacity to work due to illness or death, and accident insurance in the event of death and disability. In addition, all Management Board members are insured against third-party liability claims based on a D&O insurance policy at the Company's expense with a deductible amounting to 10 % of the loss, but not exceeding 150 % of the basic annual salary in accordance with the provisions of stock corporation law. The Company also provides Mr Gaiser with a driving service for certain trips.

The annual remuneration of the Management Board members, consisting of a fixed salary, the STI and LTI, would have totalled a maximum of EUR 8,743,158 p.a. in fiscal year 2021 for all three Management Board members combined if the target had been achieved by 200 % (or more) and EUR 5,225,424 if the target had been achieved by 100 %.

The fixed and variable remuneration components paid to the Management Board members in fiscal year 2021 fully comply with the requirements of the remuneration system approved by the Company's Annual General Meeting in 2021. In particular, the amount of remuneration granted also complied with the maximum remuneration stipulated by the remuneration system. To avoid unrestricted and excessive remuneration of the Management Board, remuneration is

Overview of the target and maximum remuneration structure in fiscal year 2021

limited in two ways. First, the payment of variable remuneration components is limited to 200% of the target amount for both the STI and the LTI. Second, the Supervisory Board has set a maximum level of remuneration for the members of the Management Board in accordance with § 87a (1) sentence 2 no. 1 AktG, which includes all fixed and variable remuneration components granted for a single fiscal year. The maximum remuneration realisable for a given fiscal year may not exceed EUR 9,800,000 for each Management Board member. Should the defined maximum remuneration for a fiscal year be exceeded, the amount paid out under the LTI will be reduced accordingly.

The mix of short-term and long-term remuneration components, as well as the above-described assessment of the performance criteria on a case-by-case basis, ensure the effective promotion of TeamViewer's corporate strategy and sustainable, long-term development.

Shareholding obligations

The Company's Management Board members are obliged to hold shares in TeamViewer AG for the duration of their appointment as board members, whereby this obligation must be fulfilled for the first time no later than after the expiration of four years (or in the case of Mr Steil and Mr Gaiser: two years) since their initial appointment. The number of shares in the Company to be held (restricted shares) is calculated by dividing (i) the fixed remuneration by (ii) the value of the Company's share at the time of the IPO. The shares granted by the Company's principal shareholder to redeem previous shareholding commitments for participating in the increase in the Company's value (see third-party benefits below) may be used for this purpose.[1]

Shares held by members of the Management Board as of 31 December 2021:

Management Board members as of 31 December 2021

Management Board members	Number of shares
Oliver Steil	2,287,209
Stefan Gaiser	1,288,689

Based on the above shareholdings of the Management Board members, their compliance with the shareholding obligations was determined as of 31 December 2021. Lisa Agona was no longer a member of the Management Board as of 31 December 2021 and, in any case, was not yet subject to the shareholding obligation in her first year on the Management Board.

Benefits in the event of premature termination of employment

In the event of premature revocation of the appointment, Management Board members may be entitled to severance payments under certain circumstances. In the event of a revocation of appointment due to an inability to properly manage the Company within the meaning of § 84 (3) AktG, due to a gross breach of duty or due to other good cause for which the Management Board member is responsible pursuant to § 84 AktG, or if there is good cause for which the Management Board member is responsible within the meaning of § 626 BGB which would have entitled the Company to terminate the employment contract for cause, the Management Board member shall not receive any severance payment.

If the Management Board member's term of office ends pre-term due to death, the Company shall pay the fixed remuneration and any STI bonus for the month of death and three subsequent calendar months on a pro rata basis to the surviving spouse or registered partner or – if the Management Board member is not married or in a civil partnership – to any first-order heirs.

The Management Board members are subject to a post-contractual non-compete clause of twelve months, during which time the respective Management Board member is entitled to a waiting allowance amounting to 50% of the most recent contractual benefits received. The remuneration is payable in monthly instalments. Any severance payment is to be offset against the severance payment.

Ms Agona and the Supervisory Board reached a mutual agreement in November 2021 to terminate Ms Agona's service agreement effective 31 December 2021. Lisa Agona is subject to a six-month non-compete clause following termination of her service agreement. STI/LTI bonuses are paid pro rata temporis. To settle all future claims arising from and in connection with the employment relationship, Ms Agona will receive a one-time severance payment in the gross amount of USD 1,200,000.00 (EUR 1,055,687.51, depending on the exchange rate). The severance payment will be paid as a lump sum with the next regular salary payment after the termination date.

Benefits in the event of regular termination of employment

In the event of the regular termination of employment, no severance payment or other comparable benefit has been promised to any member of the Management Board.

Benefits granted from third parties resulting from the sale of an indirect interest in TeamViewer AG and from participation commitments to share in the increase in value of the Company

Management Board members Oliver Steil and Stefan Gaiser (while still managing directors of TeamViewer GmbH and Regit Eins GmbH) agreed with the Company's principal shareholder at the time on participation in the increase in value of the Company and also acquired an indirect interest in the Company (so-called management equity participation, MEP). Prior to the Company's IPO in 2019, the stock appreciation rights were modified. After the IPO, the participation commitments were partially paid out based on the value appreciation achieved and the indirect participation was sold. This resulted in an inflow of funds to both Management Board members and entitlements to future benefits. These benefits were or will be granted exclusively by the main shareholder or its affiliated companies and not by the Company. Nevertheless, these are to be recognised as an expense by TeamViewer in accordance with the relevant provisions of IFRS (Consolidated Group). In 2019, Oliver Steil received an amount of EUR 39,734,344.93 and Stefan Gaiser an amount of EUR 19,907,507.22 in this connection. As outlined in the Company's securities prospectus dated 11 September 2019, this will be supplemented by two share allocations subject to certain conditions. For the tranche maturing in 2020, these conditions ultimately occurred on 1 October 2020. On 1 December 2020, Mr Steil was therefore allotted 1,765,971 shares and Mr Gaiser 884,778 shares from the holdings of the principal shareholder. These shares are held by the members of the Management Board, with the exception of a proportion sold immediately upon allocation mainly to settle taxes and costs. The second share allocation in an identical amount was made on 1 December 2021. These shares are also held by the members of the

[1] TigerLuxOne S.à.r.l. (TLO); insofar as the principal shareholder is referred to below, this is TLO.

Management Board, with the exception of a proportion sold mainly to settle taxes and costs immediately upon allocation. In 2021, Mr Steil and Mr Gaiser decided to settle a portion of the taxes and costs incurred in this connection from their own funds and therefore sold significantly fewer shares than in the previous year. Following these allocations and the further purchase of shares from own funds, the shareholding obligations (Share Ownership Guidelines) are far exceeded by both members of the Management Board.

Remuneration granted and owed

The following table shows the remuneration granted and owed to the current members of the Management Board in the past fiscal year in accordance with § 162 (1) sentence 1 AktG. This includes all fixed and variable remuneration components and their respective relative proportions per Management Board member. The tables include all amounts actually (factually) received by the individual members of the Management Board in the reporting period (remuneration granted) and amounts due for (final) performance in the corresponding reporting year but not yet received (remuneration owned).

The one-year variable remuneration (STI) is understood as remuneration owed, although payment is made after the end of the fiscal year, as the performance relevant for the variable remuneration was rendered up to the respective reporting date of 31 December. This approach is necessary to assess the pay for performance because it is the only way to establish congruence between the published business results at the end of the respective fiscal year and the resulting remuneration.

The table shows the annual remuneration paid out in the fiscal year, the fringe benefits paid out, the STI paid out and the other remuneration (third-party payment or severance payment). The Company does not have any current pension expenses. LTI did not represent remuneration granted or owed in the 2021 reporting year, as the entitlements from the LTI tranches granted in previous years are not yet due, and the LTI tranches allocated in 2020 and 2021 do not, by definition, represent remuneration granted and owed in 2021.

In addition to the above information, the table also shows the relative proportions of all fixed and variable remuneration components in relation to total remuneration in the respective fiscal year to be disclosed in accordance with § 162 (1) sentence 2 no. 1 AktG.

Remuneration granted and owed to current Management Board members pursuant to § 162 (1) sentence 1 AktG for the reporting year (1 January 2021 to 31 December 2021)

	Oliver Steil Chief Executive Officer/CEO				Stefan Gaiser Chief Financial Officer/CFO			
	2020 In EUR	2020 In % of total remuneration	**2021** In EUR	**2021** In % of total remuneration	2020 In EUR	2020 In % of total remuneration	**2021** In EUR	**2021** In % of total remuneration
Fixed remuneration	900,000	1.23	900,000	4.08	550,000	1.5	550,000	4.92
Fringe benefits	21,912	0.03	21,981	0.10	55,153	0.15	36,845	0.33
Total	**921,912**	**1.26**	**921,981**	**4.18**	**605,152**	**1.65**	**586,845**	**5.25**
One-year variable remuneration (STI)								
2020	1,800,000	2.47	–	–	1,000,000	2.72	–	–
2021	–	–	–	–	–	–	–	–
Multi-year variable remuneration (LTIP)								
2020 to 2023	–	–	–	–	–	–	–	–
2021 to 2024	–	–	–	–	–	–	–	–
Other[1]	70,162,028[2]	96.27	21,138,673[3]	95.82	35,152,230[4]	95.63	10,590,793[5]	94.75
Total	**71,962,028**	**98.74**	**21,138,673**	**95.82**	**36,152,230**	**98.35**	**10,590,793**	**94.75**
Pension expenses	–	–	–	–	–	–	–	–
Total remuneration (as defined by § 162 AktG)	**72,883,940**	**100**	**22,060,654**	**100**	**36,757,382**	**100**	**11,177,638**	**100**

1 Benefits granted by third parties: Paid by the main shareholder or its majority shareholder. In 2021, this payment was made in the form of share transfers.
2 1,765,971 shares at the weighted average share price on 1 December 2020 of EUR 39.73 per share.
3 1,765,971 shares at the weighted average share price on 1 December 2021 of EUR 11.97 per share.
4 884,778 shares at the weighted average price on 1 December 2020 of EUR 39.73 per share.
5 884,778 shares at the weighted average price on 1 December 2021 of EUR 11.97 per share.

The following table shows the remuneration granted and owed to the former member of the Management Board in the past fiscal year in accordance with § 162 (1) sentence 1 AktG. After a period of ten years from the end of the fiscal year in which the respective member ceased his activity, personal details of former members of the Management Board are omitted in accordance with § 165 (5) AktG.

Remuneration granted and owed to the former Management Board member pursuant to § 162 (1) sentence 1 AktG for the reporting year (1 January 2021 to 31 December 2021)

	Lisa Agona Chief Marketing Officer/CMO 19 April to 31 December			
	2020 In EUR	2020 In % of total remuneration	**2021** In EUR	**2021** In % of total remuneration
Fixed remuneration	–	–	257,690	19
Fringe benefits	–	–	33,839	2.5
Total	**–**	**–**	**291,529**	**21.5**
One-year variable remuneration (STI)				
2020	–	–	–	–
2021	–	–	–	–
Multi-year variable remuneration (LTIP)				
2020 to 2023	–	–	–	–
2021 to 2024	–	–	–	–
Other[1]	–	–	1,062,323	78.5
Total	**–**	**–**	**1,062,323**	**78.5**
Pension expenses	–	–	–	–
Total remuneration (as defined by § 162 AktG)	**–**	**–**	**1,353,852**	**100**

1 Severance payment to settle all future claims arising from and in connection with the employment relationship.

Remuneration granted and received

The following tables present the remuneration granted for the reporting year (1 January 2021 to 31 December 2021) and the benefits received during this period.

Remuneration granted for the fiscal year
(1 January 2021 to 31 December 2021)

	Oliver Steil Chief Executive Officer/CEO				Stefan Gaiser Chief Financial Officer/CFO				Lisa Agona Chief Marketing Officer/CMO 19 April to 31 December			
In EUR	2020	**2021**	**2021 min.**	**2021 max.**	2020	**2021**	**2021 min.**	**2021 max.**	2020	**2021**	**2021 min.**	**2021 max.**
Fixed remuneration	900,000	900,000	900,000	900,000	550,000	550,000	550,000	550,000	–	257,690	257,690	257,690
Fringe benefits	21,912	21,981	21,981	21,981	55,153	36,845	36,845	36,845	–	33,839	33,839	33,839
Total	**921,912**	**921,981**	**921,981**	**921,981**	**605,152**	**586,845**	**586,845**	**586,845**	**–**	**291,529**	**291,529**	**291,529**
Benefits granted by third parties	–	–	–	–	–	–	–	–	–	–	–	–
One-year variable remuneration (STI)	1,800,000	–	–	1,800,000	1,000,000	–	–	1,000,000	–	–	–	559,508
Multi-year remuneration (LTIP)	–								–	–	–	–
2020 to 2023	983,000	–	–	2,000,000	540,700	–	–	1,100,000	–	–	–	–
2021 to 2024	n/a	864,800	–	2,000,000	–	475,600	–	1,100,000	–	249,000	–	575,960
Other[1]	–	–	–	–	–	–	–	–	–	1,062,323	1,062,323	1,062,323
Total	**2,783,000**	**864,800**	**–**	**5,800,000**	**1,540,700**	**475,600**	**–**	**3,200,000**	**–**	**1,311,323**	**1,062,323**	**2,197,791**
Pension expenses	–	–	–	–	–	–	–	–	–	–	–	–
Total remuneration (as defined by § 162 AktG)	**3,704,912**	**1,786,781**	**921,981**	**6,721,981**	**2,145,852**	**1,062,445**	**586,845**	**3,786,845**	**–**	**1,602,852**	**1,353,852**	**2,489,320**

[1] Severance payment to settle all future claims arising from and in connection with the employment relationship.

Remuneration granted for the fiscal year
(1 January 2021 to 31 December 2021)

	Oliver Steil Chief Executive Officer/CEO		Stefan Gaiser Chief Financial Officer/CFO		Lisa Agona Chief Marketing Officer/CMO 19 April to 31 December	
In EUR	2020	**2021 max.**	2020	**2021 max.**	2020	**2021 max.**
Fixed remuneration	900,000	900,000	550,000	550,000	–	257,690
Fringe benefits	22,217	18,000	54,203	57,853	–	33,839[6]
Total	**922,217**	**918,000**	**604,203**	**607,853**	**–**	**291,529**
Benefits granted by third parties[1]	70,162,028[2]	21,138,673[3]	35,152,230[4]	10,590,793[5]	–	–
One-year variable remuneration (STI)	601,500	1,800,000	298,244	1,000,000	–	–
Multi-year remuneration (LTIP)					–	–
2020 to 2023	–	–	–	–	–	–
2021 to 2024	–	–	–	–	–	–
Total	**70,763,528**	**22,938,673**	**35,450,474**	**11,590,793**	**–**	**–**
Pension expenses	–	–	–	–	–	–
Total remuneration	**71,685,745**	**23,856,673**	**36,054,676**	**12,198,645**	**–**	**291,529**

1 Paid by the main shareholder or its majority shareholder. In 2021, this payment was made in the form of share transfers.
2 1,765,971 shares at the weighted average share price on 1 December 2020 of EUR 39.73 per share.
3 1,765,971 shares at the weighted average share price on 1 December 2021 of EUR 11.97 per share.
4 884,778 shares at the weighted average price on 1 December 2020 of EUR 39.73 per share.
5 884,778 shares at the weighted average price on 1 December 2021 of EUR 11.97 per share.
6 Includes paid travel, without health long-term care insurance.

Remuneration of the Supervisory Board

The remuneration of Supervisory Board members is governed by § 13 of the Company's Articles of Association. The remuneration of the Supervisory Board is fully fixed. It takes into account the duties and responsibilities of the members of the Supervisory Board. The members of the Supervisory Board generally receive fixed remuneration of EUR 75,000. The Chairman of the Supervisory Board receives fixed remuneration of EUR 187,500 and his deputy receives fixed remuneration of EUR 165,000. In addition, the members of the Supervisory Board acting as members of the Audit Committee receive an additional fixed remuneration of EUR 30,000. For their work on other Supervisory Board committees, Supervisory Board members receive additional fixed annual remuneration of EUR 25,000 per committee, provided the relevant committee meets at least once a year to perform its duties. The Chairmen of the committees receive twice the above committee remuneration. Remuneration for committee work is taken into account for a maximum of two committees. The two functions with the highest remuneration are relevant in the event that this limit is exceeded. The above remuneration is payable in four equal instalments due and payable at the end of each quarter for which the remuneration is paid. Members of the Supervisory Board who hold office on the Supervisory Board or the office of Chairman or Deputy Chairman for only part of the fiscal year receive the corresponding remuneration on a pro rata basis. In addition, the Company reimburses the members of the Supervisory Board for their reasonable out-of-pocket expenses (miscellaneous) incurred in connection with the exercise of their mandate, as well as for value-added tax on their remuneration and out-of-pocket expenses.

Members of the Supervisory Board or a committee for only part of the fiscal year receive a pro rata temporis reduced remuneration.

The members of the Supervisory Board are covered by the Company's D&O insurance policy with coverage in line with the market.

Partners and employees of Permira who serve as members of the Company's Supervisory Board do not receive any additional remuneration for their services as this is considered to be covered by the contractual remuneration they receive from Permira. They are generally required to waive any remuneration they may be entitled to in such positions.

In accordance with § 113 (3) AktG as amended by the Act Implementing the Second Shareholders' Rights Directive (SRD II), a resolution on the remuneration of Supervisory Board members must be adopted at least every four years for listed companies. The Annual General Meeting approved the proposed remuneration system for Supervisory Board members in accordance with § 113 (3) AktG on 15 June 2021 with a majority of 98.71 % of the votes cast. The remuneration system for Supervisory Board members corresponds to the previous provisions of the Articles of Association on Supervisory Board remuneration in § 13 of the Company's Articles of Association. The ↗ Remuneration system and the ↗ Articles of Association are both publicly available.

Comparative presentation of earnings development and annual change in remuneration

In accordance with § 162 (1) sentence 2 no. 2 AktG, the following overview provides a comparative presentation of the annual change in the remuneration of the current and former members of the Management Board and Supervisory Board, the development of the Company's earnings, and the average remuneration of employees on a full-time equivalent basis over the last five fiscal years.

The Company's earnings performance is measured on the basis of billings and adjusted EBITDA

For the members of the Management Board and Supervisory Board, the remuneration granted and owed in the respective fiscal year is presented on an individual basis as defined by § 162 (1) sentence 1 AktG.

The Company's earnings performance is measured on the basis of billings and adjusted EBITDA.

For the presentation of the average remuneration of employees on a full-time equivalent basis (FTE), reference is made to the total workforce of TeamViewer AG, which included an average of 80 employees (FTE) in fiscal year 2021. The average employee remuneration includes personnel expenses for wages and salaries, fringe benefits, employer contributions to social security as well as the variable remuneration components attributable to the respective fiscal year.

In line with the remuneration of the Management Board and Supervisory Board, employee compensation therefore corresponds in principle to the remuneration granted and owed within the meaning of § 162 (1) sentence 1 AktG.

Remuneration granted and owed to Supervisory Board members in accordance with § 162 (1) sentence 1 AktG

	Fixed remuneration		Participation in committees		Other		Total	
In EUR	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**
As of 31 December 2021 acting Supervisory Board members								
Dr Abraham Peled (Chairman)	187,500	187,500	55,000	55,000	–	6,896	242,500	249,396
Jacob Fonnesbech Aqraou (Deputy Chairman)	165,000	165,000	55,000	55,000	–	3,824	220,000	223,824
Stefan Dziarski[1]	–	–	–	–	–	–	–	–
Dr Jörg Rockenhäuser[1]	–	–	–	–	–	–	–	–
Axel Salzmann	75,000	75,000	110,000	110,000	–	173	185,000	185,173
Hera Kitwan Siu (as of 26 November 2021)	–	4,688	–	–	–	–	–	4,688
Supervisory Board members who resigned in the fiscal year								
Holger Felgner (until 3 August.2021)	75,000	44,429	–	–	–	–	75,000	44,429

[1] Due to their activities for Permira, Stefan Dziarski und Dr. Jörg Rockenhäuser did not receive any remuneration in fiscal year 2021.

Comparative presentation of the development of earnings and the remuneration of the employees, Management Board and Supervisory Board pursuant to § 162 (1) sentence 2 no. to 2 AktG

In EUR	2017[1]	2018[1]	Change in %[1]	2019	Change in %	2020	Change in %	**2021**	Change in %
Fiscal year									
Billings (non-IFRS) (in EUR million)	–	–	–	324,9	–	460,3	+42%	547,6	+19%
Adjusted EBITDA (non-IFRS) (in EUR million)	–	–	–	182,1	–	261,4	+44%	257,0	–2%
Average employee remuneration									
Total workforce of TeamViewer AG	–	–	–	84,489	–	110,942	+31%	113,160	+2%
Management Board remuneration (benefits received)									
Oliver Steil (since 2019)	–	–	–	41,292,291[3]	–	72,883,940[3]	+76%	22,060,654[3]	– 69%
Stefan Gaiser (since 2019)	–	–	–	20,844,399[3]	–	36,757,382[3]	+76%	11,177,638[3]	– 69%
Management Board members departed in the fiscal year									
Lisa Agona (from 19 April to 31 December 2021)	–	–	–	–	–	–	–	291,529	–
Supervisory Board remuneration									
Dr Abraham Peled (since August 2019)	–	–	–	71,879[2]	–	242,500	+237%	249,396	+3%
Jacob Fonnesbech Aqraou (since August 2019)	–	–	–	81,420[2]	–	220,000	+170%	223,824	+2%
Stefan Dziarski (since August 2019)	–	–	–	–	–	–	–	–	–
Dr Jörg Rockenhäuser (since August 2019)	–	–	–	–	–	–	–	–	–
Axel Salzmann (since August 2019)	–	–	–	82,804[2]	–	185,000	+123%	185,173	+0%
Hera Kitwan Siu (as of 26 November 2021)	–	–	–	–	–	–	–	4,688	–
Supervisory Board members who resigned in the fiscal year									
Holger Felgner (until 3 August 2021)	–	–	–	32,869[2]	–	75,000	+128%	44,429	–41%

1 The Company was first founded in 2019. For this reason, it is not possible to provide figures for the years 2017 and 2018.
2 The remuneration relates to the period since the appointment of the Supervisory Board in August 2019.
3 The remuneration in fiscal years 2019, 2020 and 2021 includes a high proportion of benefits granted by third parties. These mainly include benefits granted under an investment agreement concluded in connection with the Company's IPO (see the Company's securities prospectus dated 11 September 2019). These benefits were granted exclusively by the main shareholder or its affiliated companies and not by the Company.

09 Takeover-related disclosures

Share capital unchanged compared to prior year | Permira Holdings Limited held an 18.65 % stake in TeamViewer AG as of 31 December 2021 | Authorised capital in the amount of EUR 98.9 million

Composition of the subscribed capital

As at 31 December 2021, the share capital of TeamViewer AG was unchanged from the previous year at EUR 201,070,931.00 and is divided into 201,070,931 no-par value ordinary bearer shares. All shares carry the same rights. Each share has a notional value of EUR 1.00 in Company's share capital. Each no-par value share grants one vote at the Annual General Meeting. As at 31 December 2021, the Company held no treasury shares.

Voting rights and transfer-related

There are no restrictions affecting voting rights or the transfer of shares as at 31 December 2021.

Material holdings of shareholders

As at 31 December 2021, Permira Holdings Limited, domiciled in St. Peter Port, Guernsey, held an 18.65% share in the capital of TeamViewer AG via TLO.

The Management Board is not aware of any further direct or indirect interests in the Company's capital exceeding 10 % of voting rights.

Holders of shares with special rights as well as type of voting right control of employee shares

The Company has not issued any shares with special rights which would grant an authority to control pursuant to § 315 a (4) and § 289 a (4) HGB. No capital interests are held by employees in the meaning of to § 315 a (5) and § 289 a (5) HGB.

Provisions governing the appointment and dismissal of members of the Management Board and changes to the Articles of Association

The appointment and dismissal of members of the Management Board are governed by §§ 84 and 85 AktG in conjunction with Article 6 of the Articles of Association of TeamViewer AG. The Supervisory Board determines the actual number of members of the Management Board. Pursuant to § 179 AktG, amendments to the Articles of Association require at least three quarters of the share capital represented at the time of the resolution by the Annual General Meeting. However, according to Article 10 of the Articles of Association of TeamViewer AG, the Supervisory Board is authorised to adopt amendments to the Articles of Association that only affect their wording.

Authority of the Management Board to issue or buy back shares

With a resolution passed by the Annual General Meeting on 3 September 2019, the Management Board was authorised to increase the Company's share capital, subject to the consent of the Supervisory Board, by issuing up to 100,000,000 ordinary bearer shares with no-par value against cash and/or non-cash contributions in one or several tranches for a total maximum of EUR 100,000,000 during the period up to 2 September 2024 (Authorised Capital 2019). The dividend entitlement of new shares may be determined by deviation from § 60 (2) AktG. Existing shareholders must, as a general rule, be granted subscription rights. However, subject to the consent of the Supervisory Board, the Management Board is authorised to exclude shareholder subscription rights on one or several occasions in the following cases:

- To exclude fractional amounts.
- To grant holders or creditors of convertible or warrant-linked bonds issued by the Company and/or its direct or indirect majority holding companies and convertible profit participation rights an option to subscribe to new shares to which they would be entitled upon exercise of the conversion or warrant rights, or performance of the warrant or conversion obligations.
- In the event of the issue of new shares in exchange for cash contributions, if the issue amount of the new shares is not significantly lower than the stock market price of the listed shares of the Company, at the time the issue amount is determined with final effect, which should take place promptly after placement of the shares. This authorisation to exclude subscription rights only applies to the extent that the notional percentage of shares issued under exclusion of the shareholders' subscription rights pursuant to § 186 (3) sentence 4 AktG in the share capital does not exceed 10 %, i. e. neither the share capital in existence at the time this authorisation takes effect nor the share capital existing at the time this authorisation is exercised.

- If new shares are issued in exchange for non-cash contributions, especially in the form of companies, parts of companies, participations in companies, receivables, or other assets.

Furthermore, the Management Board was authorised by a resolution of the Annual General Meeting, dated 3 September 2019, to issue bearer or registered convertible and/or warrant-linked bonds or a combination of these instruments with a total nominal amount of up to EUR 1,400,000,000, with or without fixed maturity, until 2 September 2024 with the Supervisory Board's approval, once or multiple times in partial amounts, and to grant the holders of these bonds conversion or option rights to subscribe to up to 60,000,000 ordinary bearer shares with no-par value of the Company with a notional interest in the share capital totalling up to EUR 60,000,000 in accordance with the offering terms of these bonds. The bonds may provide for a conversion or performance obligation in respect of the warrant by the end of the term or at an earlier date. The issue of bonds may take place in exchange for cash or non-cash contributions. The bonds may also be issued by companies in which the Company holds an indirect or direct majority stake. For this event, the Management Board is authorised with the approval of the Supervisory Board to assume the required guarantees for the obligations resulting from the bonds and to grant to or impose on the holders or creditors of these bonds conversion or warrant rights or conversion or warrant obligations on shares of the Company.

The Management Board was furthermore authorised to exclude shareholders' subscription rights for issues of bonds under certain circumstances with the Supervisory Board's consent, including issues in exchange for non-cash contributions, particularly for the purpose of acquiring companies, parts of companies or participations in companies.

The Company's share capital has been conditionally increased by up to EUR 60,000,000 through the issue of up to 60,000,000 new ordinary bearer shares with no-par value (Contingent Capital 2019). Contingent Capital 2019 solely serves the purpose to grant new shares to the owners or holders of bonds, which according to the authorising solution adopted by the Annual General Meeting on 3 September 2019 are issued until 2 September 2024 by the Company or affiliated companies in which the Company directly or indirectly holds a majority interest, in the event that conversion and/or option rights are exercised, or that conversion and/or option right obligations are met or that the Company exercises its right to grant shares of the Company instead of pay the amount due in full or in part.

As at 31 December 2021, the Company had utilised Authorised Capital 2019 in the amount of EUR 1,070,931.00 as part of a capital increase against non-cash contributions that took place in the 2020 fiscal year. Contingent Capital 2019 has not yet been utilised. Accordingly, as at 31 December 2021, Authorised Capital 2019 amounted to EUR 98,929,069.00 and Contingent Capital 2019 amounted to EUR 60,000,000.00.

The Management Board was also authorised until 2 September 2024 to acquire its own shares for any statutory permitted purposes up to a total of 10 % of the share capital as of the date of the resolution or – if the amount is lower – as of the time the authority is exercised. The shares acquired based on this authorisation, together with other shares of the Company owned by the Company or attributable to it pursuant to §§ 71a et seqq. AktG, must at no time exceed 10 % of the share capital. The purchase takes place at the Management Board's choice via the stock exchange through a public offering addressed to all shareholders, a public call to issue an offer (acquisition offer), or through the utilisation of derivatives (put or call options or a combination thereof).

Fundamental agreements in the event of a change of control due to a takeover bid

The Senior Facilities Agreement, the promissory note agreements as well as a bilateral loan agreement between TeamViewer AG and its lenders constitute material agreements containing provisions in the event of a change of control. These provisions grant lenders the right to terminate and accelerate repayment in the event of a change of control.

Compensation agreements with the Management Board or employees in the event of a takeover bid

No compensation agreements exist between the Company and the Management Board or employees in the event of a takeover bid.

10 Corporate governance statement

Corporate governance practices based on the standards of the German Corporate Governance Code | All recommendations of the German Corporate Governance Code have been complied with | Composition of the Supervisory Board takes particularly account of the aspect of independence | Changes to the composition of the Management Board and Supervisory Board

Basic approach

As a globally operating Group, TeamViewer attaches great importance to good corporate governance. A transparent and responsible corporate governance, and a collaboration between the Management Board and Supervisory Board in the spirit of trust and open capital market communications form its key elements. TeamViewer AG is guided by the standards of the German Corporate Governance Code (GCGC), as last updated on 16 December 2019.

The Management Board and Supervisory Board of TeamViewer AG submit the following corporate governance statement pursuant to § 315 d in conjunction with § 289 et seq. HGB, which is part of the combined management report. In the corporate governance statement, they report jointly on TeamViewer's corporate governance in accordance with Principle 22 of the GCGC. This statement is also available on the ↗ TeamViewer website.

Management Board

Composition

The Management Board of TeamViewer AG consisted of two members as of 31 December 2021. In accordance with the TeamViewer AG Articles of Association, the Management Board is appointed and dismissed by the Supervisory Board.

As of 31 December 2021, the Company's Management Board consisted of the following two members:

- Oliver Steil is appointed as a member of the Management Board of TeamViewer AG and designated chairman of the Management Board until October 2024. Mr. Steil has served as Managing Director of TeamViewer Germany GmbH and CEO of the TeamViewer Group since January 2018.
- Stefan Gaiser is appointed as a member of the Management Board of TeamViewer AG until the expiration of his agreement in August 2022 and will leave the Company hereafter upon mutual agreement. He has served as Managing Director of TeamViewer Germany GmbH and CFO of the Group since November 2017.

In the fiscal year 2021, Lisa Agona was appointed as a member of the Management Board of TeamViewer AG for the period from 19 April 2021 to 10 November 2021 and served as CMO. She left the Company upon mutual agreement on 31 December 2021.

Requirements profile and diversity concept

The Supervisory Board is of the opinion that diversity aspects also play a significant role in the successful development of the Company, in addition to the professional skills and experience of the members of the Management Board. In line with its diversity concept, the Supervisory Board therefore seeks to ensure that the Management Board consists of members who reflect the diversity concept and complement each other in terms of their personal and professional backgrounds, so that the Management Board as a whole can draw on the broadest possible range of experience, knowledge and abilities.

Diversity within the Management Board is reflected in the members' individual education and professional career and the broad spectrum of experience each possesses. Each Management Board member must, however, be able to perform the tasks associated with this office in a listed software company with international operations and to preserve the Company's public reputation. In addition, they are expected to have an in-depth understanding of the Company's business and market environment and generally possess several years of management experience. In light of the Company's business model, at least one member of the Management Board should be knowledgeable in the following areas:

- Strategy and strategic management
- Technology and Software-as-a-Service (SaaS) companies, including the relevant markets and customer needs
- Operations and technology, including IT and digitalisation
- Corporate governance
- Human resources management and development
- Finance, including financing, accounting, controlling, risk management and internal control procedures

Given the international focus of the Company's activities, at least some members of the Management Board should possess noteworthy international experience.

The target figures for female representation on the Management Board and the status of their implementation are discussed in the chapter on target figures for female representation in executive positions on page 76. To achieve the defined target figures and to promote diversity in general, the Supervisory Board has mapped out a comprehensive and detailed diversity concept which it uses as a guideline for appointments and long-term succession planning.

The appointment as a Management Board member generally ends once the member reaches the age of 65. An extension for a maximum of three additional years is possible. The aim for a heterogeneous age structure is subordinate to the other criteria mentioned.

Tasks

The Management Board has sole responsibility for managing the Company's operations. The Management Board is guided by the Company's interests and committed to ensuring the sustained growth of its enterprise value. The Management Board develops the Company's strategic direction, coordinates it with the Supervisory Board at regular intervals and ensures its implementation.

The rules of procedure regulate the management principles, the cooperation of the Management Board and supply of information to the Supervisory Board

The basic principles guiding business management, the collaboration between the Management Board members and the information of the Supervisory Board are set out in the rules of procedure for the Management Board. The Management Board manages the Company's operations with the standard of care of a prudent and diligent manager in accordance with the law, the Articles of Association, and the rules of procedure. The Management Board cooperates with the Company's other bodies in the spirit of collegiality and trust.

The members of the Management Board are jointly responsible for the management of the Company. The members of the Management Board lead the business area assigned to them by the schedule of responsibilities independently and on their own account. The members of the Management Board work cooperatively together and advise and brief each other on a continuous basis. The Management Board meets regularly, in general, every other week. Management Board resolutions must be unanimous.

The Management Board collaborates closely with the Supervisory Board. It is the joint task of the Management Board and Supervisory Board to ensure an adequate supply of information to the Supervisory Board. The Management Board notifies the Supervisory Board in a regular, timely and comprehensive manner of all issues of relevance to the Company and the Group as part of its reporting obligations pursuant to § 90 AktG. This includes strategy, planning, business performance, the risk situation, risk management and compliance. The Management Board addresses deviations of business performance from the plans and targets set and clarifies any deviations. Relevant documents for the decision-making process are made available to the Supervisory Board members well ahead of a meeting. The Management Board requires the Supervisory Board's approval for specific transactions set out in the rules of procedure.

Conflicts of interest

Members of the Management Board are committed to the interests of the Company. Their decision-making must not be guided by their own personal interests. While working for the Company, they are subject to a comprehensive non-compete clause and must not use business opportunities available to the Company or one of its subsidiaries for their personal gain. The members of the Management Board must not demand or accept remuneration or other benefits for themselves or other persons from third parties or grant unjustifiable benefits to third parties in connection with their position at the Company. Every member of the Management Board must disclose conflicts of interest immediately to the chairman of the Supervisory Board and the chairman of the Management Board and inform the other members of the Management Board accordingly. All transactions between the Company or its subsidiaries, on the one hand, and the Management Board members as well as any persons related to them or undertakings personally related to them, on the other, must conform to the standards applicable to transactions with non-related third parties. Any secondary gainful activities of Management board members, especially Supervisory Board mandates outside the Group, require the Supervisory Board's approval.

Long-term succession planning

The Supervisory Board, together with the Management Board, ensures long-term succession planning. To this end, the Supervisory Board has drawn up the aforementioned profile of requirements for members of the Management Board and the diversity concept based on which the Supervisory Board, together with the Management Board, regularly analyses the Company's needs and takes long-term succession planning into consideration. In addition to contingency planning, it should be ensured that the Company can come in contact with suitable candidates early on.

Supervisory Board

Composition

In accordance with the Articles of Association, the Supervisory Board of TeamViewer AG consists of six members elected by the Annual General Meeting. All current Supervisory Board members have been appointed until the end of the Annual General Meeting in 2023, with the exception of Ms Hera Kitwan Siu, who was court-appointed as the successor to Mr Holger Felgner on 26 November 2021. The appointment of Ms Siu must be formally confirmed by the shareholders at the Annual General Meeting in 2022.

On 31 December 2021, the Supervisory Board of the Company was composed of the following members:

- Dr Abraham Peled, chairman of the Supervisory Board
- Jacob Fonnesbech Aqraou, deputy chairman of the Supervisory Board
- Stefan Dziarski, member of the Supervisory Board
- Dr Jörg Rockenhäuser, member of the Supervisory Board
- Axel Salzmann, member of the Supervisory Board
- Hera Kitwan Siu, member of the Supervisory Board

The Supervisory Board of TeamViewer AG has set specific targets regarding its composition and drafted a profile of skills and expertise as well as a diversity concept for the board as a whole. The members of the Supervisory Board must be able to fulfil their tasks as Supervisory Board members of a software company with international operations based on their knowledge, competencies and professional experience. They ensure that they have sufficient time available to perform their tasks carefully and that they comply with the maximum number of permitted mandates pursuant to recommendations C.4 and C.5 of the GCGC. A Supervisory Board member should not have passed the age of 75 at the time of election and should not be part of the Supervisory Board for a period of more than ten years.

Terms of office of Supervisory Board members

Name	Date of appointment	End of term of office (always occurs at the end of the ordinary Annual General Meeting for the respective year or upon resignation)
Dr Abraham Peled	19 August 2019	AGM 2023 [4 years]
Jacob Fonnesbech Aqraou	19 August 2019	AGM 2023 [4 years]
Stefan Dziarski	19 August 2019	AGM 2023 [4 years]
Dr Jörg Rockenhäuser	19 August 2019	AGM 2023 [4 years]
Axel Salzmann	19 August 2019	AGM 2023 [4 years]
Hera Kitwan Siu	26 November 2021 (court-appointed)	Confirmation by the AGM 2022 pending
Holger Felgner	19 August 2019	03 Aug 2021 (date of resignation)

Targets for Supervisory Board composition

The Supervisory Board attaches particular attention to diversity when composing the board as a whole. Members must complement each other in terms of their personal and professional backgrounds and experience and expertise to ensure that the board in its entirety can draw upon the widest possible range of experiences and specialised knowledge. The Supervisory Board must, at all times, be composed in a manner ensuring that its members combined possess the knowledge, abilities and professional experience required to properly perform the duties of a supervisory board body. Moreover, in accordance with §100 (5) AktG, the members of the Supervisory Board combined must be familiar with the sector in which TeamViewer AG operates, with at least one member possessing expertise in accounting or the audit of financial statements.

The Supervisory Board elects a chairman amongst its members who coordinates the work of the Supervisory Board and represents the interests of the Supervisory Board externally. Whilst carrying out this task, the Supervisory Board chairman holds discussions with investors on issues specific to the Supervisory Board to an appropriate extent. The chairman of the Supervisory Board is informed immediately by the chairman of the Management Board of important events that are of material importance for the assessment of the Company's situation and development as well as for its management. The Supervisory Board chairman then informs the Supervisory Board and, if necessary, convenes an extraordinary meeting of the Supervisory Board. Between meetings, the Supervisory Board chairman maintains regular contact with the Management Board, and particularly the Management Board's chairman, and discusses with him the Company's strategy, business development, risk situation, risk management and compliance.

Profile of skills and expertise

The Supervisory Board members altogether must cover all the areas of expertise it requires to perform its tasks effectively. This includes particularly in-depth knowledge of and experience in the following:

- Management of a company with international operations (ideally in the areas of software, SaaS or technology)
- Supervisory positions in Germany and/or abroad
- Areas of strategy and innovation
- Corporate development of a company with an international footprint
- Accounting, financial reporting, controlling/ risk management, and internal control procedures
- Corporate governance and compliance

The Supervisory Board considers that the profile of skills and expertise is implemented in full in its current composition.

Independence

The Supervisory Board attaches particular importance to the independence of its members and to ensuring full compliance with the relevant recommendations of the GCGC on the independence of supervisory board members. In doing so, the Supervisory Board shall take proper account of the ownership structure. The Supervisory Board of TeamViewer AG is of the opinion that the Supervisory Board should include at least two shareholder representatives who are independent of the Company, its Management Board, and a controlling shareholder as defined by recommendation C.6 of the GCGC. In the view of the Supervisory Board, Mr Salzmann, Mr Aqraou and Ms Siu are all independent members per the definition of recommendations C.6 and C.9 of the GCGC. All members are considered independent of the Company and the Management Board as defined in recommendation C.7 GCGC. The chairman of the Supervisory Board, Dr Abraham Peled, is independent as defined by recommendation C.10 GCGC.

Diversity

The Supervisory Board should reflect a balanced degree of diversity, especially with respect to the international backgrounds of its members, their professional experience, expertise, and the level of female representation. By taking into account the Company's international character, the Supervisory Board should generally include at least two international members with global management or entrepreneurial experience. The target figures for female representation on the Supervisory Board and the status of their implementation are discussed in the chapter "Target figures for female representation in executive positions" on page 76. The Supervisory Board believes that a balanced level of diversity has been ensured by the board's current composition.

The Supervisory Board is convinced that taking such an approach to its composition ensures that it can independently and efficiently advise and supervise the Management Board. Future nomination proposals by the Supervisory Board to the Annual General Meeting should therefore incorporate the targets expressed for the board's composition while still fulfilling the profile of skills and expertise as well as the achievement of the diversity concept's targets.

Tasks

The Supervisory Board regularly advises the Management Board on the management of the Company and monitors its activities. The Supervisory Board must be involved in decisions that are of fundamental importance to the Company.

By a resolution dated 19 August 2019, and last supplemented through a resolution dated 28 July 2021, the Supervisory Board in accordance with § 11 (1) of the Company's Articles of Association adopted its own rules of procedure and made them available on the ↗ TeamViewer website. The Supervisory Board conducts its business pursuant to the statutory provisions, Articles of Association and rules of procedure. It collaborates closely and in a spirit of trust with the Company's other bodies and, above all, the Management Board, for the benefit of the Company. In the rules of procedure for the Management Board, the Supervisory Board has defined the transactions requiring the Supervisory Board's approval.

In accordance with its rules of procedure, the Supervisory Board must hold at least two meetings per half-year. The Supervisory Board also holds meetings without the Management Board. Further meetings are to be called if such are required in the Company's interest or if a Supervisory Board or Management Board member requests a meeting to be convened, stating the purpose and reasons for such a meeting. Further information on the meetings of the Supervisory Board during the reporting year can be found on page 15 in the Report of the Supervisory Board.

Conflicts of interest

Supervisory Board members are committed solely to the best interests of the Company. Members must not pursue personal interests in their decision-making or utilise business opportunities offered to the Company or one of its subsidiaries for themselves or third parties. Every Supervisory Board member is required to disclose conflicts of interest to the chairman of the Supervisory Board. In its report to the Annual General Meeting, the Supervisory Board provides information on conflicts of interest that have arisen and how they were addressed. Material conflicts of interest involving a Supervisory Board member that are not merely temporary should result in the termination of that member's mandate. Supervisory Board members shall not be members of bodies of or perform advisory tasks at material competitors of the Company. Advisory agreements and other contracts with the Company for services or work to be concluded by a Supervisory Board member require the Supervisory Board's approval.

Committees

To enable the Supervisory Board to perform its tasks efficiently, it has formed an Audit Committee and a Nomination and Remuneration Committee from among its members. Each of these committees has at least three members. The Supervisory Board must be informed regularly of the work and outcomes of discussions on the committees.

Audit Committee
The Audit Committee is specifically responsible for the following tasks: Preparing the decision of the Supervisory Board on the adoption of the annual financial statements and the approval of the consolidated financial statements, monitoring the accounting, accounting processes, the effectiveness of the internal control system, the risk management system, the internal audit system and dealing with auditing and compliance issues. Accounting comprises mainly the consolidated financial statements and the group management report (including CSR reporting), interim financial information and the separate financial statements in accordance with the HGB.

The Audit Committee also prepares the Supervisory Board's decision on the recommendation for the selection of the auditor and monitors the auditor's independence. In accordance with recommendation D.9. of the GCGC, the Audit Committee agrees with the auditor that the auditor shall inform the Audit Committee without delay of all findings and events of importance in connection with the Audit Committee's duties that come to the attention of the auditor during the performance of the audit. In addition, in accordance with recommendation D.10 of the GCGC, the Audit Committee agrees with the auditor that the auditor will inform the committee and make a note in the audit report if, during the performance of the audit, the auditor discovers facts which indicate that the declaration of conformity with the GCGC issued by the Management Board and Supervisory Board is incorrect.

The Audit Committee regularly assesses the quality of the audit of the financial statements

The Audit Committee also attends to the additional services provided by the auditor, the determination of auditing focal points, the fee agreement and issues the audit engagement letter. It regularly assesses the quality of the audit. The Audit Committee discusses the biannually and quarterly reports with the Management Board prior to their publication. The chairman of the Audit Committee, Axel Salzmann, is independent as per the definition of C.10 and D.4 of the GCGC, has special expertise in the application of accounting principles and internal control procedures and is familiar with the auditing of financial statements.

As of 31 December 2021, the Audit Committee consisted of the following members: Axel Salzmann (chairman), Jacob Fonnesbech Aqraou, Stefan Dziarski, and Dr Abraham (Abe) Peled. For information on the meetings of the Audit Committee during the reporting year, please refer to page 15 of the Report of the Supervisory Board.

Nomination and Remuneration Committee
The Nomination and Remuneration Committee prepares the proposals of the Supervisory Board to the Annual General Meeting regarding the election of Supervisory Board members, examines all aspects relating to remuneration and the terms of employment for the Management Board and issues recommendations to the Supervisory Board in relation to the conclusion, amendments to and termination of employment contracts for this group of employees. If required, it will commission an independent review of the remuneration principles and of the remuneration packages paid to the Management Board members. It presents an assessment of the Management Board's performance and issues a recommendation to the Supervisory Board for the terms of employment and remuneration of the Management Board.

As of 31 December 2021, the Nomination and Remuneration Committee had the following members: Axel Salzmann (chairman), Jacob Fonnesbech Aqraou, Dr Abraham (Abe) Peled and Dr Jörg Rockenhäuser. The chairman of the Nomination and Remuneration Committee, Axel Salzmann, is independent within the meaning of recommendation C.10 GCGC. For information on the meetings of the Nomination and Remuneration Committee during the reporting year, please refer to page 15 of the Report of the Supervisory Board.

Self-assessment

In accordance with recommendation D.13 GCGC, the Supervisory Board regularly assesses, at least every two years, how effectively the Supervisory Board as a whole and its committees perform their duties. In addition to qualitative criteria to be defined by the Supervisory Board, this self-assessment focuses particularly on the procedures within the Supervisory Board and its committees, the flow of information between the committees and the full Supervisory Board, and the timely and sufficient provision of information to the Supervisory Board and its committees. At its meeting on 5 November 2020, the Supervisory Board defined the topics for the self-assessment. Based on this, the members of the Supervisory Board carried out a detailed assessment of the various topics. The next self-assessment is planned in the course of the 2022 fiscal year.

Additional supervisory board mandates of Supervisory Board members

The following table lists the current outside mandates on supervisory boards and in comparable control bodies additionally held by the members of the Supervisory Board of TeamViewer AG as of 31 December 2021.

Supervisory Board member	Mandates in accordance with § 125 (1) fifth sentence AktG
Dr Abraham Peled	→ Chairman of the board of directors of CyberArmor Ltd.
Jacob Fonnesbech Aqraou	→ Member of the board of directors of Telenor ASA → Chairman of the board of directors of Loopia Group → Member of the board of directors of Wallapop SL → Chairman of the board of directors of Denmark Bridge → Member of the board of directors of Aqraou Invest ApS → Chairman of the board of directors of PhaseOne Group A/S → Chairman of the board of directors of Chronext AG → Chairman of the board of directors of Boats Group → Member of the advisory board of Lego Ventures
Stefan Dziarski	→ Member of the board of directors of P&I Personal & Informatik AG → Member of the advisory board of FlixMobility GmbH
Dr Jörg Rockenhäuser	→ Member of the advisory board of Best Secret GmbH (formerly Schustermann & Borenstein GmbH) → Chairman of the advisory board of neuraxpharm Arzneimittel GmbH → Member of the advisory board of Engel & Völkers Holding GmbH
Axel Salzmann	→ None
Hera Kitwan Siu	→ Member of the board of directors of The Goodyear Tire & Rubber Company → Member of the board of directors of Vallourec S.A.

Targets for women's participation in executive positions

The Company's Supervisory Board and Management Board are very conscious of the particular importance of diversity, and especially of ensuring the commensurate participation of women in supervisory and management positions. The Supervisory Board and Management Board therefore pay particular attention to diversity when filling management positions at the Company, and are seeking to increase the proportion of women on the Supervisory Board, the Management Board and the executive level below the Management Board[1] in the medium term. The following table provides an overview of the targets set for the participation of women in the respective management levels as well as the status of these targets' implementation.

Target of

33%

women on the Supervisory Board

Women's involvement

Name	Target deadline	Target (as a percentage of the total number of members at the respective reporting date)	Status of implementation as at 31 December 2021
Supervisory Board	By 31 December 2023	33	16.67% or 1/6
Management Board	By 31 December 2023	25	0%
First executive level below the Management Board	By 31 December 2023	33	36.36%

[1] A second executive level below the Management Board does not exist.

Statement of the Management Board and Supervisory Board of TeamViewer AG on the recommendation of the "Government Commission German Corporate Governance Code" pursuant to §161 AktG

The Management Board and the Supervisory Board of TeamViewer AG declare that TeamViewer AG since its last declaration dated December 2020 has complied with all recommendations of the German Corporate Governance Code in its version of 16 December 2019, published by the Federal Ministry of Justice and Consumer Protection on 20 March 2020, in the official section of the German Federal Gazette (Bundesanzeiger) (the "Code"), and intends to comply with all recommendations of the Code in the future.

Göppingen, December 2021

The Management Board

Oliver Steil

Stefan Gaiser

On behalf of the Supervisory Board

Dr Abraham Peled

Financial reporting and audit of financial statements

TeamViewer AG prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB) and the interpretations of the IFRS Interpretation Committee (IFRS IC) as applicable in the EU, and additionally the applicable commercial and stock corporation regulations pursuant to § 315e (1) HGB. The annual financial statements of TeamViewer AG are prepared in accordance with the principles of the HGB. The annual financial statements of TeamViewer AG, the consolidated financial statements and the group management report, which are combined with the Company's management report, are drawn up by the Management Board and audited by the independent auditors and the Supervisory Board. The independent auditors take part in the deliberations of the Audit Committee and the Supervisory Board about the annual financial statements and consolidated financial statements, report on the audit process and its results and are at hand to answer questions and provide additional information. The independent auditors for fiscal year 2021 are Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft (EY), Stuttgart.

Compliance

Compliance means that all business processes comply with all applicable laws and internal Company regulations.

Compliance culture

Compliance is an important pillar of TeamViewer's corporate culture. Clearly defined compliance requirements are further deepened by an internal training programme. The aim is to raise awareness in the entire organisation to compliance issues so that all actions are based on relevant laws, norms, international standards, and internal guidelines.

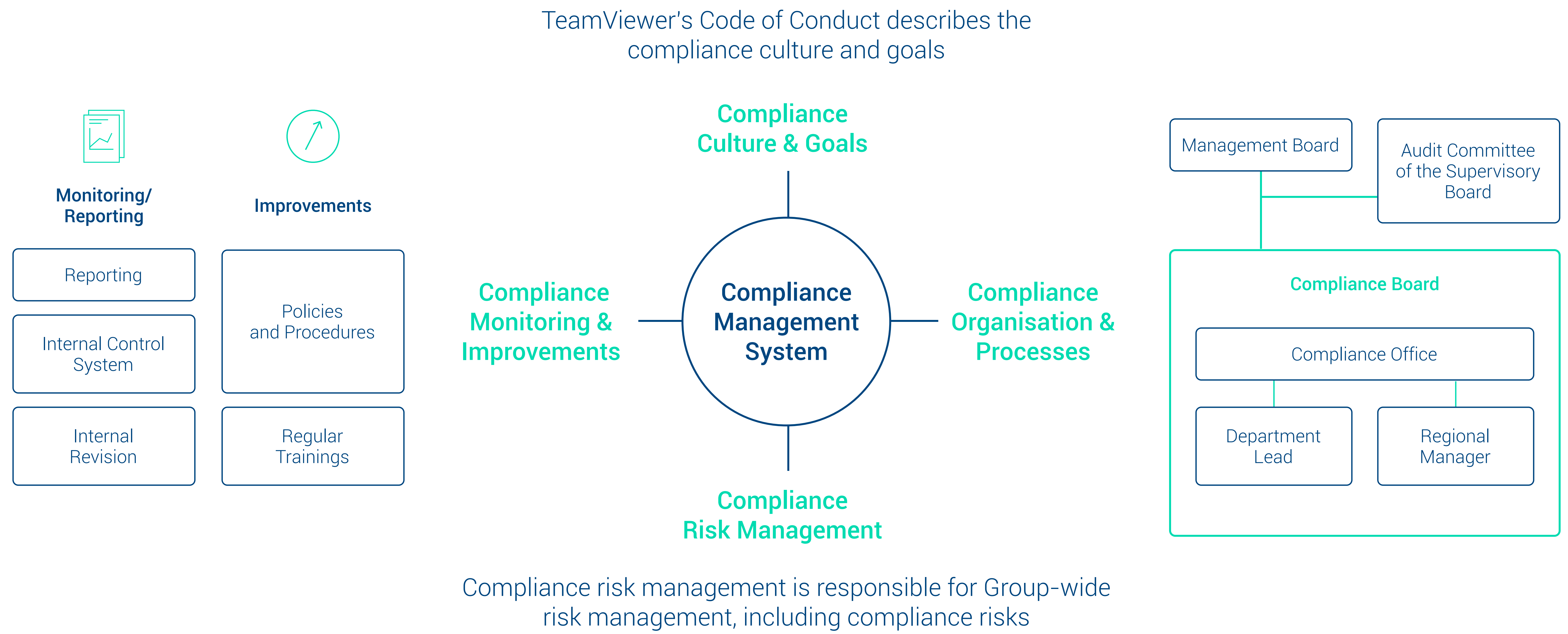
Compliance Management System

With the Compliance Management System (CMS) being an integral part, the TeamViewer Group has established a compliance management in alignment with its risk situation. The CMS encompasses all the measures and processes necessary to ensure that the laws and internal rules and regulations are complied with. The CMS is based to a large extent on the Code of Conduct of the TeamViewer Group.

Compliance organisation

The Group-wide compliance organisation is responsible for the review of and adherence to compliance processes together with any improvements, if applicable, as well as for evaluating and mitigating compliance risks. The Compliance Board, headed by the Compliance Office, is the key body of the compliance organisation which reports to the Management Board and the Audit Committee of the Supervisory Board.

Compliance Organisation



Code of Conduct

The Code of Conduct was established as a binding framework for ethical conduct in a business setting. The document describes the goal communicated by the Management Board that all decision-making processes should be guided by integrity, transparency and compliance with applicable laws and provisions.

The Code of Conduct includes rules mainly concerning internal dealings with each other, dealings with business partners, the fight against corruption and responsibilities tightly linked to security, confidentiality, and the environment.

The Code of Conduct also serves as a framework for further important internal policies and procedural guidelines, including those in the areas of data privacy and IT security.

TeamViewer is very proud of the diversity of its own workforce. People of different ages and genders work at the Company. They differ in terms of their nationality, marital status, social and ethnic background, sexual orientation, and physical and other personal features. The opportunity for all employees to express themselves freely is just as important as the acceptance of all political and religious convictions. At the same time, TeamViewer does not in any way tolerate extremist thinking, offensive behaviour, or propaganda. In this context, TeamViewer does not support or favour any political organisations.

Working together with the Compliance Board, the Compliance Office verifies that the provisions of the Code of Conduct are up to date and applicable, as well as acting as the central contact for all compliance-related matters.

The Code of Conduct is published on the ↗TeamViewer website.

Other compliance documents and policies
TeamViewer also expects its business partners to act in accordance with laws and ethical standards and ensure compliance with these throughout the entire value chain.

Following the Code of Conduct, therefore, TeamViewer has established a code for suppliers and business partners called the Business Partner & Supplier Code of Conduct.

Subordinate policies supplement the internal set of compliance rules and include the following:

- Anti-Bribery & Corruption Policy
- Anti-Money Laundering Policy
- Antitrust and Fair Competition Policy
- Data Protection – Privacy Handbook
- Diversity & Inclusion Policy
- Group Security Dealings Code
- Health & Safety Policy
- IT Security Policies
- Trade Controls and Sanctions Policy
- Travel Policy

All policies are reviewed and adjusted on a regular basis, where necessary. Training events for all employees, information emails and Group-wide meetings ensure the issues remain relevant and that the policies are complied with. Function-specific policies and procedural guidelines supplement the sets of rules.

Another important issue in the TeamViewer Group is the health of employees. To promote employee health, health and safety policies and the associated training have been implemented.

TeamViewer also supports standards designed to protect human rights. Jointly with the Code of Conduct, all recent global and applicable provisions have been recognised. More details can be found on page 153 in the Non-Financial Report.

Compliance reporting channels
Employees have various channels at their disposal to report compliance violations or anomalies. The first contact partner is the line manager. Employees also have the option of notifying the Compliance Office via a separate, dedicated email account or contact one of the two persons of the Trust Council. Employees can use the whistleblower channel to report suspected violations of the law or compliance concerns anonymously and with protection. The Company also maintains an extensive dialogue with external stakeholders to promote comprehensive compliance through open dialogue.

All reports are investigated and assessed in a timely manner. Suitable measures and sanctions are decided where applicable.

Director's dealings

TeamViewer AG provides information about managers' transactions of the Management Board and Supervisory Board, as well as the natural persons and legal entities closely related to them, in accordance with Article 19 of the EU Market Abuse Regulation (MAR). These transactions can be viewed within the legally prescribed time periods on the Company's website.

In fiscal year 2021, TeamViewer AG was notified of 16 transactions pursuant to Article 19 MAR. These transactions are listed on ↗TeamViewer's website.

11 Non-financial statement

The non-financial matters relevant to TeamViewer that are not part of the management report are presented in detail in the Non-Financial Report.

12 Management Report of TeamViewer AG (Condensed version in accordance with HGB)

In addition to the reporting on the TeamViewer Group, the development of TeamViewer AG in the 2021 fiscal year is described below.

TeamViewer AG is the parent company of the TeamViewer Group and based in Göppingen, Germany. The Company has been registered with the District Court of Ulm under registration number HRB 738852.

The annual financial statements of TeamViewer AG are prepared in accordance with the provisions of the HGB (German Commercial Code, Handelsgesetzbuch). The consolidated financial statements of TeamViewer are prepared in accordance with the IFRSs applicable on the reporting date and the interpretations of the IFRS Interpretations Committee (IFRS IC), the application of which is mandatory in the EU. This results in differences in accounting and valuation methods.

Earnings position

The 2021 fiscal year of TeamViewer AG is the calendar year.

For the 2021 fiscal year, the profit or loss statement of TeamViewer AG is as follows:

Profit and loss statement

In EUR million	Fiscal year from 1 January to 31 December 2021	Fiscal year from 1 January to 31 December 2020
Revenue	**11.8**	**10.0**
Personnel expenses	(14.3)	(11.0)
Other operating expenses	(4.1)	(6.0)
Interest and similar expenses	(0.2)	(0.8)
Net loss for the year	**(6.8)**	**(7.8)**

TeamViewer AG's revenue resulted primarily from the provision of management services to affiliated companies and amounted to EUR 10.0 million in the 2021 fiscal year (2020: EUR 11.8 million). The decline in revenue is largely attributable to lower oncharging of personnel expenses, which meant that the revenue increases forecast in the previous year could not be achieved.

The Company's personnel expenses amounted to EUR 11.0 million in the fiscal year (2020: EUR 14.3 million). The decrease in personnel expenses is mainly due to lower employee bonuses compared to the previous year. During the fiscal year, TeamViewer AG employed an average of 89 (2020: 65) employees.

Other operating expenses of EUR 6.0 million (2020: EUR 4.1 million) mainly include legal and consulting fees of EUR 4.0 million (2020: EUR 1.9 million), closing and audit fees of EUR 0.5 million (2020: EUR 0.7 million) and expenses of EUR 0.7 million (2020: EUR 0.7 million) for the remuneration of the Supervisory Board.

Interest expenses amounted to EUR 0.9 million in the 2021 fiscal year (2020: EUR 0.2 million). The rise is due to the increase of EUR 12.1 million in liabilities to affiliated companies to a total of EUR 14.4 million. TeamViewer AG's net loss for the year amounted to EUR 7.8 million (2020: EUR 6.8 million).

The net loss for the year increased from EUR 6.8 million to EUR 7.8 million in the fiscal year. The decline in revenue is largely the result of the lower oncharging of personnel expenses. Legal and consulting costs increased compared to the previous year, so that the net loss for the year was higher than expected.

Net assets and financial position

The net assets and financial position of TeamViewer AG as at 31 December 2021 and the previous year's reporting date were as follows:

Net assets and financial position

In EUR million	31 December 2020	31 December 2021
Financial assets	**4,048.7**	**4,048.7**
Non-current assets	**4,048.7**	**4,048.7**
Receivables and other assets	0.1	0.5
Bank balances	1.3	1.7
Current assets	**1.4**	**2.2**
Prepaid expenses	**0.2**	**0.1**
Total assets	**4,050.3**	**4,051.0**
Equity	4,038.5	4,030.7
Provisions	7.2	3.8
Liabilities (trade payables to affiliated companies and other liabilities)	4.6	16.5
Total equity and liabilities	**4,050.3**	**4,051.0**

TeamViewer AG's total assets amounted to EUR 4,051.0 million as at 31 December 2021 (31 December 2020: EUR 4,050.3 million).

Financial assets as at 31 December 2021 were unchanged at EUR 4,048.7 million (31 December 2020: EUR 4,048.7 million).

Current assets as at 31 December 2021 mainly include bank balances of EUR 1.7 million (31 December 2020: EUR 1.3 million) and VAT receivables of EUR 0.5 million (31 December 2020: EUR 0.1 million) recorded within other assets.

With the purchase of 37.56 % of the shares in Ubimax GmbH in the 2020 fiscal year, 1,070,931 new shares were issued to the founders of Ubimax GmbH, which were issued from the authorised capital as part of a capital increase against non-cash contributions. Shareholder subscription rights were excluded. The new shares are subject to a lock-up period of three years and will be released in annual tranches which underscores the long-term commitment of the Ubimax founders. The transaction was completed in August 2020. At the same time, the capital reserve was increased by EUR 46.3 million. In 2020, the shares in Ubimax GmbH were contributed to the capital reserve of Regit Eins GmbH, increasing the latter's investment carrying amount.

Taking into account the net loss for the year of EUR 7.8 million (31 December 2020: EUR 6.8 million), the equity of TeamViewer AG decreased to EUR 4,030.7 million as at 31 December 2021 (31 December 2020: EUR 4,038.5 million). Provisions of EUR 3.8 million (31 December 2020: EUR 7.2 million) as at 31 December 2021 mainly included personnel-related provisions and provisions for costs for preparing and auditing the 2021 financial statements. The main reasons for the decrease were lower short-term variable remuneration for all employees and lower performance-based multi-year variable remuneration for executives.

The Company's liabilities totalled EUR 16.5 million (31 December 2020: EUR 4.6 million), of which EUR 14.4 million (31 December 2020: EUR 2.3 million) resulted from settlement accounts with affiliated companies.

Risks and opportunities

As a holding company, the business development of TeamViewer AG is generally subject to the same opportunities and risks similar to the TeamViewer Group. TeamViewer AG participates in the opportunities and risks of its indirect and direct subsidiaries in full. The opportunities and risks and the Group's risk management system are presented in the Opportunities and Risks Report. Adverse effects on TeamViewer AG's direct and indirect subsidiaries may lead to an impairment of the participation in Regit Eins GmbH in TeamViewer AG's annual financial statements and reduce the Company's net result for the year.

Outlook

TeamViewer AG's net result for the year is dependent on the profit distributions of Regit Eins GmbH. There were no distributions in the 2021 and 2020 fiscal years, and no distribution is planned for the 2022 fiscal year.

For the 2022 fiscal year, TeamViewer AG expects a moderate increase in costs as well as a moderate increase in revenue compared to the previous year and a net loss at the previous year's level. For a detailed presentation of the expected future development of the TeamViewer Group, please refer to the outlook report.

Göppingen, 11 March 2022

Oliver Steil Stefan Gaiser

CONSOLIDATED FINANCIAL STATEMENTS OF TEAMVIEWER AG

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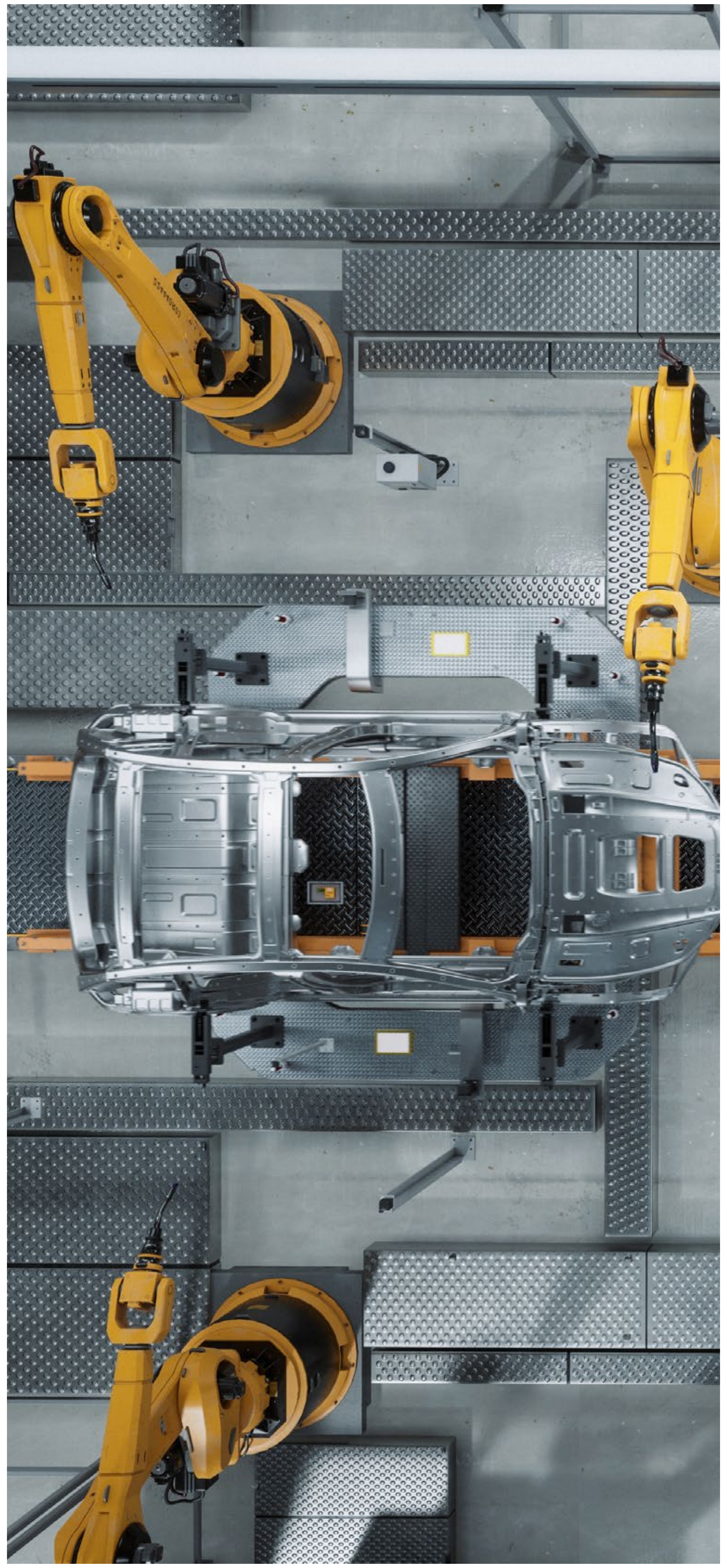


01 Consolidated statement of profit or loss and other comprehensive income from 1 January to 31 December 2021

In thousands of euro	Note	2021	2020
Revenue	5	**501,097**	**455,614**
Cost of sales	6	(70,944)	(64,102)
Gross profit		**430,153**	**391,512**
Research and development		(62,137)	(46,627)
Marketing		(96,070)	(38,459)
Sales		(89,165)	(77,707)
General and administrative		(51,532)	(54,939)
Bad debt expenses	13	(15,995)	(14,576)
Other income		5,039	5,256
Other expenses		(2,869)	(415)
Operating profit		**117,424**	**164,045**
Finance income	8	599	2,953
Finance costs	8	(19,170)	(22,887)
Foreign currency income	8	20,259	43,873
Foreign currency costs	8	(33,723)	(17,598)
Profit before taxation		**85,389**	**170,385**

In thousands of euro	Note	2021	2020
Income taxes	9	(35,337)	(67,358)
Profit/(loss) for the year		**50,051**	**103,027**
Items that may be reclassified to profit or loss in subsequent periods		**1,736**	**(1,484)**
Hedge reserve, gross	16	73	(61)
Exchange differences on the translation of foreign operations		1,663	(1,424)
Total comprehensive income		**51,787**	**101,543**
Earnings per share in EUR	27		
Undiluted, based on earning attributable to holders of the parent company's ordinary share		0.25	0.52
Diluted, based on earnings attributable to holders of the parent company's ordinary share		0.25	0.51

02 Consolidated statement of financial position as at 31 December 2021

In thousands of euro	Note	2021	2020
Non-current assets			
Goodwill	10	667,224	646,793
Intangible assets	10	248,159	255,330
Property, plant and equipment	11	45,484	40,469
Financial assets	22	4,848	4,516
Other assets	14	3,824	857
Deferred tax assets	9	496	159
Total non-current assets		**970,035**	**948,124**
Current assets			
Trade receivables	13	11,560	19,667
Other assets	14	13,029	7,594
Tax assets	9	1,513	52
Financial assets	22	–	4,456
Cash and cash equivalents	15	550,533	83,531
Total current assets		**576,635**	**115,301**
Total assets		**1,546,670**	**1,063,425**

In thousands of euro	Note	2021	2020
Equity			
Issued capital	16	201,071	201,071
Capital reserve	16	394,487	366,898
(Accumulated losses)/retained earnings	16	(276,803)	(326,854)
Hedge reserve	16	12	(61)
Foreign currency translation reserve	16	1,320	(343)
Total equity attributable to the shareholders of TeamViewer AG		**320,087**	**240,711**
Non-current liabilities			
Provisions	21	366	433
Financial liabilities	17	842,495	440,153
Deferred revenue	18	6,095	361
Deferred and other liabilities[1]	20	2,032	1,614
Other financial liabilities[1]	17	8,769	–
Deferred tax liabilities	9	29,764	29,186
Total non-current liabilities		**889,521**	**471,747**
Current liabilities			
Provisions	21	1,893	2,225
Financial liabilities	17	34,973	82,099
Trade payables	19	7,272	8,304
Deferred revenue	18	244,480	214,811
Deferred and other liabilities[1]	20	41,784	39,120
Other financial liabilities[1]	17	5,911	29
Tax liabilities	9	749	4,378
Total current liabilities		**337,062**	**350,966**
Total liabilities		**1,226,583**	**822,714**
Total equity and liabilities		**1,546,670**	**1,063,425**

[1] Changes in presentation compared to prior year; see also Note 2 Basis of Preparation (c) Basis of preparation of the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of financial position.

03 Consolidated statement of cash flow from 1 January to 31 December 2021

In thousands of euro	Note	2021	2020
Profit before taxation		85,389	170,385
Depreciation, amortisation and impairment of non-current assets	10, 11	50,918	41,096
Increase/(decrease) in provisions	21	(399)	753
Non-operational foreign exchange (gains)/losses	8	15,902	(30,541)
Expenses for equity-settled share-based compensation	7	27,590	47,308
Net financial costs	8	18,571	19,935
Change in deferred revenue	5, 18	35,403	2,233
Changes in other net working capital and other		4,114	6,785
Income taxes paid	9	(43,513)	(33,417)
Cash flows from operating activities		**193,973**	**224,536**
Capital expenditure for property, plant and equipment and intangible assets	10, 11	(15,231)	(26,145)
Payments for the acquisition of non-current financial assets		(310)	(51)
Payments for business combinations	4	(23,383)	(84,053)
Cash flows from investing activities		**(38,924)**	**(110,249)**

In thousands of euro	Note	2021	2020
Repayments of borrowings	17	(77,934)	(62,832)
Proceeds from borrowings	17	400,000	–
Payments for the capital element of lease liabilities	17	(6,884)	(4,863)
Interest paid for borrowings and lease liabilities	8, 17	(14,078)	(28,071)
Cash flows from financing activities		**301,104**	**(95,766)**
Net change in cash and cash equivalents		**456,154**	**18,521**
Net foreign exchange rate difference		11,779	(6,082)
Net change from cash risk provisioning		(930)	(61)
Cash and cash equivalents at beginning of period	15	83,531	71,153
Cash and cash equivalents at end of period	15	**550,533**	**83,531**

04 Consolidated statement of changes in equity from 1 January to 31 December 2021

In thousands of euro	Note	Issued capital	Capital reserve	(Accumulated losses)/ retained earnings	Hedge reserve	Foreign currency translation reserve	**Total equity**
Balance as at 1 January 2021		**201,071**	**366,898**	**(326,854)**	**(61)**	**(343)**	**240,711**
Profit/(loss) for the period		–	–	50,051	–	–	50,051
Other comprehensive income		–	–	–	73	1,663	1,736
Share-based compensation	7	–	27,590	–	–	–	27,590
Balance as at 31 December 2021		**201,071**	**394,487**	**(276,803)**	**12**	**1,320**	**320,087**

In thousands of euro	Note	Issued capital	Capital reserve	(Accumulated losses)/ retained earnings	Hedge reserve	Foreign currency translation reserve	**Total equity**
Balance as at 1 January 2020		**200,000**	**320,661**	**(429,881)**	**–**	**1,081**	**91,861**
Profit/(loss) for the period		–	–	103,027	–	–	103,027
Other comprehensive income		–	–	–	(61)	(1,424)	(1,484)
Share-based compensation	7	1,071	46,237	–	–	–	47,308
Balance as at 31 December 2020		**201,071**	**366,898**	**(326,854)**	**(61)**	**(343)**	**240,711**

05 Notes to the consolidated financial statements

1. Company information

TeamViewer AG is a listed stock corporation headquartered in Göppingen, Germany. The Company is registered in the commercial register at the District Court of Ulm under the number HRB 738852. TeamViewer AG, Göppingen, is the parent company of the TeamViewer Group ("TeamViewer" or the "Group").

TeamViewer AG's principal shareholder, with a shareholding of 18.65 % as at 31 December 2021 (31 December 2020: 27.85 %), is TigerLuxOne S.à.r.l. (TLO), a company registered in Luxembourg. TeamViewer AG's registered office is in Göppingen. With effect from 9 September 2020, the Company's registered offices relocated to Bahnhofsplatz 2, 73033 Göppingen, Germany, from their previous location at Jahnstrasse 30, 73037 Göppingen, Germany. The Group's fiscal year is the calendar year.

In the following, "Company" refers to TeamViewer AG.

TeamViewer has a very extensive solutions portfolio, enabling remote access to a wide range of different devices, machines and systems so that they can be remotely managed, controlled, maintained and repaired. TeamViewer offers software for augmented reality (AR)-supported optimisation of work processes for employees outside the traditional office, i.e. in production, logistics or field service. TeamViewer's business model benefits from global megatrends, including the rapid spread of connected devices, increasing digital transformation, industrial process automation, new forms of remote work, and the desire for a more sustainable way of working. With the help of advanced technologies, TeamViewer is proactively shaping the digitalisation of the entire value chain across all industries.

2. Basis of preparation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) applicable as at the reporting date and as adopted by the European Union (EU) pursuant to EU Regulation No. 1606/2002 of the European Parliament and of the Council on the application of international accounting standards, as well as the additional requirements of German stock corporation and commercial law pursuant to § 315e (1) of the German Commercial Code (Handelsgesetzbuch – HGB). The term "IFRS" also includes the International Accounting Standards (IAS) still in force. All binding interpretations of the IFRS Interpretations Committee (IFRS IC) required for the year 2021 have also been taken into account.

The Management Board of TeamViewer AG on 11 March 2022 approved the submission of these consolidated financial statements to the Supervisory Board.

(b) Basis of measurement

The consolidated financial statements are prepared based on the principle of historical cost, with the exception of the following items measured at fair value:

- Derivative financial instruments
- Liabilities for cash-settled share-based compensation
- Contingent purchase price liabilities from business combinations

Monetary assets and liabilities denominated in foreign currencies are translated at the closing rates as at the reporting date.

(c) Basis of preparation of the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of financial position

The consolidated statement of profit or loss and other comprehensive income is prepared using the cost of sales method. The structure of the consolidated financial statements complies with the requirements of IAS 1. The presentation of the consolidated statement of financial position distinguishes between current and non-current assets and liabilities. Assets and liabilities are classified as current if they are realised or settled within one year. Liabilities are also classified as current if there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Deferred taxes are always classified as non-current.

In order to provide a clearer and more meaningful picture, some items in the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of financial position have been combined, with more detailed explanations provided in the notes to the consolidated financial statements.

Liabilities for cash-settled share-based compensation (Long-term Incentive Plan – LTIP) are reported under the item "deferred and other liabilities" and no longer under the item "other financial liabilities" as in the previous year.

The Company's internal management system also encompasses financial and non-financial performance indicators that are not defined in accordance with IFRS. The financial performance indicators can be reconciled to the key figures included in the IFRS consolidated financial statements and should not be viewed in isolation, but as supplementary information for assessing the results of operations.

(d) Basis of preparation of the consolidated statement of cash flows

The Group reports cash flows from operating activities using the indirect method using "profit before taxation" as a starting point.

Cash flows from financing activities include interest paid on loans, borrowings and leases. Other interest payments (from other than financing activities) are presented in cash flows from operating activities. Interest received from financial assets is reported in cash flows from investing activities.

Proceeds from and payments for short-term financial investments with a high turnover rate, high amounts and short maturities are shown in the consolidated statement of cash flows on a net basis.

(e) Presentation currency

The consolidated financial statements are presented in euros (EUR), which is the Company's presentation currency. Unless otherwise stated, all amounts are rounded to the nearest thousand euros (EUR thousand), with the effect that rounding differences may occur when individual amounts are added together. The same also applies to the addition of percentages.

(f) Use of judgments and estimates

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of income, expenses, assets, liabilities, related disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities in future periods.

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments that have a material effect on the amounts recognised in the consolidated financial statements:

Revenue
The revenue recognition period for perpetual licences is estimated to be three years.

Recognition and measurement of assets
In particular, on the recognition and measurement of intangible assets/goodwill and liabilities arising from the purchase price allocation at the date of initial consolidation. See Note 10 Goodwill and intangible assets.

Other intangible assets and goodwill
Goodwill has been allocated to cash-generating units and an annual impairment test has been performed. The key assumption for impairment testing is the determination of the recoverable amount per cash-generating unit. See Note 10 Goodwill and intangible assets.

Leases
Renewal and termination options are taken into account when determining the lease terms. If the Company has a unilateral renewal or termination option, the probability of the option being exercised is also taken into account when determining the term. The Group assumes a term that is longer than the original term only when the Group is reasonably certain that it will extend or not terminate the contract. If both parties have a renewal or termination option, the contract's term is determined based on the probability of these options being exercised and any potential economic disadvantages that may be incurred by either party.

Estimates and assumptions
Described below are the Group's key assumptions about the future as at the reporting date as well as other primary sources of uncertainty related to estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal years. The Group based its assumptions and estimates on the parameters available at the time of preparing the consolidated financial statements. The prevailing circumstances and assumptions about future developments may change however, due to changes in the market or circumstances beyond the Group's control. Such changes are reflected in the assumptions as they occur.
For impairment, see Note 3 (p) Impairment losses
For contingent purchase price liabilities from business combinations, see Note 22 (a) Classification and fair values

Share Appreciation Rights Programme/EPP Programme
The fair value of share-based compensation on the grant date was estimated using applicable valuation models. The vesting period must also be estimated in order to recognise the EPP bonus expense. See Note 7 Personnel expenses.

Phantom Share Programme for long-term performance-based compensation (Long-term Incentive Plan, LTIP)
In estimating the fair value of the LTIP, assumptions are used that incorporate the expected volatility of the Company's share price. The determination of the final payout amount additionally depends on the achievement of performance targets and the future closing share price. Changes in these assumptions or outcomes that differ from these assumptions could result in substantial adjustments to the carrying amounts of related liabilities. The most critical assumption in estimating the fair value of the LTIP is the expected volatility. In calculating the payout amount, the most critical factor is the closing share price. See Note 7 Personnel expenses.

Recognition of deferred tax assets
The prerequisite for recognising deferred tax assets is the availability of future taxable profits against which tax losses carried forward can be offset. See Note 9 Income taxes.

Tax-related liabilities
The Group calculates and pays income taxes in accordance with the applicable tax laws.

The Group measures its ongoing tax refund claims/liabilities for the current and prior periods at the amount expected to be paid to or recoverable from the tax authorities. Estimating this amount involves uncertainties in the application of complex tax laws and regulations in a multitude of jurisdictions across the global operations.

Uncertain tax positions
The application of tax rules to complex transactions is often open to interpretation by both the Group and the tax authorities. Tax authorities may challenge positions taken by the Group when determining current income tax expenses and may require additional payments. Interpretations of tax laws that are subject to interpretation are generally referred to as uncertain tax positions.

For the measurement of uncertain tax positions, the Group first assesses whether the position should be measured separately or together with other uncertain tax positions. The decision is based on whether a relationship exists between the items that makes it probable that the uncertainty for the items will be resolved together. On the assumption that the tax authorities will review the uncertain tax position on a fully informed basis, a subsequent assessment is made as to whether the tax authority will accept the Group's handling of the tax treatment. If it is probable that the authority will accept the Group's tax treatment, this will then be the only assessment used as the basis for the uncertain tax position. Otherwise, the uncertain tax position is measured on the basis of the most likely amount or through the application of the expected value method. If the possible outcomes are binary or concentrated around one value, the uncertain tax position is measured on the basis of the most likely amount or through the application of the expected value method.

The COVID-19 pandemic and climate-related issues did not have a material impact on the planning, estimate assumptions, or measurements.

(g) IFRS 13 – Fair values

The Group measures financial instruments such as derivatives at fair value as at each reporting date. Fair value-related disclosures for financial instruments and non-financial assets that are measured at fair value or for which fair values are reported are summarised in the following notes:

- 17 Financial liabilities
- 22 Financial instruments – Fair values and risk management

Fair value is the price as at the measurement date that would be received when selling an asset or paid when transferring a liability in an orderly transaction between market participants. Fair value measurement is based on the presumption that the sale of the asset or the transfer of the liability will be successful and

- takes place in the principal market for the asset or liability, or
- in the most advantageous market for the asset or liability, when no principal market exists.

The principal or most advantageous market must be a market that is accessible to the Group.

The fair value of an asset or liability is determined using the same assumptions that market participants would use in pricing the asset or liability and assumes that market participants act in their best economic interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value while seeking to maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised according to the fair value hierarchy levels described below, based on the lowest level that is significant to the fair value measurement as a whole:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (e.g. in the form of prices) or indirectly (e.g derived from prices)
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

For assets and liabilities that are recognised at fair value on a recurring basis in the financial statements, the Group determines whether transfers between hierarchy levels have occurred by reassessing categorisation (based on the lowest level that is significant to the fair value measurement as a whole) as at the end of each reporting period.

To disclose fair values, the Group has defined different classes of assets and liabilities based on their nature, characteristics and risks and their respective level in the fair value hierarchy (as described above).

Interest rate caps and currency options are measured using an option pricing model that takes into account market volatilities.

The fair values of debt instruments assigned to Level 2 are calculated as the present value of the payments associated with the debt instrument based on the applicable short-term yield curve and the credit default curve of comparable companies.

The fair values of debt instruments allocated to Level 3 are calculated using the discounted cash flow model based on significant unobservable inputs, such as expected contractually defined ratios and a weighted average cost of capital. Trade receivables, receivables from affiliates and other associates and investments, loan receivables and cash and cash equivalents generally all have short-term maturities. Trade payables, liabilities due and other non-financial liabilities also generally have short-term maturities, resulting in their carrying amounts as at the reporting date being almost equal to their fair values.

3. Significant accounting policies

The accounting policies set out below have been applied consistently by the Group companies throughout the periods presented in these consolidated financial statements.

(a) Basis of consolidation

Business combinations
The Group accounts for business combinations using the acquisition method in accordance with IFRS 3 as at the date on which the Group obtained control. The consideration transferred in an acquisition is generally measured at fair value, as are the net identifiable assets acquired. Any goodwill arising from business combinations is tested annually for impairment. Gains resulting from an acquisition made at a price below fair value are recognised immediately in the income statement. Transaction costs are expensed in full as incurred.

Subsidiaries
In accordance with IFRS 10, subsidiaries are those entities that are controlled by TeamViewer AG. The Company controls an entity when it is subject to or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements as at the date that control commences until the date that control ceases.

Loss of control
When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, as well as any relevant non-controlling interests or other equity components. Any resulting gain or loss is recognised in profit or loss. An interest retained in the former subsidiary are measured at fair value as at the date control was lost.

Transactions eliminated through consolidation
Intragroup balances, transactions and all resulting income, expenses and cash flows are eliminated upon consolidation. Intragroup losses are eliminated in the same way as intragroup gains.

Fiscal year
The fiscal year of all consolidated companies corresponds to the fiscal year of the parent company, with the exception of TeamViewer India Pvt. Ltd., which uses an April through March fiscal year. When fiscal years differ, financial information is used for Group consolidation that refers to the same reporting date as the financial statements of the parent company.

(b) Revenue

Revenue is mainly generated from the provision of connectivity services, on the basis of software licences. In addition, TeamViewer offers services for the implementation of more complex solutions, for example, in the enterprise, IoT, or augmented reality (AR) environments. Hardware sales are made in the AR area in order to offer customers a holistic solution. The Group uses direct sales to end customers, indirect sales via distribution partners, and sales via original equipment manufacturers (OEMs). Our contracts with customers often include various products and services.

For connectivity solutions that are based on temporary software licences (subscription model), the most appropriate method of revenue recognition is a pro rata temporis, straight-line basis over the term of the contract since the Group has to provide services over the full term of the contract. For connectivity solutions on a perpetual licence basis, the Group recognises the revenue over the estimated technological life of three years. The Group sells connectivity solutions on a perpetual licence basis only in exceptional cases. The vast majority of connectivity solution licences are sold using a subscription model. These generally have a term of one year, although, contracts lasting less than one year or several years are also increasingly being used.

Connectivity solutions based on software product licences are generally billed at a fixed amount set at the inception of the contract. The line item "deferred revenue" in the statement of financial position therefore includes the amount of revenue still unrealised as the related services have not yet been provided to the customer (contract liability to the customer as defined by IFRS 15). Deferred revenue is recognised as revenue on a straight-line basis over the performance period.

The Group generally grants customers a payment term of 14 days. Payment terms can also be agreed individually for larger customers.

Revenue from contracts with customers is recognised when it can be assumed that the corresponding contracts will actually be performed. Above all, it must be reasonable to assume that the customer intends to pay the consideration owed. This assessment involves a degree of judgement. Criteria such as the customer's historical behaviour in terms of contract compliance, as well as the intensity of the customer relationship, are used to make this assessment. To arrive at its assessment, the Group uses historical data obtained from contract portfolios but also take into account expected future developments that differ from past experience. The assessment can sometimes lead to recognising revenue only after a payment is made for certain contract portfolios.

To provide additional information on its revenue, TeamViewer also uses billings as a financial performance indicator.

Billings represent the value (net) of goods and services invoiced to customers within a specific period and which constitute a contract as defined by IFRS 15.

In distinguishing between the different customer groups, TeamViewer uses the following categories:

Enterprise customers: Customers with billings that have been invoiced of at least EUR 10,000 across all products and services within the last twelve months fall into the enterprise customer category. Customers who do not reach or exceed this threshold may be reallocated to another category.

SMB (small and medium-sized business) customers: Customers with invoiced billings across all products and services of less than EUR 10,000 within the last twelve months. If this threshold is exceeded or fallen short of, the customer is reallocated.

To evaluate customer loyalty, TeamViewer uses the net retention rate (NRR LTM) as a non-financial performance indicator. To determine the NRR LTM, billings are categorised as follows:

Retained billings: Retained billings are recurring billings (renewals, up-sell & cross-sell) to existing subscribers who were also subscribers in the previous twelve-month period.

New billings: New billings are recurring billings attributable to new subscribers.

Non-recurring billings: Non-recurring billings include services and hardware sales.

The **net retention rate (NRR LTM)** is defined as recurring billings (subscription renewals, up-selling and cross-selling activities) in the previous twelve-month period that were attributable to existing subscribers (subscribers who were already subscribers in the previous twelve-month period), divided by the total recurring billings in the previous twelve-month period.

(c) Employee benefits

Share-based compensation made by an entity exercising control on the grant date and accounted for as equity-settled share-based compensation
TLO granted share-based compensation awards to selected executives of the Group, with these awards being either settled in cash or by transferring equity instruments.

Even though in this case none of the TeamViewer AG group companies has an obligation to pay share-based compensation to executives, the Group accounts for TLO's commitments as equity-settled share-based compensation. This accounting treatment is a result of the fact that the share-based compensation is made between group companies. At the time the share-based compensation were granted, the TeamViewer AG Group was part of the parent TLO Group, which is required to meet the share-based compensation obligations. Because the entities of the TeamViewer AG Group receive the executive services (and not TLO), the TeamViewer AG Group is required to account for these transactions as equity-settled share-based transactions, irrespective of what form (cash-settled or equity-settled) the compensation to the executives is settled by TLO.

Accounting for equity-settled share-based compensation
Expenses from equity-settled share-based compensation are determined using the fair value at the grant date. See Note 7 Personnel expenses.

Service and vesting conditions that are not market conditions are not considered in determining the fair value of the awards at the grant date. The probability that these conditions will be met however is still considered by the Company when making its best estimate of the number of equity instruments that will ultimately vest. Detailed information on the vesting conditions that are not market conditions can be found in Note 7 Personnel expenses.

In contrast to service and vesting conditions, market conditions are considered in determining the fair value at the grant date. Other conditions attached to a compensation award that are not service or vesting conditions are treated as non-vesting conditions. Non-vesting conditions are included in the grant date fair value of a compensation award and lead to the direct recognition of an award unless there are additional service and/or performance conditions.

If executives acquire an unconditional right to share-based compensation already at the grant date, the related expenses are also recognised at the grant date. Otherwise, the expenses are recognised over the service period or the period over which the performance conditions are expected to be fulfilled (the vesting period), as appropriate (Note 7 Personnel expenses). The cumulative expense recognised for equity-settled transactions on each reporting date until the vesting date reflects the extent to which the expected vesting period has expired on the reporting date, as well as the Company's best estimate of the number of equity instruments that will ultimately vest. The expense recognised in the reporting period equals the change in the cumulative expense recognised between the beginning and the end of the relevant period. A corresponding increase in additional paid-in capital is recognised which is equal to the amount of the expense.

Amendments to equity-settled share-based compensation
In the case of an amendment made to an existing compensation award, the fair value of the original award determined at the original grant date is recognised as an expense when the services are rendered, i.e., the amendment to the existing contract does not affect the previous accounting treatment. In addition, the effects from the amendment that result in an increase in the total fair value of the share-based compensation arrangements on the date of the amendment are accounted for as if a new agreement had been entered into, which is then measured at the additional fair value on the amendment's date.

Share-based compensation accounted for as cash-settled share-based compensation
The Company has launched a phantom share programme for long-term performance-based compensation (Long-term Incentive Plan – LTIP). The amount paid out under the LTIP depends, among others, on factors such as the performance of the Company's share price. Liabilities arising from the LTIP are measured at their fair value on each reporting date and recognised as an expense over the vesting period. The vesting period encompasses the period from the grant date to the vesting date. The cumulative expense recognised on each reporting date reflects the extent to which the vesting period has expired as at the reporting date.

Service and vesting conditions that are not market conditions are not considered in determining the fair value of the awards. The probability that these conditions will be met is still however taken into account as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market conditions are also included in the determination of the fair value. Other conditions attached to a compensation award that are not service conditions or vesting conditions are treated as non-vesting conditions. Non-vesting conditions are included in the fair value of an award and result in the direct recognition of an award as an expense unless there are additional service and/or performance conditions.

Calculating employee headcount
The average number of employees (headcount) is determined on the basis of the number of employees as at each quarter-end.

The number of full-time equivalents (FTEs) is determined by dividing the hours worked by an employee on a contract basis by the regular working hours of a full-time employee.

(d) Finance income and finance expenses

The Group's finance income and finance expenses include the following items:

- Interest income
- Interest expenses
- Financing costs
- Gains and losses on currency translation of financial assets and liabilities

(e) Income taxes

Income tax expenses include current and deferred income taxes and are recognised in profit or loss in accordance with IAS 12, unless they arise in connection with an acquisition or relate to an item recognised directly in equity or in other comprehensive income.

Current taxes
Current taxes on income include the taxes expected to be paid or refunded on the taxable income for the current year as well as related adjustments from previous years. They are measured using tax rates enacted or substantively enacted as at the reporting date.

Deferred taxes
Deferred taxes on income are recognised for temporary differences that arise between the carrying amounts of assets and liabilities recognised for financial reporting purposes and those recognised for tax purposes. Deferred taxes are not recognised for

- temporary differences arising on initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting profit or loss nor taxable profit or loss;
- temporary differences relating to investments in subsidiaries, if the Group is able to control the timing of the reversal of the temporary differences and it is probable that the reversal will not occur in the foreseeable future; and
- taxable temporary differences arising from the initial recognition of goodwill.

Upon initial recognition of leases, the Group recognises deferred tax assets in connection with lease liabilities and deferred tax liabilities in connection with right-of-use assets.

Deferred tax assets are recognised for unused tax loss carryforwards, unused interest carryforwards, unused tax credits and deductible temporary differences, when it is probable that there will be future taxable profits available against which they can be used. Deferred tax assets are reviewed on each reporting date and reduced to the extent that it is no longer probable that the related tax benefit can be utilised.

Deferred taxes are measured at the tax rates expected to be applicable to temporary differences when they reverse using tax rates enacted or substantively enacted as at the reporting date.

The measurement of deferred taxes reflects the Group's expectations as at the reporting date as to the extent to which it expects to recover or settle the carrying amounts of its assets and liabilities.

Deferred taxes resulting from transactions recognised in other comprehensive income are also recognised in other comprehensive income.

Deferred tax items are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities, and the deferred income taxes relate to the same entity and the same taxation authority.

(f) Intangible assets and goodwill

Goodwill
Goodwill arising from the acquisition of a business is measured at cost less any accumulated impairment losses.

Research and development (R&D)
Expenses for research and development activities are recognised in profit or loss in the year they are incurred.

Other intangible assets
Other intangible assets acquired by the Group with finite useful lives are measured at cost less accumulated scheduled amortisation and impairment losses in accordance with IAS 38. Other intangible assets with indefinite useful lives acquired by the Group are measured at cost and tested for impairment at least annually in accordance with IAS 36.

Amortisation
Amortisation of intangible assets is calculated on the basis of the acquisition cost of the assets less their estimated residual value using the straight-line method over their estimated useful lives. They are generally recognised in profit or loss. Goodwill is not amortised on a scheduled basis.

The estimated useful lives of intangible assets were unchanged from the previous year and are as follows:

	Years
Goodwill	Indefinite
"TeamViewer" trademark	Indefinite
Customer relationships	4 to 10
Software	2 to 10

The useful life of the "TeamViewer" trademark is classified as indefinite because the use of the trademark does not depend on the product life cycle of the software, and it can be used as a trademark independently of the technology in place. The Group determined the indefinite useful life of the trademark based on the following significant factors in accordance with IAS 38.90:

- The Group expects to continue to use its company trademark for an indefinite period. The commercial usage of the trademark does not depend on specific executives of the management team.
- There are no indications of any commercial obsolescence of the trademark. The brand's recognition has increased continually since the Company's foundation.
- There are currently no indications of declining market demand in the respective industry.

Intangible assets with an indefinite useful life are tested for impairment annually in accordance with IAS 36 applying the procedure described in Note 3 Significant accounting policies. The impairment test of the trademark is performed in combination with the goodwill impairment test as the trademark does not generate cash inflows from continuing use on a stand-alone basis.

Amortisation methods, useful lives and residual carrying amounts are reviewed at each reporting date and adjusted if necessary.

(g) Property, plant and equipment

In accordance with IAS 16, property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditures directly attributable to the acquisition of the asset. For property, plant and equipment acquired in a business combination, the cost is equal to the fair value resulting from the respective purchase price allocation.

Subsequent expenditures
Subsequent expenditures are capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation
Scheduled depreciation is calculated on the cost of property, plant and equipment, less their estimated residual value, using the straight-line method over their estimated useful lives. They are generally recognised in profit or loss. Land is not depreciated.

The estimated useful lives of property, plant and equipment were unchanged from the previous year and are as follows:

	Years
Office equipment	3 to 15
IT equipment	3 to 8
Improvements in third-party premises	2 to 10

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) are recognised as profit or loss in the year the asset is derecognised.

The depreciation methods, useful lives, and residual carrying amounts are reviewed on each reporting date and adjusted if necessary.

(h) Trade receivables

The Group does not recognise trade receivables unless it has an unconditional right to consideration. Customers generally have the right to return the purchased licences within a trial period of seven days from the date of purchase. During this period, the Group has no unconditional right to consideration. In these cases, the amount of the contract asset recognised corresponds to the amount of the services already rendered. The Group only recognises trade receivables that are not due to the extent the services have already been rendered.

The Group's loss allowance for current trade receivables is recognised in accordance with IFRS 9, using the expected credit loss model. The simplified approach is used to calculate expected credit losses over the term. Due to the diversified customer base, loss allowances for trade receivables excluding excise taxes are recognised by region and by the age of receivable based on historical credit losses. Management regularly evaluates whether adequate and supportable information is available to adjust the historical loss rates using forward-looking information. Due to the short time period and the low interest rate environment, the time value of money has no material impact on the allowances.

Overdue trade receivables are subject to various enforcement measures. Trade receivables are derecognised after one year if no further realisation of the receivable is expected.

(i) Capitalised costs from customer contracts

Capitalised costs from customer contracts are reported under other assets in the statement of financial position. The capitalised incremental cost of obtaining contracts consists of sales commissions for sales representatives. Generally, TeamViewer either does not pay sales commissions for the renewal of customer contracts, or these commissions do not correspond to the commissions paid for new contracts. Consequently, the commissions paid for new contracts with renewal options are also based on the expected renewals of these contracts. Sales commissions for new customer contracts are therefore amortised on a straight-line basis over the expected life of the contract and include expected contract renewals. Incremental contract acquisition costs are expensed as incurred if it is probable that the amortisation period will not exceed one year. For the first time since the completed introduction of the subscription model, there is demonstrable global empirical data on a take-up of renewal options by customers. The determination of the expected term of the contract requires judgement and is exercised uniformly for all customer contracts. Capitalised costs under customer contracts are amortised over four years. The amortisation of capitalised contract acquisition costs is classified as selling expenses.

(j) Advance payments for sponsorship activities

Advance payments for sponsorship activities are recognised as accruals under other current assets until the services are received and are expensed in full after they are received. Significant expenses for sponsorship activities are expensed on a straight-line basis over the expected term of the sponsorship.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks, cash in hand and short-term deposits with original maturities of three months or less. Cash and cash equivalents are defined as cash in hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For cash and cash equivalents, the Group recognises a risk provision for expected credit losses in line with IFRS 9 using an expected credit loss model. The Group used credit default swaps to estimate the expected credit loss. The Group also monitors the risk on a regular basis to determine if a significant deterioration in credit risk has occurred. When a bank's credit rating is downgraded to below investment grade, the Group considers this a significant deterioration in credit risk. A default is assumed to have occurred when a bank's Standard & Poor's credit rating falls below C.

(l) Issued capital

The Company's subscribed capital is divided into no-par value ordinary bearer shares classified as equity. Costs directly attributable to the issue of new shares are recognised as a deduction from equity, net of any tax effects.

(m) Provisions

According to IAS 37, provisions are recognised if a present legal or constructive obligation to third parties has arisen as a result of a past event, if payment is probable and if the amount of the payment can be estimated reliably. They are measured using the best estimate of the resources required to settle the obligation as at the reporting date considering past experience. They are recognised at the most likely amount of the obligation. The amount of the provision is regularly adjusted if new information becomes available or if circumstances change. Non-current provisions are recognised as at the reporting date at the present value of expected settlement amounts, taking into account the development of prices and costs. Discount rates are regularly adjusted to prevailing market interest rates.

(n) Financial liabilities

All financial liabilities are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. The amortisation of transaction costs through profit or loss is included in finance costs. Financial liabilities include both loans and lease liabilities.

A financial liability is derecognised when the obligation is discharged, cancelled or expired. Where an existing financial liability has been replaced by the lender on substantially different terms, or the terms of an existing liability have been substantially modified, such an exchange or modification is treated as an extinguishment of the original obligation accompanied by the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(o) Financial instruments

The Group measures non-derivative financial assets that are held to collect contractual cash flows that are solely payments of principal and interest at amortised cost.

The Group classifies non-derivative financial liabilities at amortised cost. This particularly includes financial liabilities, as well as other financial liabilities, including trade payables.

Non-derivative financial assets and liabilities
The Group initially recognises non-derivative financial assets and financial liabilities at the point in time the Group companies become party to the contractual provisions of the instrument. Purchases or sales of financial assets are recognised as at the trading date.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all risks and rewards of ownership of the financial asset are transferred or it neither transfers nor retains substantially all of the risks and rewards of ownership but does not retain control over the transferred asset. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability. Moreover, trade receivables are derecognised when the Group has no reasonable expectation of recovering the receivable.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial liabilities, trade receivables, financial liabilities and other financial liabilities are initially recognised at fair value plus or less any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost using the effective interest method.

Derivative financial instruments
The Group holds derivative financial instruments to hedge against interest rate and currency risks. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

These criteria include the conditions that the economic risks and characteristics of the embedded derivative are not closely related to those of the host contract, that a stand-alone instrument with the same contractual terms would meet the definition of a derivative, and that the hybrid (compound) financial instrument is not measured at fair value through profit or loss.

Derivatives that are not designated to an effective hedging relationship are measured at fair value through profit or loss.

Derivatives are initially recognised at fair value. All directly attributable transaction costs are recognised in profit or loss as incurred. Subsequently, derivatives are measured at fair value, and changes in fair value are generally recognised immediately in profit or loss. Derivatives are recognised as financial assets if the fair value is positive, and as financial liabilities if the fair value is negative.

Hedge accounting
The Group applies the hedge accounting requirements set out in IFRS 9. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss. Fair value changes regarding the time value of an option that hedges a time period-related hedged item are recognised in a separate component of OCI and amortised on a rational and systematic basis. The amount accumulated in equity in the hedge reserve is retained in OCI and is reclassified to profit or loss in the same period in which the hedged item affects profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in the hedge reserve is reclassified to profit or loss.

(p) Impairment

Non-financial assets
In accordance with IAS 36, the Group reviews assets with a finite useful life for impairment if there are indications that those assets may be impaired. Moreover, intangible assets with an indefinite useful life, intangible assets not yet ready for use and goodwill are tested for impairment at least annually.

At each reporting date, or when there are indications of potential impairment, the Group reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. Goodwill and trademarks with an indefinite useful life are tested at least annually for impairment and whenever there is an indication of impairment.

For impairment testing, assets are grouped together into the smallest group of assets that includes the asset and generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs). Goodwill arising from the acquisition of a company is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the higher of its value in use and its fair value less costs of disposal. The value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. To determine fair value less costs of disposal, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for comparable publicly traded companies or other available fair value indicators.

An impairment loss is recognised when the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. The carrying amounts of each of the other assets in the CGU will not be reduced to lower than the higher of their fair value less costs of disposal (if measurable), their value in use (if determinable) or zero. The amount of the impairment loss that cannot be allocated due to this lower limit is allocated to the other assets in the CGU on a pro rata basis.

An impairment loss on goodwill cannot be reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation if no impairment loss had been recognised.

Financial assets
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the cash flow the Group is contractually entitled to and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows include cash flows from the sale of collateral held or other guarantees that are an integral part of the contractual conditions.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are recognised for default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). See Note 22 Financial instruments – fair values and risk management.

For trade receivables and contract assets, included within other current assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. See Note 13 Trade receivables.

(q) Rental/lease payments

The Group applies IFRS 16 to rental and lease agreements. Lease payments represent rentals payable by the Group for certain buildings, servers and vehicles.

Right-of-use assets
The Group recognises right-of-use assets at the commencement date. The right-of-use asset is initially measured at cost, which consists of the initial amount of the respective lease liability adjusted for any prepayment done at or before the commencement less any lease incentive received. The right-of-use asset is adjusted for any changes in the lease contract. The recognised right-of-use assets are depreciated on a straight-line basis during the lease term and are subject to impairments.

Lease liabilities
The lease liabilities are measured initially at the present value of lease payments that are not paid at the commencement date and are expected to be made during the remaining lease term, discounted using the Company's incremental borrowing rate. The incremental borrowing rate used matches the lease term. The lease payments include the fixed payments (including in-substance fixed payments) less any incentives receivable, variable lease payments (which are linked on an index or rate) and any amount expected to be paid under residual value guarantees.

Subsequently, the lease liabilities are measured at amortised cost using the effective interest method. They are remeasured when there is a change in future lease payments arising from a change in the index or rate, a change in the estimate related to the amount expected to be payable under a residual value guarantee, or if the Group changes its assumption regarding its right to exercise the purchase, renewal or termination option. For any change in the value of the lease liability, the carrying amount of the respective right-of-use asset is adjusted accordingly.

At the commencement of a lease for which the Company is the lessee, it recognises

- a deferred tax asset related to the lease liability to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised; and
- a deferred tax liability related to the right-of-use asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases (i. e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (i. e. TeamViewer assets with a value below EUR 5,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal and termination options
Periods resulting from the exercise of a renewal option by the lessee are included in the term of a lease if the exercise of the renewal option by the lessee is reasonably certain. The same applies to periods by which the lease is extended by not exercising a termination option. These periods are also included in the lease term if it is reasonably certain that the lessee will not exercise the termination option. In the case of mutual termination options that can be exercised without the consent of the other contractual party, these periods are only included in the term of the lease if the termination is associated with more than only minor economic disadvantages for both contractual parties.

(r) Foreign currencies

Foreign currency transactions and foreign operations are accounted for in accordance with IAS 21.

Foreign currency transactions
Transactions in foreign currencies are translated into the respective functional currencies of Group companies at exchange rates as at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency with the exchange rate as at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency with the exchange rate as at the measurement date. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on the historical exchange rate at their time of addition will not be remeasured.

Foreign operations
Since the euro is the reporting currency of the parent company, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from acquisitions, are translated from the functional currencies of Group companies into euro at exchange rates at the reporting date. The functional currencies of subsidiaries are the euro, US dollar, British pound, Australian dollar, Japanese yen, Indian rupee, Singapore dollar, Chinese renminbi, Mexican peso and the Armenian dram. For reasons of simplification, the income and expenses of foreign operations are translated into euro at the average exchange rate for the year.

Foreign currency differences arising from the translation of a foreign operation are recognised in OCI and accumulated in the translation reserves. When a foreign operation is disposed of in its entirety or partially such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

The following relevant exchange rates were applied as at the reporting date:

Closing rates

		Closing rates		Average rate for year	
Currency	ISO code	**31 December 2021**	31 December 2020	**2021**	2020
US dollar	USD	1.13	1.23	1.18	1.14
Pound sterling	GBP	0.84	0.90	0.86	0.89
Australian dollar	AUD	1.56	1.59	1.57	1.66
Armenian dram	AMD	546.10	641.11	596.65	558.41
Japanese yen	JPY	130.38	126.49	129.86	121.78
Indian rupee	INR	84.23	89.66	87.49	84.58
Singapore dollar	SGD	1.53	1.62	1.59	1.57
Chinese yuan	CNY	7.19	8.02	7.63	7.87
Mexican peso	MXN	23.14	24.42	23.99	24.51

(s) Contingent liabilities

According to IAS 37, contingent liabilities are liabilities that must be borne by the Group depending on the outcome of an uncertain future event. A contingent liability is disclosed unless the outflow of economic resources is unlikely.

(t) Segment

The Group has only one segment, with the TeamViewer platform as the reporting entity. The Group defines the Chief Executive Officer and the Chief Financial Officer as the "chief operating decision-makers". They are responsible for allocating resources and assessing performance based on separate financial information at a consolidated level.

(u) Standards, interpretations and amendments to existing published standards issued and applied

The following amendments or improvements to standards have been applied by the Group and were mandatory for the first time for annual periods beginning on or after 1 January 2021 but have no or no material impact on the Group:

- Amendments to IFRS 4 – Extension of the Temporary Exemption from Applying IFRS 9
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest rate benchmark (IBOR) reform – Phase 2
- Amendments to IFRS 16 – COVID-19-related Rent Concessions beyond 30 June 2021

The first time application of the accounting standards listed above had no or no material effect on the presentation of the financial position, cash flows and financial performance.

(v) Standards, interpretations and amendments to published standards that have not yet been applied

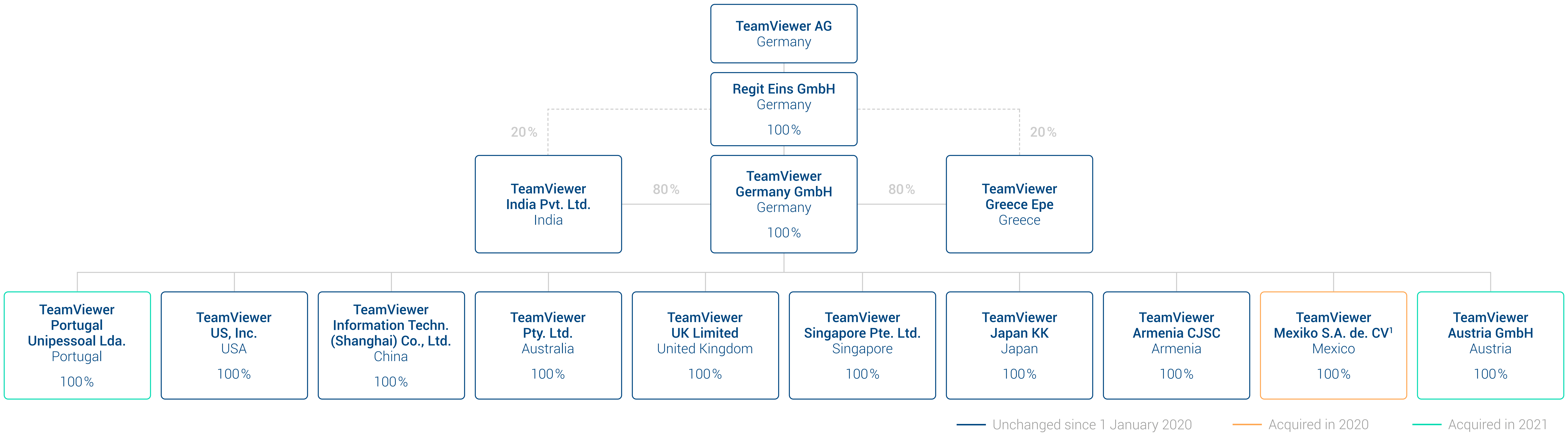
A number of new standards and amendments to standards and interpretations are effective for fiscal years beginning on or after 1 January 2022.

The following new or amended standards should not have a material impact on the consolidated financial statements:

- Amendments to IAS 1 – Disclosure of Accounting Policies
- Amendments to IAS 8 – Definition of Accounting Estimates
- Amendments to IAS 16 – Proceeds before Intended Use
- Amendments to IAS 37 – Onerous Contracts – Costs of Fulfilling a Contract
- Amendments to IFRS 3 – Reference to the Conceptual Framework
- Amendments to IAS 12 Income Taxes – Deferred Taxes Related to Assets and Liabilities arising from a Single Transaction
- Amendments to IFRS 17 – Insurance Contracts
- Initial application of IFRS 17 and IFRS 9 – Comparative information
- Annual improvement 2018 – 2020 Cycle

4. Structure of the Group

Structure of the Group



[1] Share in TeamViewer Mexico S.A. de CV is held by Regit Eins GmbH.

In addition to the companies shown in the chart, Ubimax GmbH, Bremen, Germany, was an affiliated company of TeamViewer AG until its merger with TeamViewer Germany GmbH on 7 January 2021. Viscopic GmbH, Munich, Germany, which was acquired in fiscal year 2021, was merged into TeamViewer Germany GmbH on 5 October 2021. Ubimax Inc, USA, was merged into TeamViewer US, Inc., USA, on 29 January 2021. Upskill, Inc., USA, which was acquired in fiscal year 2021, was also merged into TeamViewer US, Inc., USA, effective 30 September 2021.

(a) Group structure as at 31 December 2021

As at 31 December 2021, the Group consisted of TeamViewer AG, headquartered in Göppingen, Germany, as the parent company, and fourteen fully consolidated companies.

In the past fiscal year, the scope of consolidation changed as follows:

(b) Acquisitions in 2020

Acquisition of Ubimax GmbH
With effect 21 August 2020, the TeamViewer Group acquired 100 % of the voting shares in Ubimax GmbH, Bremen, Germany, and its subsidiaries Ubimax Inc., USA, and Ubimax S.A. de C.V., Mexico (all three companies together are hereinafter referred to as “Ubimax”).

Ubimax is a leading provider of wearable computing technologies and augmented reality solutions for skilled industrial workers. The Bremen-based company offers the AR software platform Frontline, wearables such as data glasses, and consulting services to around 200 customers in various industries worldwide. At the time of acquisition, Ubimax employed more than 80 employees in Germany, the USA and Mexico.

With the Ubimax acquisition, TeamViewer was able to significantly expand its offerings in augmented reality (AR) and the Internet of Things (IOT).

TeamViewer Germany GmbH acquired 62.44 % of Ubimax GmbH for a total purchase price of EUR 86.2 million, which was paid fully in cash. In addition, 37.56 % of Ubimax GmbH was acquired in return for TeamViewer AG shares, and a total of 1,070,931 new shares of TeamViewer AG were issued from authorised capital for this purpose as part of a capital increase against non-cash contributions. Because the transfer of the shares depends on future events to occur, the non-cash contribution is accounted for as equity-settled share-based compensation. The new shares have been pledged to TeamViewer AG and are subject to a lock-up period of three years to be released gradually in annual tranches.

Assets acquired and liabilities assumed
The fair values of the identifiable assets and liabilities of the Ubimax companies as at the acquisition date were as follows:

Fair value as at the acquisition date

In thousands of euro	As at 21 August 2020
Non-current assets	
Intangible assets	37,600
Property, plant and equipment	1,021
	38,621
Current assets	
Inventories	542
Trade receivables	967
Other assets	1,029
Income taxes	4
Cash and cash equivalents	2,129
	4,671
Non-current liabilities	
Financial liabilities	430
Deferred revenue	17
Deferred tax liabilities	10,231
	10,678
Current liabilities	
Trade payables	330
Deferred revenue	101
Deferred and other liabilities	2,707
Other financial liabilities	239
	3,377
Total identifiable net assets at fair value	**29,237**
Goodwill from the acquisition	56,946
Consideration transferred	**86,183**

The goodwill recognised is not tax-deductible. The fair value of trade receivables amounted to EUR 967 thousand, and the gross amount of trade receivables amounted to EUR 1,075 thousand. The Group measured the assumed lease liabilities at the present value of the remaining lease payments as at the acquisition date. The measurement of right-of-use assets was equal to the amount of lease liabilities.

Analysis of cash outflow from the acquisition

In thousands of euro	
Purchase price payment (included in cash flows from investing activities)	(86,183)
Transaction costs for acquisition (included in cash flows from operating activities)	(525)
Cash and cash equivalents acquired with the subsidiaries (included in cash flows from investing activities)	2,129
Actual cash outflow from the acquisition	**(84,579)**

Transaction costs of EUR 525 thousand were recognised as an expense.

Goodwill is the difference between the consideration transferred of EUR 86,183 thousand and the net assets measured at fair value. Goodwill was determined as EUR 56.9 million and mainly comprised expected synergies and staff expertise.

Since its date of acquisition, Ubimax has contributed EUR 2.9 million to the Group's 2020 revenue and a net loss of approximately EUR 2 million to the Group's 2020 profit/(loss) for the year. If Ubimax had been included in the Group consolidation as at 1 January 2020, it would have contributed EUR 9.1 million to the Group's 2020 revenue and a net loss for the year of approximately EUR 5 million to the Group's 2020 profit/(loss) for the year. An assumption was made that depreciation and amortisation would be recognised as at 1 January due to the purchase price allocation.

(c) Company acquisitions in 2021

Acquisition of Chatvisor GmbH (now: TeamViewer Austria GmbH)
The Group acquired 100 % of the voting shares in Chatvisor GmbH, now TeamViewer Austria GmbH, based in Linz, Austria, ("Xaleon"), effective 18 January 2021.

Xaleon's core product is a co-browsing technology that enables a special form of screen sharing in web sessions. This works without installation and without transferring user data, making the software fully GDPR-compliant. To complement the co-browsing application, Xaleon developed a software suite to enable secure digital interactions across the entire customer journey. This includes features such as chatbots, live and video chats, and an electronic signature to conclude legally binding contracts within an online customer interaction. In addition, Xaleon's offering includes interfaces – known as APIs – to all major customer service and ticket management systems to enable seamless integration. Xaleon employed 21 people in Austria at the time of acquisition.

The acquisition of 100 % of the shares in Xaleon was made by TeamViewer Germany GmbH, Göppingen. A contingent purchase price payment was agreed in addition to a fixed purchase price payment of EUR 16,317 thousand. The fixed purchase price payment comprises a cash component of EUR 10,317 thousand and four annual payments totalling EUR 6,000 thousand. The contingent purchase price payment depends on additional billings in the next four fiscal years compared to fiscal year 2020. As at the acquisition date, the fair value of the contingent purchase price payment, determined using the discounted cash flow method, was estimated at EUR 8,631 thousand. The future contingent purchase price payments have been estimated in a range of EUR 8,910 thousand to EUR 14,850 thousand.

Assets acquired and liabilities assumed
The fair values of the identifiable assets and liabilities as at the acquisition date are as follows:

Fair value as at the acquisition date

In thousands of euro	As at 18 January 2021
Non-current assets	
Intangible assets	8,990
Property, plant and equipment	14
	9,004
Current assets	
Trade receivables	141
Other assets	6
Cash and cash equivalents	431
	578
Non-current liabilities	
Financial liabilities	113
Deferred tax liabilities	2,189
	2,302
Current liabilities	
Trade payables	41
Other financial liabilities	64
	105
Total identifiable net assets at fair value	**7,174**
Goodwill	17,774
Transferred consideration	**24,948**
Thereof fixed cash component	10,317
Thereof fixed purchase price liability (discounted)	6,000
Thereof fair value of contingent purchase price payment	8,631

The goodwill recognised is not tax-deductible. The fair value of trade receivables amounts to EUR 141 thousand, and the gross amount of trade receivables amounts to EUR 141 thousand.

Analysis of cash outflow from the acquisition

In thousands of euro	
Purchase price payment (included in cash flows from investing activities)	(10,317)
Transaction costs for acquisition (included in cash flows from operating activities)	(203)
Cash and cash equivalents acquired with subsidiaries (included in cash flows from investing activities)	431
Actual cash outflow from the acquisition	**(10,089)**

Transaction costs in the amount of EUR 203 thousand were recognised as an expense.

Goodwill is the difference between the consideration transferred of EUR 24,948 thousand and the net assets measured at fair value. Goodwill of EUR 17,774 thousand was identified and mainly comprised expected synergies and staff expertise.

Since the date of acquisition, Xaleon has contributed EUR 480 thousand to the Group's revenue and a net loss of EUR (2,805) thousand to the consolidated result. The net loss for the year includes amortisation of intangible assets in the amount of EUR 899 thousand.

Acquisition of Upskill, Inc.
With effect from 26 February 2021, the Group acquired 100 % of the voting shares in Upskill Inc., based in Newark, Delaware, USA ("Upskill").

Upskill is a market leader in industrial augmented reality (AR) solutions. Through real-time interfaces utilising data glasses and other mobile devices, Upskill's software facilitates digitised work processes, particularly in the areas at industrial manufacturing, inspections and audits. Upskill employed 28 people in the US at the time of its acquisition.

Prior to Upskill's acquisition, TeamViewer US, Inc. founded TV-Merger Sub, Inc. (Delaware, USA). The acquisition of 100 % of the voting shares in Upskill was effected through a merger of TV-Merger Sub, Inc. into Upskill, Inc. ("reverse triangular merger" under the laws of the US state of Delaware). TV-Merger Sub, Inc. was merged into Upskill, Inc. in the course of the merger. Upskill, Inc. acted as the absorbing company whose shares were acquired by TeamViewer US, Inc. in the course of the merger. As a result, TeamViewer US, Inc. is the sole shareholder of Upskill, Inc.

In addition to a fixed purchase price payment of EUR 9,444 thousand, a contingent purchase price payment was also agreed. The contingent purchase price payment depends on additionally closed orders two years after the acquisition. As at the acquisition date, the fair value of the contingent purchase price payment, determined using the discounted cash flow method, was estimated at EUR 1,561 thousand. The contingent purchase price payments are expected to range from EUR 0 thousand to EUR 4,620 thousand.

Assets acquired and liabilities assumed
The following changes occured to the purchase price allocation in comparison to the 2020 consolidated financial statements.

The fair values of the identifiable assets and liabilities as at the acquisition date are as follows:

Fair value as at acquisition date

In thousands of euro	As at 26 February 2021
Non-current assets	
Intangible assets	10,252
Property, plant and equipment	738
	10,990
Current assets	
Trade receivables	709
Other assets	252
Cash and cash equivalents	233
	1,194
Non-current liabilities	
Financial liabilities	346
Deferred tax liabilities	–
	346
Current liabilities	
Trade payables	141
Deferred and other liabilities	966
	1,107
Total identifiable net assets at fair value	**10,731**
Goodwill	274
Consideration transferred	**11,005**
Thereof fixed cash component	9,444
Thereof fair value of contingent purchase price payment	1,561

The goodwill recognised is not tax-deductible. The fair value of trade receivables amounts to EUR 709 thousand and the gross amount of trade receivables to EUR 792 thousand.

Analysis of cash outflow from the acquisition

In thousands of euro	
Purchase price payment (included in cash flows from investing activities)	(9,444)
Transaction costs for acquisition (included in cash flows from operating activities)	(641)
Cash and cash equivalents acquired with the subsidiaries (included in cash flows from investing activities)	233
Actual cash outflow from the acquisition	**(9,852)**

The transaction costs of EUR 641 thousand were recognised as an expense.

Goodwill is the difference between the consideration transferred of EUR 11,005 thousand and the net assets measured at fair value. Goodwill of EUR 274 thousand was identified and consisted mainly of expected synergies and staff expertise.

Since its date of acquisition, Upskill has contributed EUR 784 thousand to the Group's revenue and a net loss for the year of EUR (5,414) thousand to the Group's profit/(loss) for the year. If Upskill had been included in the Group consolidation as at 1 January 2021, it would have contributed EUR 923 thousand to the Group's revenue and a net loss for the year of approximately EUR (5,859) thousand to the Group's profit/(loss) for the year.

For the earn-out recognised separately from the business combination, the expected amount is recognised as an employee benefit over the vesting period. The amount of the earn-out depends on the annual recurring billings for Upskill products at the measurement date (31 March 2021) and amounts to a maximum of USD 7,500 thousand. The payment obligation is due no later than five months after the valuation date. The entitlement to payment is linked to an existing employment relationship at the time of maturity. Expenses of EUR 734 thousand were recognised as at 31 December 2021. The contingent purchase price obligation from business combinations is reported in the statement of financial position under the item "deferred and other liabilities".

Acquisition of Viscopic GmbH

The Group acquired 100 % of the voting shares of Viscopic GmbH, Munich, Germany, ("Viscopic"), effective 7 May 2021.

The Munich-based start-up is active in the areas of interactive 3D visualisation and mixed reality solutions. Based on Viscopic's innovative technology, industrial processes can be further optimised – especially in the areas of quality assurance, maintenance, training and layout planning of industrial plants. Viscopic's technology complements TeamViewer's AR offering and creates additional added value for customers. In the training use case, for example, new employees in manufacturing or inspection can practice complex tasks using interactive 3D holograms. In this way, they can more easily understand the processes and learn immersively on the model.

The acquisition of 100 % of the shares in Viscopic was made by TeamViewer Germany GmbH, Göppingen, for an agreed fixed purchase price payment of EUR 4,255 thousand and a contingent purchase price payment that is dependent upon the additional billings generated before 31 December 2023. It is estimated that the contingent purchase price payment could range from EUR 356 thousand to EUR 1,051 thousand. The contingent purchase price payment's fair value, determined using the discounted cash flow method, has been estimated at EUR 550 thousand as at the acquisition date.

Assets acquired and liabilities assumed
The fair values of the identifiable assets and liabilities at the acquisition date are as follows:

Fair value as at the acquisition date

In thousands of euro	As at 7 May 2021
Non-current assets	
Intangible assets	4,250
Property, plant and equipment	143
Deferred tax assets	119
	4,512
Current assets	
Trade receivables	126
Other assets	32
Cash and cash equivalents	249
	407
Non-current liabilities	
Financial liabilities	78
Deferred tax liabilities	1,241
	1,319
Current liabilities	
Financial liabilities	38
Trade payables	2
Deferred and other liabilities	37
	77
Total identifiable net assets at fair value	**3,524**
Goodwill	1,281
Consideration transferred	**4,805**
Thereof fixed cash component	4,255
Thereof fair value of contingent purchase price payment	550

The goodwill recognised is not tax-deductible. The fair value of trade receivables amounts to EUR 126 thousand, and the gross amount of trade receivables to EUR 134 thousand.

Analysis of cash outflow from the acquisition

In thousands of euro	
Purchase price payment (included in cash flows from investing activities)	(4,255)
Transaction costs for acquisition (included in cash flows from operating activities)	(120)
Cash and cash equivalents acquired with subsidiaries (included in cash flows from investing activities)	249
Actual cash outflow from the acquisition	**(4,126)**

The transaction costs of EUR 120 thousand were recognised as an expense.

Goodwill is the difference between the consideration transferred of EUR 4,805 thousand and the net assets measured at fair value. Goodwill of EUR 1,281 thousand was identified and consisted mainly of expected synergies and staff expertise.

As at its date of acquisition, Viscopic has contributed EUR 167 thousand to the Group's revenue and a net loss of approximately EUR (888) thousand to the Group's profit/(loss) for the year. The net loss for the year includes amortisation of intangible assets in the amount of EUR 355 thousand. If Viscopic had been included in the Group consolidation as at 1 January 2021, it would have contributed EUR 377 thousand to the Group's revenue and a net loss of approximately EUR (933) thousand to the Group's profit/(loss) for the year.

For the earn-out recognised separately from the business combination, the expected amount is recognised as an employee benefit over the vesting period. The amount of the earn-out depends on the future development of the annually recurring billings of Viscopic and amounts to a maximum of EUR 7,850 thousand. The payment obligation is due in two tranches, each no later than 4 February 2023 and 5 April 2024. The entitlement to payment of the respective tranche is linked to an existing employment relationship at the time the respective tranche falls due. Expenses of EUR690 thousand were recognised as at 31 December 2021. The earn-out obligation is reported in the statement of financial position under "deferred and other liabilities".

Acquisition of Hapibot Studio Unipessoal Lda (now: TeamViewer Portugal, Unipessoal Lda)
The Group acquired 100 % of the voting shares in Hapibot Studio Unipessoal Lda, based in Porto, Portugal, ("Hapibot"), effective 19 May 2021.

With this acquisition, TeamViewer has added a software development and digital design agency to serve as its software development hub. Hapibot's core expertise lies in the areas of app development, augmented reality, Internet of Things and artificial intelligence. The company employed 18 people at the time of its acquisition.

The acquisition of 100 % of the shares in Hapibot was made by TeamViewer Germany GmbH, Göppingen, for an agreed fixed purchase price payment of EUR 753 thousand, consisting of a cash component in the amount of EUR 503 thousand and a payment of EUR 250 thousand, payable in June 2023.

Fair value as at the acquisition date

In thousands of euro	As at 19 May 2021
Non-current assets	
Property, plant and equipment	4
	4
Current assets	
Trade receivables	23
Other assets	14
Cash and cash equivalents	223
	260
Non-current liabilities	
Financial liabilities	–
Deferred tax liabilities	–
	–
Current liabilities	
Trade payables	7
Deferred and other liabilities	34
	41
Total identifiable net assets at fair value	**223**
Goodwill	530
Consideration transferred	**753**
Thereof fixed cash component	503
Thereof fixed purchase price liability (discounted)	250

The goodwill recognised is not tax-deductible. The fair value of trade receivables amounts to EUR 23 thousand, and the gross amount of trade receivables amounts to EUR 29 thousand.

Analysis of cash outflow from the acquisition

In thousands of euro	
Purchase price payment (included in cash flows from investing activities)	(503)
Transaction costs for acquisition (included in cash flows from operating activities)	(28)
Cash and cash equivalents acquired with subsidiaries (included in cash flows from investing activities)	223
Actual cash outflow from the acquisition	**(308)**

Transaction costs in the amount of EUR 28 thousand were recognised as an expense.

Goodwill is the difference between the consideration transferred of EUR 753 thousand and the net assets measured at fair value. Goodwill of EUR 530 thousand was identified and consisted mainly of expected synergies and staff expertise.

Since the acquisition date, Hapibot has contributed EUR 104 thousand to the Group's revenue and a net loss for the year of approximately EUR (452) thousand to the Group's profit/(loss) for the year. If Hapibot had been included in the Group consolidation as at 1 January 2021, it would have contributed EUR 373 thousand to the Group's revenue and a net loss for the year of approximately EUR (333) thousand to the Group's profit/(loss) for the year.

For the earn-out recognised separately from the business combination, the expected amount is recognised as an employee benefit over the vesting period. The amount of the earn-out depends on the future development of the number of employees as well as employee turnover at Hapibot and amounts to a maximum of EUR 400 thousand. The payment obligation is due in two tranches, each on 30 June 2022 and 30 June 2023. The entitlement to payment of the respective tranche is linked to an existing employment relationship of the seller at the time the respective tranche falls due. Expenses of EUR 176 thousand were recognised as at 31 December 2021. The earn-out obligation is recognised in the statement of financial position under "deferred and other liabilities".

5. Revenue

Reconciliation of billings to revenue

In thousands of euro	**2021**	2020
Billings	547,608	460,283
Change in deferred revenue recognised in profit or loss	(46,511)	(4,669)
Total revenue	**501,097**	**455,614**

For a further breakdown of revenue, please see Note 23 Operating segments.

6. Category of expenses

Cost elements

In thousands of euro	**2021**	2020
Personnel expenses	(156,819)	(158,786)
Purchases/services received from third parties and others	(162,111)	(81,952)
Depreciation and amortisation	(50,918)	(41,096)
Allowances for trade receivables	(15,995)	(14,576)
Other expenses	(2,869)	(415)
Total expenses	**(388,712)**	**(296,826)**

7. Personnel expenses

Personnel expenses consist of the following items:

Personnel expenses

In thousands of euro	2021	2020
Wages and salaries	109,963	95,600
thereof statutory pension insurance	5,841	3,677
Social security contributions	20,447	14,265
Equity-settled share-based compensation	27,590	47,308
thereof IPO Agreement	4,787	15,767
thereof EPP Programme	(394)	21,024
thereof Ubimax	23,197	10,516
Cash-settled share-based compensation	(1,181)	1,613
thereof LTIP	(1,181)	1,613
Total personnel expenses	**156,819**	**158,786**

Employees by region

	2021		2020	
Region	Average headcount	FTEs as at 31 December	Average headcount	FTEs as at 31 December
EMEA	1,088	1,061	835	911
AMERICAS	254	245	189	204
APAC	173	171	124	141
Total	**1,515**	**1,477**	**1,148**	**1,256**

Share Appreciation Rights Programme

On 24 January 2018, TLO established a programme to grant share appreciation rights to selected executives ("Share Appreciation Agreement"), which was modified in August 2019 ("IPO Agreement").

Vesting conditions
Under this Share Appreciation Agreement, executives are given an opportunity to participate in the Group's future value appreciation in the event of an initial public offering (IPO) of any Group entity that is a holding entity of all or substantially all of the Group's assets.

Beneficiaries in such a case would be entitled to a cash settlement if they are employed at a Group company when the exit event occurs, or if they have not previously left as a "bad leaver". Under the terms of the Share Appreciation Agreement, a "bad leaver" is a beneficiary who terminates his or her employment without cause.

Determination of the value appreciation
The amount of the value appreciation is calculated from the inception of the contract. The appreciation is calculated as the excess value resulting by deducting the following amounts from the proceeds generated from the abovementioned events:

- the repayment of financial debt, including financing arrangements with shareholders, such as loans, debentures, preferred equity certificates (PECs), preferred stock, or similar arrangements (if applicable);
- the repayment of premiums and other additional payments by the shareholder;
- the transaction costs;
- all bonuses paid by shareholders to Group employees; and
- a contractually agreed base amount.

Should less than 100 % of the shares be sold in the course of these events, the proceeds from the sale that would have resulted had all shares in the Group been sold are calculated and used as a basis for extrapolation.

Level of participation in value appreciation
Under the terms of the Share Appreciation Agreement, the selected executives participate in this value appreciation in an amount of 3.6 %. In the case of the disposal of shares in tranches, the executives receive pro rata payments of the value appreciation corresponding to the share sold in each case.

Contribution of TeamViewer US Inc.
As a result of the contribution of TeamViewer US Inc. on 12 June 2019, together with other foreign subsidiaries contributed by TLO to the Group (see Note 4 Structure of the Group), the number of beneficiaries from the Share Appreciation Agreement increased. This led to an increase in the executives' share in the future value appreciation from 3.6 % to 4.1 %.

Accounting
Upon the grant of the Share Appreciation Agreement on 24 January 2018, the occurrence of the abovementioned events was not expected prior to the end of the fiscal year 2019. Accordingly, the originally estimated vesting period also was two years. It was not until the third quarter of 2019 that a successful IPO of TeamViewer AG at the end of September 2019 became sufficiently likely, which led to a decline in the initial vesting period to 21 months.

Modification of the Share Appreciation Agreement
In August 2019, the Share Appreciation Agreement dated 24 January 2018 was modified (in the following: IPO Agreement) in order to provide for a more direct participation of certain executives in the Company and to align the interests of executives with those of new shareholders who invested within the framework of the IPO. The Share Appreciation Agreement of the management of TeamViewer US Inc. was not modified.

The changes in detail
In the event of a successful IPO, the following amendments to the Share Appreciation Agreement should apply:

- The share of future value appreciation attributable to executives entitled under the Share Appreciation Agreement increases from 3.6 % to 4.5 %.
- **Tranche 1** (cash-settled): The percentage portion of the shares sold during the IPO (not more than 30 %), multiplied by the value appreciation, and further multiplied by the granted share in the value appreciation, less payments from MEP participation, vests as at the IPO date and becomes due for payment 30 days later.
- **Tranche 2** (equity-settled): An amount of 50 % of the difference between the granted share in the value appreciation (i. e. 4.5 %) and the cash settlement made pursuant to Tranche 1 is settled in the Company's equity instruments on the vesting date. The number of equity instruments is determined on the basis of the share price on the issue date. Tranche 2 vests 12 months after the IPO.
- **Tranche 3** (equity-settled): The remaining 50 % of the difference between the granted share in the value appreciation (i. e. 4.5 %) and the cash settlement made pursuant to Tranche 1 is settled in the Company's equity instruments on the vesting date. The number of equity instruments is determined on the basis of the share price on the issue date. Tranche 3 vests 24 months after the IPO.

Accounting
Although only TLO is obliged to settle the share-based compensation, the Group of TeamViewer AG as the recipient of the executives' services must recognise an equity-settled share-based compensation transaction, because at the grant date, this constitutes a transaction between companies of the superordinate TLO Group (see Note 3 Significant accounting policies [c] Employee benefits).

Accounting for the modification
Modification of the Share Appreciation Agreement by the IPO Agreement has no effect on the previous accounting treatment. The fair value of the original Share Appreciation Agreement (EUR 3.6 million) determined at the original grant date is recognised as an expense when services are rendered.

In addition, the effect of the modification that increased the total fair value of the share-based compensation arrangement is accounted for as if a new arrangement had been agreed that is measured at the incremental fair value as at the modification date. Hence, the increase of the granted share in the "excess value" by + 0.9 percentage points was accounted for as if it were a separate new arrangement. Personnel expenses in fiscal year 2021 include an amount from the IPO Agreement of EUR 4.8 million (2020: EUR 15.8 million).

Completion of the modified Share Appreciation Agreement programme
The modified Share Appreciation Agreement was settled in the 2021 fiscal year.

EPP Programme

In August 2019, TLO launched a programme to grant share appreciation rights (SARs) for selected executives of the Group (in the following "EPP Programme") in order to create a long-term incentive for the executives with regard to the value appreciation of the Company. In accordance with the EPP Programme, around 70 executives are entitled to participate in the future value appreciation of the Company.

Vesting conditions
An IPO (in the following "IPO event") results in a partial payment at the date of the IPO (Tranche 1) and another partial payment at the date of the full sell-down, i.e. when the last share in TeamViewer AG is sold by TLO (Tranche 2). In addition, a discretionary bonus may be granted 30 days after the full sell-down by TLO (Tranche 3).

The beneficiaries are entitled to this settlement only if they are employed at the Group when the IPO occurs (Tranche 1) or when the full sell-down occurs (Tranche 2 and Tranche 3). If beneficiaries have terminated their employment relationship prior to these dates, the claim for the respective tranche lapses only if they are bad leavers as defined in the contract, e.g. termination of employment by the beneficiaries without cause.

Amount of the EPP bonus
The settlement amount is based on the EPP value, which represents the total settlement amount that might be paid out to executives and which is divided into 12,000,000 EPP units, of which 10,780,000 units were granted to employees in August 2019.

The EPP value equals 1.63 % of the proceeds from the sale of 100 % of the shares in the Company, less

- any third-party debt, exit fees, costs, taxes or other liabilities;
- liabilities under PECs, shareholder loans and comparable shareholder instruments, including repayment of nominal amounts and accrued interest; and
- amounts contributed as equity to the Company by the shareholder.

Partial payments
If an IPO event occurs, the payment for each tranche is determined as follows:

Tranche 1:
A total of 30 % of the preliminary EPP value per EPP unit, with a maximum payout amount of EUR 50 million (upper limit – cap). The preliminary EPP value is determined at the time of the IPO under the assumption that TLO places all shares of TeamViewer AG in the IPO.

Tranche 2:
The final EPP value per EPP unit based on the actual proceeds from the sale of the shares by TLO after TLO no longer has an interest in the Company and subject to the cap, less the payment from Tranche 1.

Tranche 3:
To the extent that the final EPP value exceeds the cap, TLO may award compensation equal to the final, unrestricted EPP value per EPP unit less the cap (EUR 50 million) per EPP unit to selected executives at its sole discretion upon the complete sale of its interest in the Company.

Since TLO has already promised the selected executives the unlimited EPP value, this discretionary compensation commitment (Tranche 3) is considered a de facto commitment.

Accounting
Although only TLO is obliged to settle the share-based compensation, the Group of TeamViewer AG, as the recipient of the executives' service, must also recognise an equity-settled share-based compensation for the EPP bonus agreement because it is a transaction between companies of the superordinate TLO Group as at the grant date (see Note 3 Significant accounting policies [c] Employee benefits).

The performance of services by the respective selected executives until all shares are sold constitutes a vesting condition. The estimated vesting period for the second and third tranches ends on 31 December 2023 (prior year: 31 December 2021), as a complete sale of the TeamViewer shares by TLO is not expected before that date. The expense recognised in the fiscal year corresponds to the change in the cumulative expense between 31 December 2021 and 31 December 2020. Due to the change in estimated vesting period, there is a lower impact on earnings compared to the prior year.

For some in the upper management circle, the EPP was terminated in the 2021 fiscal year. As there was no increase in the fair value of the share-based compensation at the time of termination, the original expense from these commitments was recognised in full in the fiscal year.

Valuation of the (modified) Share Appreciation Agreement and EPP programme

The fair value of the (modified) Share Appreciation Agreement was determined in each case as at the grant date using the Black-Scholes model. Vesting conditions attached to the arrangements that are no market conditions were not taken into account in measuring fair value.

The determination of the expected volatility is based on the historical volatility of benchmark companies, measured at the grant date over a period that corresponds to the expected remaining maturity at this point in time.

The fair value of the EPP Programme is determined as at the grant date based on the medium value of the price range of the issue price representing a market price.

The following table shows the value of the SAR programmes and provides information on the fair value as at the grant date:

Development of share issues

	Share Appreciation Agreements[1] 24 Jan 2018[2]	Modified agreements[2] 31 Aug 2019[3]	EPP programme[2] 31 Aug 2019[3]
Valuation method used	Black-Scholes model	Black-Scholes model	Market price
Intrinsic value (in EUR)	(0.16)[3]	20.11[4]	23.66[5]
Time value (in EUR)	0.66[1]	0.00[2]	0.00[3]
Fair value (in EUR)	0.50[1]	20.11[2]	23.66[3]
Expected life (in years)	2	2.1	2.3
Expected exit probability (in %)	100	100	100
Risk-free interest rate (in %)	–	–	–
Expected volatility (in %)	30.6	30.6	30.6
Expected dividend yield (in %)	–	–	–
Weighted average remaining maturity of compensation awards outstanding as at 31 Dec 2021 (in years)	–	0.8	2

1 Because the subscribed capital of TeamViewer AG at the time of the IPO equalled 200 million shares, the increase in value applicable under the Share Appreciation Agreement and the IPO agreement as well as the EPP programme was notionally assumed to be allocated to 200 million SARs for comparability purposes. The information on intrinsic value, time value and fair value therefore assumes share appreciation rights in relation to one TeamViewer share.

2 Figures reflect the value at the time of allocation.

3 Based on contractual agreements (4.1 % of the increase in value for agreements including agreements from the contribution of TeamViewer US Inc.), the intrinsic value is EUR (1.3) million, the time value is EUR 5.4 million, and the fair value is EUR 4.1 million.

4 Based on the contractual agreements (0.9 % of the value increase amount), the intrinsic value is EUR 36.2 million, the time value is EUR 0.0 million and the fair value is EUR 36.2 million.

5 Based on the contractual agreement (one EPP unit), the intrinsic value is EUR 6.43, the time value is EUR 0.00 and the fair value is EUR 6.43.

Ubimax

In connection with the acquisition of Ubimax, the Company issued 1,070,931 new shares from authorised capital in a capital increase against contribution in kind. The transfer of these shares is accounted for as a separate equity-settled share-based compensation transaction.

The shares issued are pledged to the Company, with 356,977 shares scheduled to vest on each of the dates of 20 August 2021, 20 August 2022 and 20 August 2023.

The fair value of the share-based compensation as at the grant date was measured based on the Company's share price on 21 August 2020 (EUR 44.21) and amounts to EUR 47,346 thousand. The vesting period for each of 356,977 shares results from the grant date of the share-based compensation and the respective vesting date. As at the end of the fiscal year, no entitlements to shares had lapsed.

In the 2021 fiscal year, EUR 23,197 thousand (2020: EUR 10,516 thousand) was recognised as an expense.

Long-term Incentive Plan (LTIP)

For the performance-based compensation of executives, TeamViewer introduced a Long-term Incentive Plan (LTIP) in fiscal year 2020.

Plan description
The phantom share programme for long-term performance-based compensation consists of four tranches. While the first two tranches were already granted in fiscal years 2020 and 2021, two further tranches are to follow in fiscal years 2022 and 2023. The LTIP serves to secure the long-term commitment of the Management Board and selected executives and is intended to align the compensation structure with sustainable corporate development. The performance period for the LTIP shall be four calendar years for all tranches, starting on 1 January of the calendar year in which the tranche in question was granted.

Payment of the performance-based compensation based on the LTIP is made in the calendar year following the end of the performance period for the respective tranche. The amount of the remuneration is calculated according to the following formula:

The allocation amount in euros for the respective tranche is contractually agreed with the employees individually and is the basis for calculating the initial number of performance shares of the respective tranche. The allocation amount is divided by the arithmetic mean of the Xetra closing prices of the TeamViewer share on the 60 trading days prior to the start of the respective tranche (initial share price) or, for the first tranche, by the issue price, and results in the initial number of performance shares for the respective tranche. At the end of the performance period, these are multiplied by the overall target achievement level to give the final number of performance shares. The total target achievement level is capped at 200 %. The final number of performance shares is multiplied by the final share price to give the payout amount. The final share price is the arithmetic mean of the Xetra closing prices of TeamViewer shares for the last 60 trading days prior to the end of the respective performance period. The payout amount is limited to twice the allocation amount.

Different performance targets with different weightings have been defined for the performance period. These are financial targets (average billings or adjusted EBITDA growth), non-financial targets (net promoter score and ESG targets) and total shareholder return (TSR) targets (TSR compared with Stoxx 600 and MDAX). The ESG targets apply to the Management Board only.

Long-term Incentive Plan

Grant amount ÷ Initial share price = Initial number of performance shares × Total target archievement (capped at 200 %) = Final number of performance shares × Closing share price = Payout amount (capped at 200 %)

The overall degree of target achievement is calculated from the weighted average of the individual performance targets. Minimum and maximum target achievement values of 50 % and 200 %, respectively, are set for each performance target. If the minimum value is not achieved, the corresponding target achievement is 0 %. If the maximum value of 200 % is exceeded, the target achievement is capped at 200 %. The following performance targets and weightings have been defined:

LTIP 2020

Target	Min.	Target value	Max.	Weighting
ø Billings growth p.a.	24 %	27 %	33 %	15 %
ø Adjusted EBITDA growth p.a.	27 %	30 %	36 %	15 %
Net promoter score (NPS)	43	47	55	20 %
TSR vs. STOXX® 600 Technology	+0 %	+6.67 %	+20 %	25 %
TSR vs. MDAX®	+0 %	+6.67 %	+20 %	25 %
Total degree of target achievement	**50 %**	**100 %**	**200 %**	

LTIP 2021

Target	Min.	Target value	Max.	Weighting
ø Billings growth p.a.	22 %	25 %	31 %	15 %
ø Adjusted EBITDA growth p.a.	20 %	23 %	29 %	15 %
Net promoter score (NPS)	43	47	55	20 %
TSR vs. STOXX® 600 Technology	+0 %	+6.67 %	+20 %	25 %
TSR vs. MDAX®	+0 %	+6.67 %	+20 %	25 %
Total degree of target achievement	**50 %**	**100 %**	**200 %**	

The entitlements under the LTIP lapse if a bad leaver event occurs before the end of the vesting period. The vesting periods of the first and second tranches for the CEO end on 31 December 2023 and 31 December 2024, respectively, for the CFO on 31 August 2022, and for all other employees on 31 December 2021 and 31 December 2022.

LTIP valuation as at 31 December 2021

		LTIP 2021	LTIP 2020
Disclosures on the determination of fair value at the measurement date			
Option price model		Monte Carlo	Monte Carlo
Share price	EUR	12.02	12.02
Risk-free interest rate depending on term	%	(0.66)	(0.71)
Expected volatility	%	55	55
Expected dividend yield	%	0.0	0.0
Remaining term of the performance shares	Years	3	2
Fair value	thousands of euro	269	386
Total carrying amount of liabilities	thousands of euro	105	328

LTIP valuation as at 31 December 2020

		LTIP 2020
Disclosures on the determination of fair value at the measurement date		
Option price model		Monte Carlo
Share price	EUR	43.83
Risk-free interest rate depending on term	%	(0.77)
Expected volatility	%	51
Expected dividend yield	%	0.0
Remaining term of performance shares	Years	2.9
Fair value	thousands of euro	6,457
Total carrying amount of liabilities	thousands of euro	1,613
Total intrinsic value of vested subscription rights	EUR	27.30

In estimating the fair value of the LTIP, assumptions are applied that take, among others, the expected volatility of the share price into consideration. The final payout amount additionally depends on the achievement of performance targets and the future share price. Changes in these assumptions and outcomes that differ from these assumptions could result in significant adjustments to the carrying amount of the liabilities. For the payout amount, the most crucial factor is the final share price.

8. Finance income and expenses

Exchange rate fluctuations

In thousands of euro	2021	2020
From operating activities	2,438	(4,267)
From cash and cash equivalents	11,159	(5,566)
From financial liabilities	(27,061)	36,107
Total exchange rate fluctuations	**(13,464)**	**26,274**
thereof income	20,259	43,873
thereof expenses	(33,723)	(17,598)

Finance income and expenses

In thousands of euro	2021	2020
Finance income	**599**	**2,953**
Finance expenses	**(19,170)**	(22,887)
Interest for bank loans	(12,655)	(18,769)
Other finance costs	(6,515)	(4,119)
Net financing costs	**(18,571)**	(19,935)

Finance income consists primarily of income from current investments and other interest income (2020: mainly gains from contractual amendments to the credit agreement for the 2019 syndicated loan).

Other finance costs consist mainly of the amortisation through profit or loss of transaction costs for bank loans and impairment of cash and cash equivalents and interest on leases. See Note 22 Financial instruments – fair values and risk management.

9. Income taxes

Total income tax benefit/(expense)

In thousands of euro	2021	2020
Current tax benefit/(expense)	(38,397)	(42,584)
thereof from current year	(38,944)	(41,873)
thereof from previous years	547	(711)
Deferred tax benefit/(expense)	3,060	(24,773)
thereof from current year	2,355	(24,947)
thereof from previous years	705	174
thereof from temporary differences	14,332	(14,109)
thereof from interest and tax loss carryforwards	(11,272)	(10,664)
Total income tax benefit/(expense)	**(35,337)**	**(67,358)**

The Group is domiciled in Germany. The parent company is subject to a tax rate of 28.8 % (2020: 28.8 %). The income tax rates for other group companies range between 17 % and 33 % (2020: 17 % and 33 %).

Reconciliation of expected to actual income tax expense

In thousands of euro	2021	2020
Profit before taxation	**85,389**	**170,385**
Group tax rate (in %)	28.8	28.8
Expected income tax expense	**(24,592)**	**(49,071)**
Differences due to differing tax rates	(7)	(356)
Differences from change in tax rate	–	84
Tax expense from non-recognition of tax loss carryforwards	(2,038)	(2,019)
Non-deductible expenses from share-based compensation	(8,056)	(13,814)
Permanent differences (tax-exempt income and non-deductible expenses)	(1,949)	(1,561)
Current and deferred taxes from prior years	1,252	(537)
Other	52	(84)
Actual income tax benefit/(expense)	**(35,337)**	**(67,358)**
Effective tax rate (in %)	41.4	39.6

The interest carryforward of EUR 132,925 thousand (2020: EUR 175,978 thousand) existing as at 31 December was recognised in full on the basis of the available profit forecast, as in the prior year, and is expected to be fully utilised.

Deferred taxes from temporary differences

In thousands of euro	31 December 2021	31 December 2020
Deferred tax assets		
Intangible assets	1,314	1,081
Property, plant and equipment	524	569
Trade receivables	502	1,761
Deferred revenue	–	805
Provisions	870	900
Interest carryforwards for tax purposes	34,345	45,468
Deferred tax assets before netting	**37,555**	**50,585**
Netting	(37,058)	(50,426)
Total deferred tax assets	**496**	**159**
Deferred tax liabilities		
Intangible assets – subject to scheduled amortisation	(30,078)	(34,881)
Intangible assets – not subject to scheduled amortisation	(30,689)	(30,689)
Property, plant and equipment	(670)	–
Capitalised costs from customer contracts	(1,104)	–
Financial liabilities	(4,282)	(14,042)
Deferred tax liabilities before netting	**(66,823)**	**(79,612)**
Netting	37,058	50,426
Total deferred tax liabilities	**(29,764)**	**(29,186)**
Net deferred taxes	**(29,268)**	**(29,027)**

Change in net deferred taxes

In thousands of euro	2021	2020
As at 1 January	**29,027**	**5,958**
Deferred tax benefit/(expense)	3,060	(24,773)
Recognised in other comprehensive income	–	(25)
From acquisitions (see Note 4. Structure of the Group)	(3,311)	(10,231)
From currency translation	10	44
As at 31 December	**(29,268)**	**(29,027)**

As at 31 December no deferred taxes were recognised for the amounts that follow. The underlying loss carryforward can be carried forward indefinitely in accordance with tax regulations.

Unrecognised deferred tax assets

In thousands of euro	**31 December 2021**		31 December 2020	
	Base amount of tax loss carryforwards	Unrecognised deferred tax assets from tax loss carryforwards	Base amount of tax loss carryforwards	Unrecognised deferred tax assets from tax loss carryforwards
Tax loss carryforwards	15,786	4,546	8,360	2,485

As in the prior year, no deferred tax liabilities were recognised on retained earnings of subsidiaries of around EUR 844 million (2020: approx. EUR 650 million), as the time of the reversal of the temporary difference is under control of the Company and a reversal of the temporary difference is assessed not to be probable over a foreseeable period of time.

Upon the acquisition of the TeamViewer business in the fiscal year 2014, the Group recognised contingent liabilities for uncertain tax positions in accordance with IFRS 3.23, which might be challenged by respective tax authorities and would have an effect on the Group's current tax expense in the future.

As of the date of acquisition, these contingent liabilities amounted to EUR 1,610 thousand and were not increased, used or reversed until the end of the prior year. Expected reimbursements have been considered when determining this amount of contingent liabilities. For periods after the acquisition date, contingent liabilities related to taxes amounted to a mid-single-digit million.

In view of the expiry of possible limitation periods at the end of the reporting period, the contingent liabilities recognised in the 2014 fiscal year were reversed in full.

As in prior years, the Group estimates that an outflow of economic resources related to these tax positions is not probable. Therefore, no deferrals have been recognised for periods subsequent to the acquisition date.

The application of IFRIC 23 resulted in a liability for potential tax risks of EUR 820 thousand in the 2021 fiscal year (2020: EUR 600 thousand). The liability includes possible risks relating to the establishment of permanent establishments abroad as well as the allocation of divergent profits at existing permanent establishments in the course of tax audits. Furthermore, the liability includes amounts for a deviating profit allocation in the case of cross-border transactions. In determining the amount of the liability, expected refunds as well as exemption and credit amounts under double taxation agreements were taken into account accordingly.

10. Goodwill and intangible assets

Goodwill and intangible assets 2021

In thousands of euro	Gross carrying amount as at 1 January 2021	Additions	Additions from acquisitions	Reclassifications	Disposals	Exchange rate effects	**Gross carrying amount as at 31 December 2021**	Accum. amortisation and impairment losses as at 1 January 2021	Additions	Disposals	Exchange rate effects	**Accum. amortisation and impairment as at 31 December 2021**	**Net carrying amount as at 31 December 2021**	Net carrying amount as at 1 January 2021
Goodwill	646,793	–	19,861	–	–	570	667,224	–	–	–	–	–	667,224	646,793
TeamViewer trademark	105,100	–		–	–	–	105,100	–	–	–	–	–	105,100	105,100
Customer relationships	254,600	–	2,617	–	–	–	257,217	(153,320)	(25,754)	–	–	(179,074)	78,143	101,280
Software	78,769	8,623	20,875	–	–	75	108,341	(29,820)	(13,541)	–	(64)	(43,425)	64,917	48,950
Total	**1,085,262**	**8,623**	**43,352**	**–**	**–**	**644**	**1,137,882**	**(183,140)**	**(39,295)**	**–**	**(64)**	**(224,499)**	**915,383**	**902,123**

Goodwill and intangible assets 2020

In thousands of euro	Gross carrying amount as at 1 January 2020	Additions	Additions from acquisitions	Reclassifications	Disposals	Exchange rate effects	**Gross carrying amount as at 31 December 2020**	Accum. amortisation and impairment losses as at 1 January 2020	Additions	Disposals	Effect rate effects	**Accum. amorti-sation and impairment as at 31 December 2020**	**Net carrying amount as at 31 December 2020**	Net carrying amount as at 1 January 2020
Goodwill	590,445	–	56,946	–	–	(598)	646,793	–	–	–	–	–	646,793	590,445
TeamViewer trademark	105,100	–	–	–	–	–	105,100	–	–	–	–	–	105,100	105,100
Customer relationships	235,800	–	18,800	–	–	–	254,600	(129,113)	(24,207)	–	–	(153,320)	101,280	106,687
Software	44,696	15,252	18,800	89	–	(68)	78,769	(20,741)	(9,135)	–	56	(29,820)	48,950	23,955
Work-in-progress	89	–	–	(89)	–	–	–	–	–	–	–	–	–	89
Total	**976,131**	**15,252**	**94,545**	**–**	**–**	**(666)**	**1,085,262**	**(149,854)**	**(33,341)**	**–**	**56**	**(183,139)**	**902,123**	**826,277**

Impairment test
The impairment test was performed on the basis of the TeamViewer cash-generating unit.

The recoverable amount was derived based on the value in use determined by discounting expected future cash flows to be generated from continuing use. In accordance with IAS 36, five years of projected cash flows were included in the discounted cash flow model. The discount rate was calculated using a pre-tax weighted average cost of capital (WACC), which includes cost of debt with a credit spread to consider borrowing costs from a market participant's view and the cost of equity. The cost of equity is derived from market data on the basis of a peer group of companies, which is made up of companies that are comparable to the Group's risk profile with respect to their business model, size and geographic distribution of sales. Major components used in determining the cost of equity are the market risk premium, the risk-free rate and an unlevered beta which incorporates the five-year average of the Group's peer group. A country risk premium was taken into account to reflect the geographical risks to which the Company is exposed. Key assumptions used in the impairment test were discount rate, billings growth rate, terminal value growth rate and EBITDA margin.

The business plan was prepared by TeamViewer's management and represents the most current planning available as at the measurement date (31 December 2021) for a period of five years. The planned EBITDA is based on expectations regarding future results, taking into account empirical values. Billings and EBITDA are expected to grow in fiscal years 2022 – 2026. The planned billings growth is driven by the disproportionately higher growth in enterprise customers. This growth is the result of an increase in NRR (LTM), the ongoing transition of small and medium-sized enterprises to the large customer segment, and new large customers.

Measurement parameters/assumptions

In %	**2021**	2020
Annual billings growth rate	18.0	22.5
Discount rate (before tax)	8.6	8.1
Credit spread	1.22	1.53
Market risk premium	7.23	7.47
Risk-free interest rate	0.07	(0.17)
Unlevered beta	0.72[1]	0.90[1]
Weighted country risk premium	0.48	0.50
Terminal value growth rate	2.0	2.0
Adjusted EBITDA margin (terminal value)	55.6	56.8

[1] Ratio

The recoverable amount was greater than the carrying amount, therefore no impairment loss was recognised. Changes in key assumptions of the impairment test considered possible by management would not result in an impairment loss.

11. Property, plant and equipment

Property, plant and equipment 2021

In thousands of euro	Gross carrying amount as at 1 January 2021	Additions	Additions from acquisitions	Reclassifications	Disposals	Exchange rate effects	**Gross carrying amount as at 31 December 2021**	Accum. depreciation as at 1 January 2021	Additions	Disposals	Exchange rate effects	**Accum. depreciation as at 31 December 2021**	**Net carrying amount as at 31 December 2021**	Net carrying amount as at 1 January 2021
Improvements in third-party buildings	6,258	1,683	17	–		106	8,063	(761)	(439)	–	(53)	(1,254)	6,809	5,496
IT equipment	7,962	2,883	21	–	(50)	484	11,300	(3,219)	(2,815)	50	(309)	(6,292)	5,008	4,743
Office furniture and equipment	4,151	1,324	145	–	(59)	103	5,665	(1,330)	(796)	28	(94)	(2,191)	3,473	2,822
Assets under construction	–	717	–	–	–	27	745	–	–	–	–	–	745	–
Total property, plant and equipment	**18,371**	**6,608**	**184**	**–**	**(109)**	**720**	**25,773**	**(5,310)**	**(4,050)**	**79**	**(456)**	**(9,737)**	**16,036**	**13,061**

Property, plant and equipment 2020

In thousands of euro	Gross carrying amount as at 1 January 2020	Additions	Additions from acquisitions	Reclassifications	Disposals	Exchange rate effects	**Gross carrying amount as at 31 December 2020**	Accum. depreciation as at 1 January 2020	Additions	Disposals	Exchange rate effects	**Accum. depreciation as at 31 December 2020**	**Net carrying amount as at 31 December 2020**	Net carrying amount as at 1 January 2020
Improvements in third-party buildings	1,120	4,145	–	1,083	–	(89)	6,258	(540)	(258)	–	36	(761)	5,496	580
IT equipment	7,057	4,654	303	–	(3,782)	(271)	7,962	(5,135)	(1,827)	3,599	145	(3,219)	4,743	1,921
Office furniture and equipment	2,029	2,116	51	–	(73)	27	4,151	(910)	(427)	69	(61)	(1,330)	2,822	1,119
Assets under construction	1,083	–	–	(1,083)	–	–	–	–	–	–	–	–	–	1,083
Total property, plant and equipment	**11,288**	**10,915**	**355**	**–**	**(3,855)**	**(333)**	**18,371**	**(6,586)**	**(2,512)**	**3,668**	**120**	**(5,310)**	**13,061**	**4,702**

Right-of-use assets in 2021

In thousands of euro	Gross carrying amount as at 1 January 2021	Additions	Additions from acquisitions	Disposals	Exchange rate effects	**Gross carrying amount as at 31 December 2021**	Accum. depreciation as at 1 January 2021	Additions	Disposals	Exchange rate effects	**Accum. depreciationa as at 31 December 2021**	**Net carrying amount as at 31 December 2021**	Net carrying amount as at 1 January 2021
Buildings	22,203	6,381	716	(1,545)	415	28,170	(4,818)	(3,817)	1,545	(177)	(7,267)	20,903	17,384
IT equipment	12,568	2,276		(1,545)	–	13,299	(2,544)	(3,755)	1,545	–	(4,754)	8,545	10,024
Total right-of-use assets	**34,771**	**8,657**	**716**	**(3,090)**	**415**	**41,469**	**(7,362)**	**(7,572)**	**3,090**	**(177)**	**(12,021)**	**29,448**	**27,408**

Right-of-use assets in 2020

In thousands of euro	Gross carrying amount as at 1 January 2020	Additions	Additions from acquisitions	Disposals	Exchange rate effects	**Gross carrying amount as at 31 December 2020**	Accum. depreciation as at 1 January 2020	Additions	Disposals	Exchange rate effects	**Accum. depreciationa as at 31 December 2020**	**Net carrying amount as at 31 December 2020**	Net carrying amount as at 1 January 2020
Buildings	19,019	3,626	652	(896)	(199)	22,203	(1,748)	(3,175)	–	104	(4,818)	17,384	17,271
IT equipment	6,475	10,670	17	(4,593)	–	12,568	(1,968)	(2,068)	1,492	–	(2,544)	10,024	4,507
Total right-of-use assets	**25,494**	**14,296**	**669**	**(5,489)**	**(198)**	**34,771**	**(3,716)**	**(5,243)**	**1,492**	**104**	**(7,362)**	**27,408**	**21,778**

12. Financial assets

Non-current financial assets consist primarily of lease deposits.

In the previous year, current financial assets comprised mainly derivative financial instruments.

13. Trade receivables

Only current trade receivables exist.

Age structure of trade receivables

In thousands of euro	**31 December 2021**	31 December 2020
Neither past due nor impaired	–	–
Past due and impaired		
Under 30 days	11,068	19,609
31 to 60 days	2,813	3,292
61 to 90 days	1,773	2,337
91 to 120 days	1,416	1,486
121 to 150 days	1,610	1,656
More than 150 days	9,995	9,545
Total before valuation allowance	**28,675**	**37,925**
Valuation allowance	(17,115)	(18,257)
Trade receivables	**11,560**	**19,667**

Expected credit losses on trade receivables as at 31 December

	2021		2020	
Past due	In thousands of euro	Expected default rate in %	In thousands of euro	Expected default rate in %
Under 30 days	(2,018)	20	(3,102)	17
31 to 60 days	(1,758)	66	(1,637)	52
61 to 90 days	(1,438)	87	(1,555)	70
91 to 120 days	(1,278)	96	(1,265)	88
121 to 150 days	(1,473)	98	(1,581)	100
More than 150 days	(9,150)	100	(9,117)	100
Total allowance	**(17,115)**		**(18,257)**	

Development of valuation allowance on trade receivables

In thousands of euro	**31 December 2021**	31 December 2020
Valuation allowance at the beginning of the fiscal year	(18,257)	(18,438)
Release/(addition)	(16,081)	(14,688)
Utilisation	17,223	14,869
Total valuation allowances at the end of fiscal year	**(17,115)**	**(18,257)**

Past due trade receivables are subject to collection measures. Trade receivables are derecognised after one year if no further realisation of the receivable is expected.

On average, invoices in fiscal year 2021 were paid 34 days after invoicing (2020: 40 days).

Information about the Group's exposure to credit and market risks from trade receivables is disclosed in Note 22 Financial instruments – fair values and risk management.

14. Other assets

Other assets 2021

In thousands of euro	Current	Non-current	31 December 2021 Total
Other receivables	5,573	1,049	6,622
Capitalised costs from customer contracts	1,006	2,774	3,780
Advance payments	6,119	–	6,119
Inventories	316	–	316
VAT receivables	15	–	15
Total other assets	**13,029**	**3,823**	**16,852**

Other assets 2020

In thousands of euro	Current	Non-current	31 December 2020 Total
Advance payments	4,432	–	4,432
Other receivables	1,512	857	2,369
VAT receivables	1,296	–	1,296
Inventories	354	–	354
Total other assets	**7,594**	**857**	**8,451**

Amortisation of capitalised costs from customer contracts in the fiscal year amounted to EUR 243 thousand (2020: EUR 0 thousand).

15. Cash and cash equivalents

Cash and cash equivalents

In thousands of euro	31 December 2021	31 December 2020
Bank accounts	459,051	82,242
From payment service providers	909	1,415
Short-term deposits	91,762	136
Cash in hand	4	1
Total cash and cash equivalents	**551,726**	**83,794**
Impairment on cash and cash equivalents	(1,193)	(263)
Total cash and cash equivalents after impairment	**550,533**	**83,531**

16. Equity

Equity

In thousands of euro	31 December 2021	31 December 2020
Subscribed capital	201,071	201,071
Capital reserve	394,487	366,898
(Accumulated)/retained earnings	(276,803)	(326,854)
Cash flow hedge	12	(61)
Currency translation reserve	1,320	(343)
Total equity	**320,087**	**240,711**

Subscribed capital
As at 31 December 2021, the subscribed capital comprised the share capital of TeamViewer AG in the amount of EUR 201,070,931 and is divided into ordinary 201,070,931 no-par value ordinary bearer shares (no-par value shares). A total of 713,954 shares are subject to a lock-up period and pledged for the benefit of the Company as part of share-based compensation.

Authorised capital
The Management Board is authorised to increase the subscribed capital on one or more occasions until 2 September 2024 by up to EUR 98,929,069 (Authorised Capital 2020). The subscription rights of existing shareholders may be excluded under certain conditions.

Contingent Capital
The Company's share capital is conditionally increased by up to EUR 60,000 thousand through the issue of up to 60,000,000 new no-par value bearer shares (Contingent Capital 2019). Contingent Capital 2019 serves exclusively to grant new shares to the holders or creditors of bonds issued by the Company or other companies in which the Company directly or indirectly holds a majority interest until 2 September 2024 in accordance with the authorisation resolution of the Annual General Meeting on 3 September 2019, in the event that conversion or option rights are exercised or conversion or option obligations are fulfilled or the Company exercises its right to grant shares in the Company in whole or in part instead of payment of the cash amount due.

Capital reserve
The increase in the capital reserve in the fiscal year results from share-based compensation (see Note 7 Personnel expenses).

Currency translation reserve
The currency translation reserve results from the translation of foreign operations into euros.

Hedge reserve
The reserve for cash flow hedges includes the effects of an interest rate cap.

By resolution of the Annual General Meeting on 3 September 2019, the Management Board was authorised, with the approval of the Supervisory Board, to increase the Company's share capital once or several times in the period up to 2 September 2024 by up to a total of EUR 100,000,000 by issuing up to 100,000,000 no-par value bearer shares in return for cash contributions and/or contributions in kind (Authorised Capital 2019). The profit entitlement of new shares may be determined in deviation from § 60 (2) AktG. Shareholders are in principle to be granted subscription rights. However, the Management Board is authorised, in each case with the approval of the Supervisory Board, to exclude shareholders' subscription rights on one or more occasions in the following cases:

- Insofar as this is necessary to compensate for fractional amounts.
- Insofar as this is necessary to grant holders or creditors of convertible bonds, bonds with warrants or convertible profit participation rights issued by the Company and/or by its directly or indirectly majority-owned subsidiaries subscription rights to new shares to the extent to which they would be entitled after exercising their conversion or option rights or after fulfillment of their option exercise or conversion obligations.
- Insofar as the new shares are issued against cash contributions and the issue price of the new shares is not significantly lower than the stock market price of the shares of the Company already listed at the time of the final determination of the issue price, which should be as close as possible to the placement of the shares. This authorisation to exclude subscription rights shall only apply insofar as the notional interest in the share capital attributable to the shares issued with exclusion of subscription rights pursuant to § 186 (3) Sentence 4 AktG does not exceed a total of 10 % of the share capital, neither at the time this authorisation becomes effective nor at the time this authorisation is exercised.
- Insofar as the new shares are issued against contributions in kind, in particular in the form of companies, parts of companies, interests in companies, receivables or other assets.

In addition, by resolution of the Annual General Meeting on 3 September 2019, the Management Board was authorised, with the approval of the Supervisory Board, to issue bearer or registered convertible bonds and/or bonds with warrants, or a combination of these instruments, on one or more occasions in partial amounts until 2 September 2024, for a total nominal amount of up to EUR 1,400,000,000, in each case with or without a limited term, and to grant the holders of these bonds conversion or option rights to subscribe for up to 60,000,000 no-par value bearer shares in the Company with a notional interest in the share capital of up to EUR 60,000,000 in total in accordance with the more detailed provisions of the terms and conditions of issue of these bonds. The bonds may provide for an obligation to convert or exercise an option at the end of the term or at an earlier point in time. The bonds may be issued against cash or non-cash contributions. The bonds may also be issued by companies in which the Company directly or indirectly holds a majority interest. In this case, the Management Board is authorised, with the approval of the Supervisory Board, to assume the necessary guarantees for the obligations arising from the bonds on behalf of the Company and to grant or impose conversion or option rights or conversion or option exercise obligations for shares in the Company on the holders or creditors of these bonds.

The Management Board was also authorised, with the approval of the Supervisory Board, to exclude shareholders' subscription rights when issuing bonds under certain circumstances, including issuance in return for non-cash contributions, in particular for the purpose of acquiring companies, parts of companies or equity interests in companies.

The share capital of the Company is conditionally increased by up to EUR 60,000,000 by issuing up to 60,000,000 new no-par value shares (Contingent Capital 2019). The Contingent Capital 2019 serves exclusively to grant new shares to the holders or creditors of bonds issued by the Company or by other companies in which the Company directly or indirectly holds a majority interest until 2 September 2024 in accordance with the authorisation resolution of the Annual General Meeting on 3 September 2019, in the event that conversion or option rights are exercised or conversion or option exercise obligations are fulfilled or the Company exercises its right to grant shares in the Company in whole or in part instead of payment of the cash amount due.

As at 31 December 2021, the Company had utilised Authorised Capital 2019 in the amount of EUR 1,070,931.00 in the context of a capital increase against contribution in kind, which took place in the 2020 fiscal year. Contingent Capital 2019 has not been utilised to date. Authorised Capital 2019 amounted to EUR 98,929,069.00 and Contingent Capital 2019 amounted to EUR 60,000,000.00 as at 31 December 2021.

The Management Board was also authorised until 2 September 2024 to acquire treasury shares for any legally permissible purpose, up to a total of 10 % of the share capital existing at the time of the resolution or – if lower – the share capital existing at the time this authorisation is exercised. The shares acquired on the basis of this authorisation, together with other shares in the Company held by the Company or attributable to the Company pursuant to §§ 71 a et seq. AktG, may at no time exceed 10 % of the share capital. At the discretion of the Management Board, the shares may be purchased either on the stock exchange, by means of a public offer addressed to all shareholders, through a public invitation to submit an offer (purchase offer), or through the use of derivatives (put or call options or a combination thereof).

17. Financial liabilities

In thousands of euro	2021 Current	2021 Non-current	2021 Total
Financial liabilities	34,973	842,495	877,468
thereof from loans	26,378	820,961	847,338
thereof from lease liabilities	8,595	21,534	30,129
Other financial liabilities	5,911	8,769	14,680
Total	**40,883**	**851,264**	**892,147**

In thousands of euro	2020 Current	2020 Non-current	2020 Total
Financial liabilities	82,099	440,153	522,252
thereof from loans	75,962	419,107	495,069
thereof from lease liabilities	6,137	21,046	27,183
Other financial liabilities	29	–	29
Total	**82,128**	**440,153**	**522,281**

(a) Maturity and repayment structure

Liabilities to banks

In thousands of euro	Currency	Nominal interest rate in %	Year of maturity	31 December 2021 Nominal value (EUR)	31 December 2021 Carrying amount (EUR)
Loan					
2019 syndicated loan in USD	USD	1.88	2024	270,175	266,051
2019 syndicated loan in EUR	EUR	1.50	2024	112,500	110,722
2019 syndicated loan in GBP	GBP	1.93[1]	2024	71,309	70,216
2019 syndicated loan – revolving credit facility	diverse	diverse	2024	–	–
2021 bilateral bank loan in EUR	EUR	1.00	2025	100,000	100,000
Promissory notes					
Promissory note 3-year fixed interest	EUR	1.00	2024	27,000	27,025
Promissory note 3-year variable interest	EUR	1.00	2024	58,000	58,051
Promissory note 5-year fixed interest	EUR	1.20	2026	118,000	118,144
Promissory note 5-year variable interest	EUR	1.20	2026	75,000	75,087
Promissory note 7-year fixed interest	EUR	1.40	2028	13,000	13,022
Promissory note 10-year fixed interest	EUR	1.60	2031	9,000	9,020
Total				**853,984**	**847,338**

[1] Changed from LIBOR to SONIA +0.1193% in fiscal year 2021.

Liabilities to banks

In thousands of euro	Currency	Nominal interest rate in %	Year of maturity	31 December 2020 Nominal value (EUR)	Carrying amount (EUR)
2019 syndicated loan in USD	USD	2.24	2024	263,222	257,918
2019 syndicated loan in EUR	EUR	1.75	2024	118,750	116,270
2019 syndicated loan in GBP	GBP	2.03	2024	70,352	68,928
2019 syndicated loan – revolving credit facility	USD	1.89	2024	52,155	51,952
Total interest-bearing liabilities				**504,480**	**495,069**

The 2019 syndicated loans also include a revolving credit facility that can be drawn down as required and has a variable interest rate plus an agreed margin. The nominal interest rates presented take into account the respective closing rates, the margin at the closing rate and existing interest rate floors. The nominal values shown do not include capitalised interest. The interest payment dates are currently three months rolling. The interest payment period can be extended after each interest payment date to any period between one and twelve months.

The carrying amounts of the respective loans include directly attributable transaction costs that are amortised over the term of the respective loans using the effective interest method.

For the syndicated loans, the Group has to make a mandatory annual repayment of at least 5 % of the nominal value. In the fiscal year, the mandatory repayment amounted to EUR 25.2 million (31 December 2021: EUR 23.8 million). The Group has the unconditional right to prepay the loans in part or in full at any time.

The revolving credit facility was repaid in the reporting year and was not drawn as at 31 December 2021. Utilisation is possible in various currencies up to an amount of EUR 150 million (2020: EUR 150 million).

The payment structure of the financial liabilities from loans is as follows, based on the assumption at the reporting date of repayment as agreed in the loan agreement:

Future cash flows as at 31 December 2021

In thousands of euro	Payable within 3 months	Payable in 3–12 months	Payable in more than 12 months	Total amount outstanding
Loans	**2,363**	**32,325**	**544,664**	**579,352**
2019 syndicated loan in USD	1,344	19,042	263,829	284,214
2019 syndicated loan in EUR	427	7,530	109,000	116,956
2019 syndicated loan in GBP	343	4,990	69,557	74,890
2019 syndicated loan – revolving credit facility	–	–	–	–
2021 bilateral bank loan	250	764	102,278	103,292
Promissory notes	**1,739**	**1,780**	**311,644**	**315,163**
Promissory note 3-year fixed interest	135	137	27,404	27,675
Promissory note 3-year variable interest	288	298	58,880	59,466
Promissory note 5-year fixed interest	706	718	122,946	124,370
Promissory note 5-year variable interest	448	463	78,190	79,100
Promissory note 7-year fixed interest	91	92	14,001	14,184
Promissory note 10-year fixed interest	72	73	10,223	10,368
Total future payments	**4,102**	**34,106**	**856,307**	**894,515**

Future cash flows as at 31 December 2020

In thousands of euro	Payable within 3 months	Payable in 3–12 months	Payable in more than 12 months	Total amount outstanding
2019 syndicated loan in USD	1,491	18,342	264,122	283,954
2019 syndicated loan in EUR	525	7,832	117,699	126,056
2019 syndicated loan in GBP	355	4,772	70,166	75,293
2019 syndicated loan – revolving credit facility	52,346	–	–	52,346
Total future pay-ments	**54,717**	**30,946**	**451,986**	**537,649**

For additional information on risk management with regard to interest rate and liquidity risk, see Note 22 Financial instruments – Fair values and risk management.

(b) Refinancing 2020

On 25 August 2020, there were non-material amendments to the contractual terms of the 2019 syndicated loan. The amendments resulted in major interest savings. At the same time, a repayment of USD 75 million was made on the 2019 syndicated loan in USD and USD 75 million was drawn on a revolving credit facility. The amendment to the agreement resulted in a gain of EUR 2.7 million.

As at 25 August 2020, the terms of the 2019 syndicated loan were as follows:

2019 syndicated loan

	Loan EUR	Loan USD	Loan GBP	Loan revolving credit facility
Repayment date	26 September 2024	26 September 2024	26 September 2024	26 September 2024
Currency	EUR	USD	GBP	EUR
Nominal amount	125,000,000	340,000,000	66,577,500	150,000,000
Reference rate	EURIBOR	LIBOR (USD)	LIBOR (GBP)	EURIBOR/LIBOR[1]
Interest period (variable)	3M	3M	3M	1M
Floor (in %)	–	–	–	–
Margin (depending on financial[2] indicators) (in %)	**1.25 – 2.75 (after modification 1.75)**	**1.5 – 3.0 (after modification 2.0)**	**1.5 – 3.0 (after modification 2.0)**	**1.0 – 2.5 (after modification 1.75)**

[1] In each case depending on which currency the credit line is drawn.
[2] Net leverage ratio.

Prior to the 2019 syndicated loan amendment on 25 August 2020, the terms were as follows:

2019 syndicated loan

	Loan EUR	Loan USD	Loan GBP	Loan revolving credit facility
Issue day	27 September 2019	27 September 2019	27 September 2019	27 September 2019
Repayment date	26 September 2024	26 September 2024	26 September 2024	26 September 2024
Currency	EUR	USD	GBP	EUR
Nominal value	125,000,000	450,000,000	66,577,500	35,000,000
Reference rate	EURIBOR	LIBOR (USD)	LIBOR (GBP)	EURIBOR/LIBOR[1]
Interest period (variable)	6M (initial rate)	6M (initial rate)	6M (initial rate)	6M (initial rate)
Floor (in %)	–	–	–	–
Margin (depending on financial[2] indicators) (in %)	**1.75 – 2.75 (initial rate 2.50)**	**2.0 – 3.0 (initial rate 2.75)**	**2.0 – 3.0 (initial rate 2.75)**	**1.75 – 2,75 (initial rate 2.50)**

[1] In each case depending on which currency the credit line is drawn.
[2] Net leverage ratio.

(c) Promissory notes

On 19 February 2021, TeamViewer entered into an agreement to issue a promissory note of EUR 300 million, comprising variable and fixed rate tranches with different maturities. All tranches were issued at par. Repayments are made in one amount, at maturity of the respective tranche. Interest coupons will be paid semi-annually starting 4 September 2021. The reference interest rate (6M EURIBOR) is fixed at 0 % for the variable tranches. The interest margins are linked to Sustainalytics' assessment of the factors environment, social and governance in the Company (ESG ratings) and the Company's net leverage ratio.

The promissory note was initially recognised at fair value less transaction costs directly attributable to the placement. The transaction costs of EUR 967 thousand are amortised pro rata over the term of the respective tranches of the promissory note using the effective interest method.

Promissory note

	3-year fixed in EUR	3-year variable in EUR	5-year fixed in EUR	5-year variable in EUR	7-year fixed in EUR	10-year fixed in EUR
Repayment date	4 March 2024	4 March 2024	4 March 2026	4 March 2026	6 March 2028	4 March 2031
Currency	EUR	EUR	EUR	EUR	EUR	EUR
Nominal value	27,000,000	58,000,000	118,000,000	75,000,000	13,000,000	9,000,000
Reference rate[1]	1.00 %	6M EURIBOR + 1.00 %	1.20 %	6M EURIBOR + 1.20 %	1.40 %	1.60 %
Floor (in %)	–	–	–	–	–	–

[1] As at 1 January 2023 +5/–5 basis points depending on the defined ESG score.

(d) Bilateral bank loan

On 31 March 2021, TeamViewer entered into a fixed-interest loan agreement in the amount of EUR 100 million. The loan has a bullet maturity and matures on 31 March 2025. The interest rate is 1.00 % p.a. Interest is payable for the first time on 30 June 2021 and thereafter quarterly in arrears at the end of each calendar quarter.

(e) Credit covenants

Under the terms of the 2019 syndicated loan and the bilateral bank loan, the Group must comply with certain leverage ratio covenants (equivalent to net debt/pro forma EBITDA, each as defined in the credit agreement).

As at 31 December 2021, there were no violations of the terms and conditions of the loan.

(f) Financial management

TeamViewer's financial management is designed to ensure the Group's financial stability, flexibility and liquidity. It comprises capital structure management and corporate financing, cash and liquidity management, and the monitoring and management of market price risks such as exchange rate and interest rate risks. TeamViewer's financing structure is geared towards maintaining financial room for manoeuvre in order to take advantage of business and investment opportunities. This is achieved through a balanced ratio of equity and debt.

(g) Lease liabilities

Development of lease liabilities

In thousands of euro	2021	2020
1 January	**27,183**	**21,114**
Additions	8,159	10,383
Interest expense	749	747
Lease payments	(7,633)	(5,610)
Exchange rate effects	246	(120)
Modifications & adjustments	1,425	–
Additions from business combinations	–	669
31 December	**30,129**	**27,183**

Lease payments for short-term leases and for low-value leased assets in fiscal year 2021 amounted to EUR 446 thousand (2020: EUR 704 thousand).

Maturity analysis of lease obligations

In thousands of euro	As at 31 December 2021	As at 31 December 2020
Undiscounted contractual cash flows		
< 1 year	8,895	6,834
1 to 3 years	10,912	11,377
3 to 5 years	6,198	4,056
> 5 years	5,756	7,545
Total undiscounted lease liabilities	**31,761**	**29,811**
Lease liabilities recognised in the statement of financial position	**30,129**	**27,183**
thereof current	8,595	6,137
thereof non-current	21,534	21,046

18. Deferred revenue

Revenue by licence type based on the development of deferred revenue

	2021			
In thousands of euro	As at 1 January	Additions/ billings	Reversals/ revenue	As at 31 December
Subscription model	212,509	547,601	(509,630)	250,480
Perpetual licences	2,663	7	(2,575)	95
Development of statement of financial position item	**215,172**	**547,608**	**(512,205)**	**250,575**
Other	n/a	–	11,108[1]	n/a
Change recognised in profit or loss	**n/a**	**547,608**	**(501,097)**	**n/a**

1 This amount consists mainly of billings not yet recognised as trade receivables. For more information, please refer the comments under 3 (h) Trade receivables.

Revenue by licence type based on the development of deferred revenue

	2020			
In thousands of euro	As at 1 January	Additions/ billings	Reversals/ revenue	As at 31 December
Subscription model	163,959	460,311	(411,761)	212,509
Perpetual licences	48,862	89	(46,289)	2,663
Development of statement of financial position item	**212,822**	**460,401**	**(458,050)**	**215,172**
Other	n/a	(118)	2,436	n/a
Change recognised in profit or loss	**n/a**	**460,283**	**(455,614)**	**n/a**

Deferred revenue

In thousands of euro	31 December 2021	31 December 2020
Non-current	6,095	361
Current	244,480	214,811
Total deferred revenue	**250,575**	**215,172**

19. Trade payables

Age structure of trade payables

In thousands of euro	31 December 2021	31 December 2020
Under 30 days	6,666	7,982
31 to 60 days	445	–
61 to 90 days	–	–
More than 90 days	161	322
Total trade payables	**7,272**	**8,304**

20. Deferred and other liabilities

The Group expects the following deferred and other liabilities to be settled within one year:

Deferred and other liabilities

In thousands of euro	31 December 2021	31 December 2021
Employee-related liabilities	21,221	24,079
Purchases/services received from third parties and others	14,328	4,946
Payroll-related taxes and social security	2,155	3,701
VAT liabilities	4,080	6,394
Deferred and other liabilities	**41,784**	**39,120**

The employee-related liabilities include, among others, items from performance-based compensation, reorganisations and vacation entitlements. The liabilities in connection with reorganisations mainly relate to personnel expenses in connection with the alignment of the workforce to growth areas and the optimisation of business processes.

21. Provisions

Provisions 2021

In thousands of euro	Personnel	Taxes	Other	Total
Balance as at 1 January	**420**	**1,459**	**779**	**2,658**
Additions	51	371	1,257	1,679
Utilisation	(59)	(567)	(779)	(1,405)
Reversals	–	(673)	–	(673)
Balance as at 31 December	**412**	**590**	**1,257**	**2,259**
thereof long-term	342	–	24	366

Provisions 2020

In thousands of euro	Personnel	Taxes	Other	Total
Balance as at 1 January	**285**	**1,103**	**2,131**	**3,519**
Additions	172	786	824	1,782
Utilisation	(37)	(431)	(1,391)	(1,859)
Reversals	–	–	(83)	(83)
Translation differences	–	–	(700)	(700)
Balance as at 31 December	**420**	**1,459**	**779**	**2,658**
thereof long-term	345	–	88	433

As part of the global developments in the taxation of digital business models, an ever-growing number of countries are classifying the sale of software as a taxable transaction even in the absence of a physical presence. In such cases, the foreign entrepreneur is obliged to collect the corresponding sales tax from the local customer and pay it to the responsible tax office.

The interpretation of the newly introduced laws is still being clarified in many cases. TeamViewer checks the respective interpretation and application. If necessary, corresponding registrations and the payment of sales tax will be made. Provisions in the amount of EUR 0.6 million (2020: EUR 1.5 million) have been recognised in the statement of financial position as at 31 December 2021 for potential payment obligations.

In addition to the accruals recognised in the statement of financial position, further payment obligations in the low single-digit million range may arise if the competent tax authorities disagree. As the Company believes that the probability of these amounts being utilised is low, no further provisions have been recognised in the statement of financial position.

22. Financial instruments – fair values and risk management

(a) Classification and fair values

All assets and liabilities for which a fair value is determined or recognised are categorised as follows:

- **Level 1:** Quoted prices in active markets for identical assets or liabilities.
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- **Level 3:** Inputs for the asset or liability that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and liabilities with their respective level in the fair value hierarchy.

Carrying amount and fair value level of financial assets and liabilities as at 31 December 2021

	Carrying amount			Fair value level	
Classification according to IFRS 9 In thousands of euro	At fair value through profit or loss	Amortised costs	**Total**	Fair value	Level
Financial assets					
thereof derivatives	63	–	63	63	2
Total financial assets measured at fair value	**63**	**–**	**63**	**63**	
Trade receivables	–	11,560	11,560	11,560	2
Cash and cash equivalents	–	550,533	550,533	550,533	2
Other financial assets	–	4,785	4,785	4,785	2
Total financial assets not measured at fair value	**–**	**566,878**	**566,878**	**566,878**	
Other financial liabilities: Contingent purchase price payments	8,430		8,430	8,430	3
Total financial liabilities measured at fair value	**8,430**		**8,430**	**8,430**	
Trade payables	–	7,272	7,272	7,272	2
Lease liabilities	–	30,129	30,129	30,129	2
Liabilities to banks	–	847,338	847,338	849,375	2
Other financial liabilities	–	6,250	6,250	6,250	2
Total financial liabilities not measured at fair value	**–**	**890,990**	**890,990**	**893,026**	

Carrying amount and fair value level of financial assets and liabilities as at 31 December 2020

	Carrying amount			Fair value level	
Classification according to IFRS 9 In thousands of euro	At fair value through profit or loss	Amortised costs	**Total**	Fair value	Level
Financial assets					
thereof derivatives	4,497	–	4,497	4,497	2
Total financial assets measured at fair value	**4,497**	**–**	**4,497**	**4,497**	
Trade receivables	–	19,667	19,667	19,667	2
Cash and cash equivalents	–	83,531	83,531	83,531	2
Other financial assets	–	4,475	4,475	4,475	2
Total financial assets not measured at fair value	**–**	**107,673**	**107,673**	**107,673**	
Trade payables		8,304	8,304	8,304	2
Lease liabilities		27,183	27,183	27,183	2
Liabilities to banks		495,069	495,069	495,069	2
Other financial liabilities		29	29	29	2
Total financial liabilities not measured at fair value		**530,585**	**530,585**	**530,585**	

Non-current other financial assets mainly consist of lease deposits for leased office space.

(b) Fair value measurement

The fair value of derivatives is calculated using an option pricing model in which the most relevant factors are interest yield curves and, in the case of foreign currency derivatives, realised and expected exchange rate changes.

The fair values of financial liabilities allocated to Level 2 are calculated as the present value of the payments associated with the liabilities.

Trade receivables, loans receivable and cash and cash equivalents all generally have short-term maturities. Trade payables, liabilities due and other financial liabilities also generally have short-term maturities. For this reason, their carrying amount at the reporting date is almost equal to their fair value.

The fair value of the outstanding contingent consideration for business combinations (Level 3) is measured using a discounted cash flow model based on significant unobservable inputs. The significant unobservable inputs are the contractually defined earn-out relevant billings.

The significant unobservable inputs related to a fair value measurement classified within Level 3 of the measurement hierarchy, together with a quantitative sensitivity analysis, were as follows as at 31 December 2021:

Valuation of contingent purchase price payments

In thousands of euro	Measurement method	Significant unobservable input factors	Earn-out relevant billings (EUR million)	Sensitivity analysis +/− 10 %[1] (EUR million)
Contingent purchase price payment for Upskill acquisition	DCF method	Contractually defined billings	4.5	+/− 0.2
Contingent purchase price payment for Xaleon acquisition	DCF method	Contractually defined billings	15.7	+/− 0.6
Contingent purchase price payment for Viscopic acquisition	DCF method	Contractually defined billings	2.4	+/− 0.0

[1] Change in contingent purchase price liability based on a +/− 10 % change in contractually defined earn-out relevant billings.

The main input factors are in line with expectations as at the reporting date.

The estimates of the fair values of the liabilities for the outstanding contingent purchase price payments are also based on the contractually defined factors that the future payments are based on and the expectations that the TeamViewer Group has for these factors (Level 3). The TeamViewer Group assesses the probability based on the achievement of the defined targets and their timing. The assumptions made are reviewed at regular intervals.

The changes in the fair values of financial instruments classified in Level 3 in fiscal year 2021 are presented below:

Outstanding contingent purchase price payments for acquisitions

In thousands of euro	
1 January 2021	**–**
Additions	10,751
Other income/(other expenses)	(2,321)
31 December 2021	**8,430**

There were no transitions between fair value levels in 2021 and 2020.

(c) Derivatives

Cash flows in USD were partially hedged by currency options with cash settlement payments (non-deliverable options), which hedged an amount of USD 3.35 million per month in 2020 and USD 6.25 million per month in 2021 at a strike of USD 1.15/EUR. The options were not designated as hedges. As at the reporting date, all currency options have expired.

TeamViewer invested excess liquidity in short-term flip investments during the fiscal year. The flip investments were dependent on the development of the US dollar and the British pound. As at the reporting date, all transactions had expired. This did not have any significant effect on earnings. The cash inflows and outflows from the flip investments were netted in the cash flow statement.

An interest rate cap agreement is in place to partially hedge the USD syndicated loan. This agreement is designated as a cash flow hedge. There is an economic hedging relationship between the hedged item, USD syndicated loan with a nominal value of USD 306.6 million (2020: USD 323.0 million), and the hedging instrument, i. e. the interest rate cap on USD 283.2 million (2020: USD 299.3 million), as both are designated inversely proportional to the 3-month USD LIBOR rate with a hedge ratio as at the reporting date of 0.93 (2020: 0.93).

Net gains/(losses)
Net gains/(losses) by category of financial instruments in accordance with IFRS 7.20 are as follows:

Net gains/(losses)

In EUR million	31 December 2021	31 December 2020
Financial assets and liabilities measured at fair value through profit or loss	(0.5)	3.1
Financial assets measured at amortised cost	(3.0)	(21.5)
thereof impairment of trade receivables and cash and cash equivalents	(16.9)	(14.6)
thereof exchange rate gains/(losses)	13.6	(9.8)
thereof interest income and other	0.3	2.9
Financial liabilities measured at amortised cost	(45.1)	13.3
thereof exchange rate gains/(losses)	(27.1)	36.1
thereof interest expense for bank loans	(15.7)	(21.3)
thereof interest expense for leasing and other	(2.3)	(1.4)
Total net gain/(loss)	**(48.6)**	**(5.1)**

(d) Financial risk management

The Group is exposed to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Group's risk management strategy aims to identify and analyse the risks to which the Group is exposed and to set appropriate risk limits and controls to monitor risks and compliance with risk limits.

With regard to assets, liabilities and future transactions, TeamViewer AG and its subsidiaries are exposed to risks arising from fluctuations in exchange rates and interest rates, among other things. Based on risk assessments, selected hedging instruments are used to limit these risks.

The use of derivatives is constantly monitored by management. This includes the functional separation of trading, settlement and posting, and the authorisation of only a few qualified employees to enter into such transactions. The Group enters into derivative financial instruments for hedging purposes only.

Further explanations on risk concentration and diversification are provided in the Opportunities and risks report in the Group management report.

Credit risk
Credit risk is the risk of financial losses to the Group if a customer or counterparty fails to meet its payment obligations.

The Group is exposed to credit and counterparty risk through its financing and business activities. The carrying amount of financial assets in the statement of financial position represents the credit risk.

Trade receivables
Credit risks for the Group arise mainly from the individual characteristics of each customer. The Group's management also considers those risks that may have an impact on the credit risk of the customer base, including the default risk of the industry and country in which customers operate.

The Group seeks to minimise credit risks by imposing creditworthiness requirements on business partners and continuously monitoring the receivables portfolio. The credit risk is limited to the nominal value of the receivable.

Software licences and services are sold subject to payment to give the Group the ability to block the licence in the event of non-payment. The Group does not otherwise require collateral for trade receivables or other receivables.

The Group establishes an allowance corresponding to the expected losses related to trade and other receivables (see Note 13 Trade receivables).

Cash and cash equivalents
As at 31 December 2021, the Group held cash and cash equivalents of EUR 550,533 thousand (2020: EUR 83,531 thousand).

Derivatives
Derivative financial instruments are entered into with banks and financial institutions possessing good credit ratings.

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations. The Group's approach to liquidity management is to maintain sufficient cash and cash equivalents to meet its obligations as they fall due, under both normal and stressed conditions, without incurring unacceptable losses or damage to the Group's reputation.

The Group aims to maintain cash or cash equivalents in excess of the weekly expected cash flows to service its financial liabilities (excluding trade payables). Together with the expected cash outflows from trade payables and other liabilities, the Group also monitors the amount of expected cash inflows from trade and other receivables. Possible extreme effects, such as natural disasters, which cannot be predicted under normal circumstances, are not taken into account.

The Group's credit agreements include an unsecured revolving credit facility of EUR 150 million. As at 31 December 2021, the revolving credit facility was utilised by an amount of USD 0 million (31 December 2020: USD 64 million) (see Note 17 Financial liabilities).

Exposure to liquidity risk
The following presents the contractual maturities of financial liabilities at the reporting date. The amounts are gross, undiscounted and include estimated interest payments but do not include the effects of netting arrangements.

Exposure to liquidity risk as at 31 December 2021

In thousands of euro	Carrying amount	Contractual cash flows: Total	< 1 year	1–5 years	More than 5 years
Financial liabilities	847,338	894,515	38,208	856,307	–
IFRS 16 lease liabilities	30,129	31,761	8,895	17,110	5,756
Trade payables	7,272	7,272	7,272	–	–
Other financial liabilities	14,680	16,523	4,236	12,287	–
Total non-derivative financial liabilities	**899,419**	**950,072**	**58,611**	**885,705**	**5,756**

Exposure to liquidity risk as at 31 December 2020

In thousands of euro	Carrying amount	Contractual cash flows: Total	< 1 year	1–5 years	More than 5 years
Financial liabilities	495,069	537,649	85,663	451,986	–
IFRS 16 lease liabilities	27,183	29,811	6,834	15,433	7,545
Trade payables	8,304	8,304	8,304	–	–
Other financial liabilities	29	29	29	–	–
Total non-derivative financial liabilities	**530,585**	**575,793**	**100,830**	**467,419**	**7,545**

Foreign currency amounts were translated in each case at the closing rate on the reporting date. The variable interest payments arising from financial instruments were calculated using the interest rate most recently determined in December 2021.

Future cash flows may differ from the amounts in the table above due to changes in interest rates and exchange rates.

Market risk
Market risk is the risk that changes in market prices, such as changes in foreign exchange rates or interest rates, will affect the Group's earnings or the value of its financial instruments. The objective of market risk management is to manage and control exposure to market risk within acceptable ranges while optimising returns.

The Group uses derivative financial instruments to manage market risks. As a matter of principle, the Group strives for hedge accounting in order to limit the volatility of the result.

Currency risks
By currency risks, the Group refers to the risk of losses arising from changes in foreign exchange rates.

The Group is exposed to currency risk to the extent that currencies in which sales, purchases and borrowings are denominated, and the respective functional currencies of Group entities may differ. The Group's exposure to foreign currency risk is limited to the US dollar (USD) and the British pound (GBP), as the other currencies do not account for more than 3 % of total monetary assets and liabilities.

The balance sheet risk from USD and GBP results mainly from financial liabilities from loans.

These instruments are all held by Regit Eins GmbH, a company with the euro as its functional currency. The Group receives cash inflows in USD from revenue in the USA and in GBP from revenue in the UK. This provides a natural currency hedge for interest and principal payments in USD and GBP. In addition, the Group uses currency derivatives to hedge USD risks.

Level of currency risks
The Group's exposure to currency risks is as follows:

Exposure to currency risk

In thousands of USD	**31 December 2021**	31 December 2020
Cash	267,827	45,208
Trade receivables	17,285	13,761
Financial liabilities	(301,330)	(393,758)
Derivatives	71	(47)
IFRS 16 lease liabilities	(4,400)	(386)
Other financial liabilities	(1,753)	(23)
Trade payables	(402)	(1,428)
Other liabilities	–	–
Net exposure in statement of financial position	**(22,701)**	**(336,673)**

In thousands of GBP	**31 December 2021**	31 December 2020
Cash	47,141	1,076
Trade receivables	1,585	2,638
Financial liabilities	(59,001)	(64,529)
Other financial liabilities	–	(4)
Trade payables	(337)	(40)
Net exposure in statement of financial position	**(10,612)**	**(60,858)**

Sensitivity analysis
A possible appreciation (depreciation) of the EUR against the USD or the GBP as at 31 December 2021 would have affected the valuation of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. Other foreign currencies would not have had a significant impact on profit or loss or equity. This analysis assumes that all other variables and, above all, interest rates remain constant and excludes the impact of forecasted purchases and sales.

If the EUR had been 10 % stronger (weaker) against the USD, assuming that all other risk factors had remained unchanged, profit/(loss) for the year would have been EUR 2.0 million (EUR 2.0 million) (2020: EUR 33.6 million (EUR 31.5 million)) higher (lower).

If the EUR had been 10 % stronger (weaker) against the GBP, assuming that all other risk factors had remained unchanged, profit/(loss) for the year would have been EUR 1.3 million (EUR 1.3 million) (2020: EUR 6.8 million (EUR 6.8 million)) higher (lower).

Interest rate risk
Interest rate risks are understood as the negative effects of changing interest rates on the Group's earnings. A distinction is made between financial instruments with fixed interest rates and those with variable interest rates. In the case of financial instruments with a fixed interest rate, a fixed market interest rate is agreed for the entire term of the financial instrument. The risk is that if market interest rates change, the fair value of the financial instrument will change (fair value risk due to changing interest rates). The fair value is based on the present value of future payments (interest payment plus repayment of the loan amount) discounted at the prevailing market interest rate at the end of the reporting period for the remaining term of the respective payment. The risk related to the fair value due to changing interest rates then leads to a gain or loss if the financial instrument is sold before maturity.

For financial instruments with variable interest rates, the interest rate is adjusted using the respective market interest rates. There is a risk that there will be fluctuations in interest rates resulting in changes in future interest payments (cash flow risk due to changes in interest rates).

The Company amended the master agreement for the 2019 syndicated loan in GBP in October and replaced the GBP LIBOR reference interest rate with SONIA (Sterling Overnight Index Average) plus an additional interest rate spread. This change has no material impact as at the reporting date and is solely due to regulatory changes. The USD LIBOR will be replaced in 2022. In the view of the Group, this does not give rise to any significant risks. The EUR loan remains unchanged with a EURIBOR reference interest rate.

Interest rate caps were used to hedge interest rate risks in fiscal year 2021. The decision on whether to use derivative financial instruments is based on the estimated interest rate risk and the level of debt. The interest rate hedging strategy is regularly reviewed and targets are adjusted as necessary.

Exposure to interest rate risk
Financial liabilities from loans issued in 2021 and 2020 carry fixed and variable interest rates. Financial liabilities from leasing in 2021 carry a fixed interest rate.

Sensitivity analysis for variable rate financial instruments
The interest rate sensitivity analysis presented below shows the hypothetical effects that a change in the market interest rate at the end of the reporting period would have had on profit before taxation and equity. In this simplified analysis, it is assumed that the charge at the end of the reporting period is representative of the full year and that the assumed change in the market interest rate at the end of the reporting period was within the range of possibility. In the calculations, it is assumed that all other variables, in particular foreign currency exchange rates, remain constant.

A movement in the yield curve of +50/–50 basis points would have had a cash flow effect on the loans over the subsequent twelve months of EUR (3.0) million/+0.6 million (2020: EUR (2.3) million/+0.7 million) and an effect on taxation and consequently equity of EUR (3.0) million/+0.6 million (2020: EUR (2.3) million/+0.7 million).

(e) Change in liabilities from financing activities

The following table shows the change in liabilities resulting from financing activities:

Change in liabilities from financing activities 2021

In thousands of euro	1 January 2021	Cash flows	Exchange rate effects	Changes in fair value	Interest and amortised cost	Additions from acquisitions	Other	31 December 2021
2019 syndicated loan	495,069	(77,963)	27,061	–	2,825	–	(3)	446,989
Promissory notes	–	297,263	–	–	3,086	–	–	300,349
Bilateral bank loan	–	99,236	–	–	764	–	–	100,000
Lease liabilities	27,183	(7,633)	246	–	749	–	9,584	30,129
Other financial liabilities	29	(29)	–	–	–	–	–	–
Total	**522,281**	**310,874**	**27,307**	**(2,321)**	**7,425**	**17,001**	**9,581**	**877,467**

Change in liabilities from financing activities 2020

In thousands of euro	1 January 2020	Cash flows	Exchange rate effects	Changes in fair value	Interest and amortised cost	Additions from acquisitions	Other	31 December 2020
2019 syndicated loan	595,683	(64,481)	(36,013)	(2,726)	2,549	–	57	495,069
Lease liabilities	21,114	(5,610)	(120)	–	747	669	10,383	27,183
Other financial liabilities	6,642	(25,300)	(84)	–	18,769	2	–	29
Total	**623,440**	**(95,392)**	**(36,217)**	**(2,726)**	**22,065**	**671**	**10,440**	**522,281**

23. Operating segments

The Group is managed as a single-segment company with the TeamViewer platform as the basis for segmentation. The decision for segmentation was based on the internal organisation, which is based on the platform as the single reporting line. The reporting of the platform is based on the different geographical regions as reporting units: Europe, Middle East and Africa (EMEA), North, Central and South America (AMERICAS), and Asia-Pacific (APAC).

As there is no other segment, the consolidated statement of profit or loss and other comprehensive income already shows the segment's revenue and expenses, while the consolidated statement of financial position already shows the segment's assets and liabilities. For this reason, no further breakdown is provided. All revenue reported in the consolidated statement of profit or loss and other comprehensive income was generated with external customers.

The key financial performance indicators on the basis of which management manages the Group are billings by region, category, customer group and adjusted EBITDA.

Billings by region

In thousands of euro	2021	2020
EMEA	296,039	246,428
AMERICAS	187,926	157,714
APAC	63,643	56,141
Billings	**547,608**	**460,283**
Change in deferred revenue recognised in profit or loss	(46,511)	(4,669)
Total revenue	**501,097**	**455,614**

Billings by country

In thousands of euro	2021	2020
USA	147,652	124,075
Germany	86,726	69,714
Great Britain	32,448	28,583
France	31,010	25,447
Other countries	249,772	212,464
Billings	**547,608**	**460,283**

Billings by category[1]

In thousands of euro	2021	2020
Retained	450,911	335,970
New	94,164	122,182
Non-recurring	2,532	2,131
Billings	**547,608**	**460,283**

[1] Please refer to our comments under 2 (c) Basis of preparation of the consolidated statement of other comprehensive income and the consolidated statement of financial position.

Billings by customer group

In thousands of euro	2021	2020
SMB customers	454,643	407,241
Enterprise customers	92,965	53,042
Billings	**547,608**	**460,283**

The net retention rate (NRR LTM) as a non-financial performance indicator is as follows:

Net retention rate (NRR LTM)

In percent	31 December 2021	31 December 2020
Annual recurring billings of existing subscription customers	98	104[1]

[1] TeamViewer has changed the NRR LTM definition as at the beginning of the 2021 fiscal year to enable it to be derived directly from the reported annual recurring billings. The prior-year value has been adjusted accordingly.

Revenue by regions

In thousands of euro	2021	2020
EMEA	267,682	248,293
AMERICAS	172,368	149,098
APAC	61,047	58,223
Revenue	**501,097**	**455,614**

Revenue by country

In thousands of euro	2021	2020
USA	133,970	112,600
Germany	78,387	74,806
Great Britain	29,891	25,894
France	27,905	24,818
Other countries	230,945	217,496
Revenue	**501,097**	**455,614**

Revenue is allocated to the individual countries on the basis of the respective customer location. Non-current assets mainly relate to Germany.

Revenue by customer group

In thousands of euro	2021	2020
SMB customers	432,273	412,966
Enterprise customers	68,824	42,648
Revenue	**501,097**	**455,614**

The Group has a very diversified customer base, resulting in no single customer accounting for more than 10% of revenue.

Adjusted EBITDA is calculated as follows:

Adjusted EBITDA

In thousands of euro	2021	2020
Operating profit	**117,424**	**164,045**
Depreciation and amortisation	50,918	41,096
EBITDA	**168,342**	**205,141**
Change in deferred revenue recognised in profit or loss	46,511	4,669
Other items for adjustment	42,136	51,614
Adjusted EBITDA	**256,989**	**261,423**

Other items for adjustment comprises the following:

Other items for adjustment

In thousands of euro	2021	2020
Expenses for share-based compensation	**(26,409)**	**(48,921)**
thereof expenses for equity-settled share-based compensation	(27,590)	(47,308)
thereof cash-settled share-based compensation to own employees	1,181	(1,613)
Further items for adjustment	**(15,727)**	**(2,692)**
Reorganisation expenses	(7,243)	(394)
Expenses from special IT projects	(3,277)	(1,939)
Measurement of financial instruments	(3,029)	2,988
Expenses for special legal disputes	(609)	(367)
Expenses from financing and M&A	(10)	(1,826)
Other	(1,559)	(1,154)
Total	**(42,136)**	**(51,614)**

The reorganisation expenses relate mainly to the ReMax reorganisation programme, which involves focusing the workforce on growth areas and optimising business processes.

Expenses for special IT projects relate primarily to the introduction of an ERP system.

Expenses from financing and M&A in the fiscal year mainly include transaction costs in connection with business combinations of EUR 2.4 million (2020: EUR 1.8 million) and income from the measurement of contingent purchase price liabilities of EUR 2.7 million (2020: EUR 0.0 million).

24. Related party disclosures

TigerLuxOne S.à.r.l. (TLO) reduced its shareholding in TeamViewer AG by 7.88 % from 27.85 % to 19.97 % in the first half of 2021, having already reduced its ownership interest from 62.5 % to 27.85 % in 2020. In December 2021, TLO transferred 2,650,749 or 1.32 % of the shares in TeamViewer AG to the Management Board members Oliver Steil and Stefan Gaiser under the Share Appreciation Rights programme. Currently, 81.35 % (2020: 72.15 %) of the shares are in free float.

In the reporting year, TeamViewer purchased accounting and tax consulting services in the amount of EUR 0.6 million (2020: EUR 0.2 million) from Tricor. Liabilities to Tricor amount to EUR 6 thousand as at the reporting date (31 December 2020: EUR 8 thousand). Kroll (formerly Duff & Phelps) provided consulting services in the amount of EUR 212 thousand (2020: EUR 220 thousand) to TeamViewer in the reporting year. Liabilities to Kroll amount to EUR 0 thousand as at the reporting date (31 December 2020: EUR 0 thousand).

There were no further material related-party transactions in fiscal years 2021 and 2020 beyond those presented in these notes.

Transactions with key employees

Management Board remuneration in accordance with IFRS

In thousands of euro	31 December 2021	31 December 2020
Short-term employee benefits	1,800	4,327
Severance benefits	1,259	–
Share-based compensation	4,385	16,302
Total	**7,444**	**20,629**

Share-based compensation includes expenses for IPO bonuses of EUR 4.8 million (2020: EUR 15.8 million) and income related to the long-term incentive programme (LTIP) of EUR 0.4 million (2020: expenses of EUR 0.5 million).

Management Board remuneration in accordance with GAS 17 (1 January 2021 to 31 December 2021)

In thousands of euro	2021	2020
Fixed remuneration	1,708	1,450
Fringe benefits	93	77
Total	**1,800**	**1,527**
Third-party benefits	–	–
One-year variable remuneration	–	2,800
Multi-year variable remuneration	1,589	1,524
Subtotal variable remuneration	**1,589**	**4,324**
Pension costs	–	–
Total compensation current Management Board members	**3,389**	**5,851**

The remuneration of a former member of the Management Board amounted to EUR 1.1 million in the 2021 fiscal year (2020: EUR 0 million).

Further details on share-based compensation/third-party benefits granted to key management personnel are provided in Note 7 Personnel expenses.

There were no other transactions with key employees during the period (as in 2020) and no outstanding balances as at 31 December 2020 or 31 December 2021.

In addition to the abovementioned programmes, income/expenses for share-based compensation from the Employee Participation Programme (EPP) amounting to EUR (0.4) million (2020: EUR 21.0 million) for employees outside the Management Board were also recognised in fiscal year 2021.

The compensation paid to the Supervisory Board consisted of short-term benefits in the amount of EUR 708 thousand (2020: EUR 723 thousand), with liabilities or provisions amounting to EUR 0 thousand (2020: EUR 181 thousand) as at 31 December 2021. No consulting services were provided by a member of the Supervisory Board in 2021 or 2020.

The members of the Supervisory Board are active in the following comparable supervisory bodies:

Supervisory Board member	Occupation	Company and type of mandate
Dr Abraham Peled (Chairman of the Supervisory Board)	Partner at Peled Ventures LLC and industry advisor to Hg Capital Private Equity	→ Chairman of the Board of Directors of CyberArmor Ltd. → Chairman of the Board of Directors of Synamedia Ltd. (until July 2021)
Jacob Fonnesbech Aqraou (Deputy Chairman of the Supervisory Board)	Entrepreneur and investor	→ Member of the Board of Directors of Telenor ASA (until May 2022) → Chairman of the Board of Directors of Loopia Group → Member of the Board of Directors of Wallapop SL → Chairman of the Board of Directors of Denmark Bridge → Member of the Board of Directors of Acqraou Invest ApS → Chairman of the Board of Directors of PhaseOne Group ApS → Chairman of the Board of Directors of Chronext AG (since February 2021) → Chairman of the Board of Directors of BoatsGroup, LLC (since March 2021) → Member of the Advisory Board of Lego Ventures (since March 2021)
Stefan Dziarski	Partner at Permira	→ Member of the Supervisory Board of P&I Personal & Informatik AG → Member of the Advisory Board of FlixMobility GmbH
Holger Felgner (until 3 August 2021)	Co-Chief Executive Officer at Chrono24 GmbH	→ Member of the Advisory Board of MPN Marketplace Networks GmbH
Hera Kitwan Siu (from 26 November 2021)	Consultant	→ Member of the Board of Directors of Goodyear Tire & Rubber Company → Member of the Board of Directors of Vallourec S.A.
Dr Jörg Rockenhäuser	Partner and Head of DACH at Permira	→ Member of the Advisory Board of Best Secret GmbH (formerly: Schustermann & Borenstein GmbH) → Chairman of the Advisory Board of neuraxpharm Arzneimittel GmbH (since December 2020) → Member of the Advisory Board of Engel & Völkers Holding GmbH (since October 2021)
Axel Salzmann	Member of the Management Board and Chief Financial Officer at Hensoldt AG	→ None

25. Events after the reporting date

With the exception of the share buyback programme mentioned below, there were no other significant events after the reporting date that had a material effect on TeamViewer's results of operations, financial position or net assets.

On 2 February 2022, the Management Board of TeamViewer AG approved a share buyback programme with a volume of up to EUR 300 million, or a cap of 20,000,000 shares, corresponding to just under 10 % of all shares outstanding. The buyback is in accordance with the authorisation granted at the Extraordinary General Meeting on 3 September 2019.

The share buyback programme began on 3 February 2022 and is expected to be completed within the 2022 fiscal year. Most of the repurchased shares are expected to be cancelled, reducing the Company's share capital accordingly. The remaining shares will initially be held by the Company for later use for all purposes permitted under stock corporation law.

26. Contractual obligations and contingent liabilities

Other financial obligations

TeamViewer has other financial obligations in connection with sponsorship agreements. The remaining terms of these contracts are as follows:

Contractual obligations arising from sponsorship agreements

In thousands of euro	31 December 2021	31 December 2020
Due within one year	71,524	850
Due in 1 to 5 years	287,980	450
Due in more than five years	–	–
Total	**359,504**	**1,300**

During the fiscal year, TeamViewer entered into major sponsorship agreements with Manchester United plc. ("Manchester United") and the Mercedes-AMG Petronas Formula 1 and Mercedes-EQ Formula E Teams.

Contractual obligations and contingent liabilities from other contracts

In thousands of euro	31 December 2021	31 December 2020
Due within one year	21,489	8,470
Due in 1 to 5 years	25,942	6,554
Due in more than five years	–	–
Total contractual obligations and contingent liabilities	**47,431**	**15,024**

The other contractual obligations and contingent liabilities consist primarily of leasing costs for IT infrastructure.

27. Earnings per share

For the purpose of calculating basic earnings per share, net income/loss attributable to the parent company's ordinary shares is divided by the weighted average number of ordinary shares outstanding during the year.

Earnings per share (basic)

In thousands of euro	2021	2020
Profit/(loss) for the year	50,051,429	103,027,087
Shares outstanding as at 31 December	201,070,931	201,070,931
Effect of clawback of Ubimax share-based compensation	(940,854)	(1,070,931)
Weighted average number of shares outstanding	200,130,077	200,000,000
Earnings per share (profit/(loss)/number of shares)	**0.25**	**0.52**

In determining basic earnings per share, 1,070,931 ordinary shares issued by TeamViewer to the seller in connection with the acquisition of Ubimax GmbH are excluded as long as they are subject to potential clawback for lack of vesting. These new shares are subject to a clawback in the event that they are not vested under the "Ubimax" share-based compensation because the founders do not perform the required work. They are pledged to TeamViewer AG and are subject to a vesting period of three years. They are scheduled to be released in three annual tranches and will be released as soon as they are earned as part of the share-based compensation. The latter applied to 356,977 of the 1,070,931 new ordinary shares in fiscal year 2021. These were vested as the first tranche under share-based compensation on 21 August 2021 and consequently released. For additional information on the share-based compensation transaction "Ubimax", see Note 4 (b) Acquisitions in 2020 and 7 Personnel expenses.

For the purpose of calculating diluted earnings per share, net income/loss attributable to ordinary equity holders of TeamViewer AG is divided by the weighted average number of ordinary shares outstanding, plus the weighted average number of ordinary shares that would result from the conversion of all potentially dilutive ordinary shares into ordinary shares.

Earnings per share (diluted)

In thousands of euro	2021	2020
Profit/(loss) for the year	50,051,429	103,027,087
Weighted average number of shares outstanding	200,130,077	200,000,000
Dilutive effect of Ubimax share-based compensation	481,209	63,861
Weighted average number of shares outstanding adjusted for dilutive effect	200,611,286	200,063,861
Earnings per share (Net income/(loss)/number of shares)	**0.25**	**0.51**

For the calculation of diluted earnings per share, the weighted average number of shares outstanding is increased by the number of potentially dilutive shares from the Ubimax share-based compensation. The number of potentially dilutive shares is determined as the difference between the following two figures:

- (a) the weighted average number of ordinary shares issued but not yet vested under the Ubimax share-based compensation plan
- (b) the number of ordinary shares that would have been issued at their average market price during the period

To determine the latter figure, it is assumed that an amount equal to the future expense still to be incurred from the share-based compensation transaction is used to repurchase the issued ordinary shares at their average market price during the period (referred to as "the treasury stock method").

No other transactions involving ordinary shares or potential ordinary shares have taken place in the period between the reporting date and the release date for publication of the consolidated financial statements.

28. Auditor's fees

The fees for the services of the Group's auditor, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, totalled EUR 824 thousand in fiscal year 2021 and include audit services in the amount of EUR 799 thousand and other consulting services related to sustainability reporting in the amount of EUR 25 thousand. In addition to the audit of the consolidated financial statements and the annual financial statements of TeamViewer AG, the audit services also include the statutory and voluntary audits of subsidiaries and audit reviews of interim financial statements.

29. Declaration of Conformity with the German Corporate Governance Code

In December 2021, the Management Board and Supervisory Board of TeamViewer AG issued the declaration of conformity required by § 161 of the German Stock Corporation Act (Aktiengesetz, AktG) and made it available on the Company's website at ↗Entsprechenserklaerung_Dec_2021_EN.pdf (teamviewer.com)

06 Release date for publication

The consolidated financial statements were released for publication on 11 March 2022.

11 March 2022

The Management Board

Oliver Steil Stefan Gaiser

NON-FINANCIAL REPORT


D.

“With our c-a-r-e sustainability programme, accompanied by extensive investments, we are taking sustainability at TeamViewer to the next level and underlining the importance we give to CO_2 reduction, climate neutrality, diversity issues and access to modern technologies for society as a whole."

(Oliver Steil, CEO TeamViewer)

At TeamViewer, sustainability is integrated into our business model and corporate culture. In numbers, this translates into:

»AA«

rating (on a scale of AAA–CCC) awarded to TeamViewer AG in 2021 by MSCI ESG Ratings.

Further information

37 megatonnes

of CO_2e savings per year through the use of our products.

Further information

♀ 38%

women among newly hired employees in 2021.

70+

nationalities among our employees. We live, breathe and promote diversity.

Further information

7 Women's Empowerment Principles

adapted as an extension of our UN Global Compact commitment, with a strong focus on advancing women in business.

Climate neutrality no later than

2025

in addition to achieving the SBTI commitment of 1.5°C.

Further information

01 Fundamentals of the Non-Financial Report

The aim of the Non-Financial Report is the transparent communication of material information and relevant non-financial aspects | Focus on environmental issues, employee matters, diversity, social issues, anti-corruption and anti-bribery and respect for human rights

Through its Non-Financial Report pursuant to §§ 289b–289e, 315b and c of the German Commercial Code (Handelsgesetzbuch – HGB), and in accordance with the requirements of the CSR Directive Implementation Act (CSR-RUG), TeamViewer AG provides information for the 2021 fiscal year on environmental aspects, employee concerns, social matters, corruption and bribery mitigation, and respect for human rights. If further relevant non-financial aspects can be derived from the Company's economic performance, they are also listed in accordance with § 289c (2) HGB.

The reporting principles specified by GRI for determining reporting content and quality have been taken into account. Some sections also include data from the previous year to show readers changes over time when this is useful for clarity and comparability. An overview of the GRI references can be found in the chapter Further information of this report.

The aim of the Non-Financial Report is to meet the relevant needs and requirements of our stakeholders, including our shareholders, customers, partners, employees, suppliers, investors, rating agencies, vulnerable groups, local communities, non-governmental organisations and other civil organisations, and ensure the material information and relevant non-financial aspects are communicated with integrity.

The issues of security and data privacy and the sub aspects of infrastructure and product security are of material importance for TeamViewer and have been included in the Management report in a separate section. Non-financial performance indicators as defined by § 289 (3) (HGB) related to employees and the environment are listed in the management report and discussed in more detail in the Non-Financial Report.

This Non-Financial Report provides information on the non-financial topics in the 2021 fiscal year and has been reviewed and approved by the Supervisory Board of TeamViewer AG pursuant to § 171 (1) AktG. Alexander Gührer, in his role as Head of Sustainability, serves as the contact person for all sustainability and ESG topics.

This Non-Financial Report represents the integrity with which we communicate material and relevant non-financial aspects to our stakeholders

02 Sustainability in the business model

TeamViewer's digital connectivity platform makes valuable contributions to a more sustainable world | Signature of UN Women Empowerment Principles | Positive ratings from ESG rating agencies upgraded or reaffirmed

Sustainability strategy

TeamViewer is the global platform for digitally connecting people and devices. The Company makes a valuable contribution to a more sustainable world through its core business, including the following products and services:

- TeamViewer connects people who help others with private applications worldwide – millions of times, every day and free of charge
- TeamViewer helps businesses and their workforces employ flexible work models to achieve a better work-life balance
- TeamViewer enables users to reduce climate-damaging greenhouse gas emissions by eliminating their need to travel

A detailed description of the business model can be found in the Management report.

Our values – customer focus, trust, security, passion, simplicity, and diversity – as well as environmental and climate protection and respect for human rights, are the foundation for our actions along the entire value chain. We complement these values by practicing good corporate governance and a high level of social responsibility.

TeamViewer solutions make it possible for millions of corporate and private customers to maintain their productivity, regardless of physical distance, while simultaneously decreasing their need for travel and reducing costs and greenhouse gas emissions.

The confidence of our customers in the security of their personal data and critical information, as well as in the reliability and availability of our products and services, are the basis of our sustainable growth. We see it as our greatest responsibility to ensure this at all times. We describe how we fulfil this responsibility currently and how we intend to in the future in the Security and data protection chapter.

As a signatory of the UN Global Compact, TeamViewer supports the ten principles of the UN Global Compact and the United Nations Sustainable Development Goals (SDGs). The SDGs are a central conceptual framework for our materiality analysis as well as for the definition of our sustainability goals and strategy. SDGs 4 (Quality Education), 5 (Gender Equality), 8 (Decent Work and Economic Growth), 9 (Industry, Innovation and Infrastructure), 10 (Reduced Inequalities), 12 (Responsible Consumption and Production), 13 (Climate Action), and 17 (Partnerships for the Goals) take on a special role. In the 2021 fiscal year, TeamViewer added to its sustainability framework by pledging its commitment to the UN Women's Empowerment Principles.

Materiality analysis

In the 2020 fiscal year, TeamViewer conducted a multi-level materiality analysis which identified the relevant and material non-financial topics for the Company. In the 2021 fiscal year, TeamViewer reviewed this analysis and concluded that there was no change necessary to the material non-financial topics previously identified.

To determine the potentially relevant topics in its 2020 analysis, TeamViewer carried out an evaluation of internal documents, three major non-financial ratings, competitors, industry benchmarks and resources, regulatory topics, and ESG and other reporting guidelines (in particular GRI, SASB, SDGs). By including stakeholder-oriented standards, the materiality analysis considered the demands of various stakeholders. A total of 70 relevant topics were derived from this external approach, which was later expanded in an internal expert workshop to include internal aspects. This involved a qualitative assessment of whether and to what extent TeamViewer's business activities have an impact on the economy, the environment, employees, and society.

To validate the outcome of the analysis, the results were quantified and qualified on a scale of 0–20 by an extended group of experts from the departments of Communications, Compliance, Corporate Operations, Corporate Development, CSR, Finance, Human Resources, Investor Relations, Legal, Marketing and Public Relations. The rankings were essentially reaffirmed with no significant changes.

Fields of action

The above process identified 21 issues of relevance for the Company, which were assigned to six fields of action (see diagram).

The issues are assessed as relevant when they are of high or very high importance to stakeholders or have a high or very high impact on the relevant protected assets. Nine issues that rank above this assessment are considered material issues for TeamViewer AG.

Material non-financial aspects for TeamViewer AG

The following non-financial aspects were identified as material with respect to at least one of the two perspectives (outside-in/inside-out):

- Data protection & information security
  "Security and data protection" in the Combined Management Report
- Reliability and availability of services
  "Security and data protection" in the Combined Management Report
- Good corporate governance
  "Corporate governance statement" in the Combined Management Report
- Impact of products on environmental protection
  "Environmental and climate protection" in the Non-Financial Report
- Attractiveness as an employer
  "Employees" in the Non-Financial Report
- Climate protection
  "Environmental and climate protection" in the Non-Financial Report
- Social responsibility
  "Social responsibility" in the Non-Financial Report
- Diversity and anti-discrimination
  "Employees" in the Non-Financial Report
- Accessibility of products
  "Environmental and climate protection" in the Non-Financial Report

Material non-financial aspects for TeamViewer AG

The materiality matrix shows the positioning of the non-financial topics that are material for the Company. At least one of the two perspectives (outside-in/inside-out) is assigned a material categorisation in terms of materiality.

This materiality analysis serves as the basis for allocating resources, such as time, effort and budgeting, so that we can continue to evolve and progress in the future. This, in turn, shapes our sustainability strategy and reporting. To enhance transparency, this Non-Financial Report has included additional chapters Transparency and collaboration, Health and well-being, and Energy management, waste management and water management containing topics that reach beyond those defined as "material" by the materiality analysis.

TeamViewer reports on nine material non-financial topics in both the Non-Financial Report and the management report

Sustainability targets

The 2030 Agenda for Sustainable Development, adopted by all United Nations member states in 2015, is an action plan for people, planet and prosperity. TeamViewer is committed to the Sustainable Development Goals (SDGs) and recognises the importance of all 17 goals. TeamViewer believes that the potential for technological innovation is fundamental to leading our society to a more sustainable way of working and living.

To optimally deploy its energies and resources, TeamViewer concentrates on the eight focus SDGs where it believes it can make a substantial contribution to achieving the targets.

Based on this commitment, TeamViewer is working on a sustainability programme with specific measures, targets and a mandatory timeframe. The following are some of the key sustainability goals of this programme:

- Achieve climate neutrality no later than 2025
- Provide better access to technology and education
- Support customers in achieving their climate protection goals using our technology
- Promote presence of women in executive positions

Most important Sustainable Development Goals for TeamViewer

Sustainability ratings

TeamViewer considers the ESG ratings and the annual feedback process as part of its review and revision of the rating results as invaluable resources for evaluating its own efforts. As part of this process, the reports are critically evaluated, and improvement measures are defined.

Our goal is to continuously improve our sustainability positioning and positively influence our ESG ratings.

In 2021, TeamViewer received ratings from the following ESG rating agencies for its performance in the areas of environment, social and governance (ESG):

Sustainalytics [1]

In June 2021, TeamViewer AG received an ESG risk rating of 12.8 (2020: 15.6). Sustainalytics rated the risk for material financial impact of ESG factors as "low risk". TeamViewer AG received the award "ESG Industry Top Rated" for the current rating period.

MSCI [2]

In 2021, TeamViewer AG received an MSCI ESG rating of "AA" (on a scale of AAA-CCC) for the second consecutive year.

ISS ESG

In 2021, TeamViewers' "Prime" ESG Corporate Rating status was reaffirmed by ISS.

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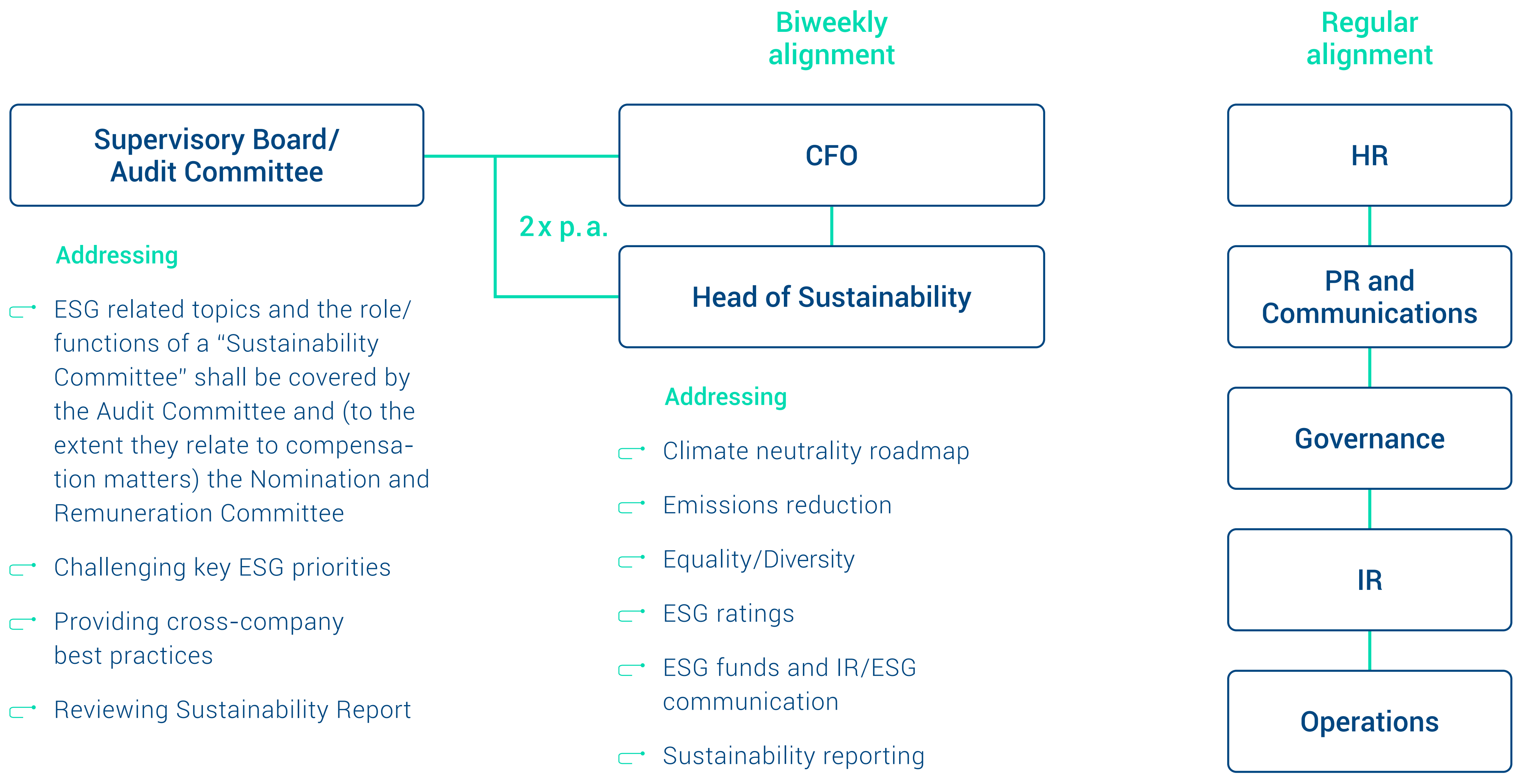
Sustainability management

At TeamViewer, corporate responsibility and the related challenges in all areas of sustainability – particularly climate protection and equal opportunity – are of central importance. The deep anchoring of these topics in TeamViewer's sustainability management has been made permanent through targeted initiatives, which include introducing the c-a-r-e sustainability programme, bringing forward the target horizon for climate neutrality (2025 instead of 2030), appointing a Supervisory Board member responsible for sustainability, and joining the UN Women Empowerment Principles (UN WEPs) programme.

The Sustainability Department reports directly to TeamViewer's Management Board and Chief Financial Officer. The appointment of a Supervisory Board and Audit Committee member responsible for sustainability establishes a direct reporting line to the two highest governing bodies and further underpins the priority given to sustainability. Reporting to the Management Board and the Supervisory Board on the progress and planning surrounding the key sustainability issues is conducted regularly and ensures that sustainability priorities can be promptly addressed. The Sustainability Department acts as an interface and coordinates the non-financial topics; submits analyses, decision papers and recommendations; facilitates strategic and operational development and ensures sustainability reporting in cross-functional dialogue. It is also the point of contact for ESG rating agencies.

ESG governance facilitates profound decision-making accompanied by the Audit Committee acting as a sustainability committee



To manage sustainability topics in strategic terms, topics were discussed on two occasions at Senior Leadership Team meetings in 2021 and concrete measures were decided. In this process, the Senior Leadership Team assumes the role of a sustainability steering board.

As the climate crisis has continued to progress and environmental and climate issues have been incorporated into the Company's opportunity and risk management, the topic of climate protection has gained considerable importance for TeamViewer AG. Reflecting this has been the Company's decision to calculate its corporate and product-related CO_2e footprint since fiscal year 2019.

Our collection, validation, and analysis of the relevant data enabled us to derive CO_2e emissions reduction targets and accurately quantify the emissions avoided through the use of our products. TeamViewer is firmly committed to making its operations climate-neutral (see Environment and climate protection).

c-a-r-e delivers a clear sustainability focus, commitments and immediate measures

"c-a-r-e" sustainability programme

TeamViewer launched its own sustainability programme in 2021 entitled "c-a-r-e". This programme was created to communicate sustainability priorities in a targeted, easy-to-understand and ongoing manner and is linked to clear commitments, targets and measures.

The name c-a-r-e is the acronym of the terms

- **C**limate Neutrality
- **A**ccess to Technology
- **R**educed Emissions
- **E**quality

c-a-r-e combines our mission of "Creating a world that works better", with our sustainable business model, products and corporate culture, which are also characterised by a sense of responsibility combined with sustainable thoughts and actions.

With the publication of this program, we communicated the following concrete sustainability measures and targets:

Focus	Key commitments
Climate Neutrality Fight the climate crisis by the goal of limiting global warming.	Achieve **climate neutrality no later than 2025** Support the **SBTI 1.5 °C ambition**
Access to Technology Empower people to help others through the use of technology: anywhere & anytime.	**Leverage the free usage** of our solutions for private and socially beneficial use **Increase access to education** and technology
Reduced Emissions Enable users to avoid emissions and thus reduce their CO2 footprint.	Enable customers to **avoid emissions** Deliver **climate-neutral products** sourced 100 % by green energy
Equality Foster a diverse working environment free of discrimination.	**Increase participation of women in management** across all levels Celebrate cultural diversity with a **zero-tolerance discrimination policy**

Sustainability opportunities and risks

TeamViewer's assessment of sustainability opportunities and risks is derived from the Company-wide Opportunity and risk management system and the Materiality analysis of non-financial topics.

The Opportunities and Risk Report contained in the combined management report lists only material financial risks, and is therefore supplemented by this Non-Financial Report, which uses the same method to assess all of the material non-financial issues.

Risk assessment matrix

Probability of occurence		Impact				
Description	Scale	1 Marginal	2 Minor	3 Moderate	4 Significant	5 Major
Certain	5	Medium	High	High	Major	Major
Probable	4	Medium	Medium	High	High	Major
Likely	3	Low	Medium	Medium	High	High
Possible	2	Low	Low	Medium	Medium	High
Unlikely	1	Low	Low	Low	Medium	Medium

EU taxonomy

In light of the progressing climate crisis, the European Union (EU) has made a commitment to improving climate protection. The EU taxonomy pursues the goal of channelling investment flows into environmentally sustainable economic activities by providing an EU-wide classification system for sustainable economic activity. Until now, final delegated acts have been issued for two of the total of six environmental objectives (climate change mitigation and climate change adaptation). Under the Taxonomy Regulation business activities and investments are defined as sustainable when they meet the following criteria:

- (1) They make a substantial contribution to the achievement of the objective, demonstrated by compliance with certain criteria (Technical Screening Criteria).
- (2) They do not significantly harm (DNSH) the achievement of the four other EU environmental objectives specified in subordinate delegated acts.
- (3) They comply with minimum safeguards for occupational safety and human rights.

Revenue, capital expenditure (capex) and operating expenses (opex) associated with economic activities defined as sustainable under the Taxonomy Regulation should also be identified and published.

For fiscal year 2021, only the proportion of taxonomy-eligible activities ("eligibility") were initially required to be reported, with the reporting on the proportion of taxonomy-compliant activities ("alignment") starting only in the 2022 fiscal year. In the 2021 fiscal year, as part of a CFO-sponsored project, TeamViewer set up a working group to identify the relevant activities and define the key performance indicators. The group's members were initially trained by an external team of experts. The Sustainability, Controlling, Accounting, Reporting, Operations and R&D departments have also been involved.

The project that emerged was divided into the following steps:

1. Training to understand the context of EU taxonomy
2. Impact analysis/analysis of business activities
3. Data collection and derivation of the relevant key figures
4. Documentation and reporting

In determining the potential key activities (Step 2) based on TeamViewer's products and services, the following business activities were identified as EU taxonomy-eligible ("eligible"):

- Annex 1, No. 8.1 (Data processing, hosting and related activities)
- Annex 1, No. 8.2 (Data-based solutions to reduce greenhouse gas emissions)

In addition to these two business activities, the working group also considered business activities related to construction, real estate, energy, and transportation as relevant, but concluded that none of the activities should be recognised in fiscal year 2021 due to insignificant values.

Justification for Annex 1, 8.1:
TeamViewer solutions connect digital devices of all kinds – anytime and from anywhere. These connections are used to access, control, manage, or repair the devices remotely. The "storage, manipulation, management, movement, control, display, switching, exchange, transmission or reception of a variety of data via data centres", as stated in the description of the activity data processing, hosting and related activities prescribed by the EU Taxonomy Regulation is thereby provided for. TeamViewer itself does not operate any significant data centres of its own, but exerts direct influence on the operators. This is reflected in the recognition of the taxonomy-relevant capex and opex.

Justification for Annex 1, 8.2:
TeamViewer's mission is to create a world that works better. When the Company was founded in 2005, increasing the efficiency of the (primarily) IT support process was already inextricably linked to a reduction in travel and the resulting greenhouse gas emissions. Expanding the solutions portfolio to encompass collaboration as well as applications in areas of augmented reality (AR) and the Internet of Things (IoT) validated this relationship under the description of EU Taxonomy activity. From our product portfolio, we consider those solutions to be taxonomy-eligible that contribute to reducing greenhouse gas emissions as defined in Activity 8.2. It should be noted that individual, customer-specific use cases can be excluded.

Based on this assessment, TeamViewer reports on the estimated capex, opex and revenue that were determined after analysing all taxonomy-relevant business activities.

As the two activities presented are inextricably linked in the TeamViewer business model, the key figures collected are presented together.

85%

Revenue (EUR 426 million/EUR 501 million)

The Group's revenue according to IFRS in the amount of EUR 501.1 million, as reported in the consolidated financial statements, serve as a basis. The taxonomy-eligible revenue was determined on the basis of an assumed ratio of 85%. TeamViewer develops and sells software for remote maintenance, augmented reality, and the Internet of Things to increase process efficiency for our customers and, above all, help to avoid travel and thereby greenhouse gas emissions. Nevertheless, TeamViewer is not aware of every use case in which customers use our software, and not all known use cases lead to the avoidance of travel and emissions. The precise amount of revenue attributed to these use cases cannot be expressly determined. This is the reason for the calculated discount of 15%.

85%

Capex (EUR 41.0 million/EUR 48.3 million)

The consolidated financial statements in accordance with IFRS are used as the basis for determining taxonomy-eligible capital expenditures (capex). Capex that can be recognised as per the definition of the Taxonomy Regulation are essentially investments in software, assets in buildings, IT equipment and customer relationships. Capex is recognised with the same 15% discount as revenue.

79%

Opex (EUR 31.7 million/EUR 39.1 million)

The consolidated financial statements in accordance with IFRS are also used as the basis for determining taxonomy-eligible operating expenses (opex). Total opex consists mainly of expenses for research & development (R&D), licenses, rent and maintenance. Only 85% of R&D expenses are considered taxonomy-eligible and therefore recognised. Opex is recognised with the same 15% discount as revenue, as not all of our product portfolio can be classified as taxonomy-eligible. Since operating costs are not directly incurred and cannot be determined in connection with individual products, we use the distribution conclusions determined for revenue as the basis for data collection.

03 Governance and integrity

Good corporate governance

At TeamViewer, we believe it is our responsibility to maintain the trust of our shareholders, customers and employees in line with our high standards of corporate governance and responsibility. This trust is an essential prerequisite for our entrepreneurial actions and helps us to measure our success. Further details on this topic can be found in the Corporate governance statement chapter of the combined management report.

Respect for human rights

As a responsible global enterprise, TeamViewer is committed to ensuring that human rights are not violated in its own operations, throughout its value chain, or by its products. TeamViewer respects the international standards for protecting human rights and is committed to observing these standards within its scope of influence. The provisions to this effect are set out in our Code of Conduct and Supplier and Business Partner Code of Conduct, which must be recognised by all suppliers and other business partners. They are also encouraged to analyse and access their own conduct, and TeamViewer reserves the right to conduct its own random checks. In the past fiscal year, there were no anomalies that required taking action.

TeamViewer is committed to complying with international standards for protecting human rights at its own operations as well as throughout the entire value chain.

To fully meet its commitments, TeamViewer adheres to the human rights standards highlighted in the United Nations Universal Declaration of Human Rights (UDHR), the European Convention for the Protection of Human Rights and Fundamental Freedoms, and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. As a signatory to the United Nations Global Compact, TeamViewer reaffirms its commitment to integrating the ten principles into its own business operations, particularly the first two principles concerning human rights standards.

TeamViewer's Code of Conduct formalises these beliefs and commitments and applies them internally, globally, and to all entities and employees. The Code reflects the existing guidelines ensuring a basic standard of business conduct, which is intended to prevent potential human rights violations. TeamViewer has several functions tasked with performing ongoing reviews of human rights due diligence processes. This helps to identify and if possible, prevent human rights violations in the Company, facilitate the reporting of risks and actual violations, terminate potentially negative human rights impacts of business activities and provide reparations where appropriate.

TeamViewer employees receive periodic training at least once each year on human rights policies and procedures. A whistleblower system is in place to allow for the anonymous reporting of potential human rights violations, among other things.

In the 2021 fiscal year, as in the prior year, there were no significant incidents of human rights violations reported at TeamViewer.

Combating corruption and bribery

TeamViewer is committed to complying with the applicable laws and guidelines when conducting its business activities. The Company has adopted mandatory internal guidelines in an effort to combat any forms of corruption and bribery.

Ethical and transparent conduct in business and between employees, suppliers and business partners is an absolute must. Alongside compliance with statutory anti-corruption provisions, this also includes fairness in business, marketing and competition. The principles, processes and reporting channels are set out in the Code of Conduct, the Anti-Bribery and Corruption Policy, the Supplier and Business Partner Code of Conduct, and the Anti-trust and Fair Competition Policy. All employees receive routine training at least once annually (approximately two hours). Performing due diligence on our suppliers and partners is also intended to ensure regulatory compliance.

To ensure compliance with the principles of the Anti-Bribery and Corruption Policy, the heads of the Compliance department carry out a review as part of their regular reporting activities. Observations and violations can also be reported anonymously via the whistleblower system.

In the 2021 fiscal year, as in the prior year, TeamViewer was not aware of any identified or reported material cases of violations of the provision of the Anti-corruption and Bribery Policy.

Transparency and collaboration

TeamViewer firmly believes that behind every successful business lies the transparent communication and open cooperation with the relevant organisations and authorities. TeamViewer aims to maintain the highest possible level of transparency and disclosure possible consistently in all aspects of its business activities, while continuing to comply with the regulatory requirements. Information security and privacy are of particular importance in this context (see Security and data protection). Communication with external stakeholders, such as ESG rating agencies, will also continue in an open and transparent manner.

Tax transparency

Tax payments are an important part of TeamViewer's economic and social contribution to society. In the 2021 fiscal year, the TeamViewer Group paid a total of EUR 43.5 million in income taxes. Fair and equitable tax systems play an essential role for TeamViewer in every country the Company operates. TeamViewer takes a transparent and responsible approach to all tax matters and ensures this by paying its fair share of taxes and cooperating with local tax authorities worldwide in a spirit of trust.

TeamViewer is in support of a goal of a global tax system that promotes stability and fair taxes for all the countries and companies involved. TeamViewer monitors tax developments, particularly at OECD level, and aligns its tax strategy accordingly.

Tax strategy

The Company's tax strategy encompasses the following:

- Complying with applicable tax laws
- Establishing an organisational structure for adequate tax management appropriate to the Company's size
- Applying effective tax risk and compliance management
- Acting as a responsible taxpayer

The tax strategy is in line with TeamViewer's business and sustainability strategy. The payment of its "fair share" of taxes has an indirect influence on the achievement of sustainability goals in the respective countries, and TeamViewer rejects tax practices that contradict these goals. This approach incorporates the following practices:

Avoiding aggressive tax planning
TeamViewer applies the current tax regulations based on their prevailing interpretation. This also applies to the avoidance of double taxation through corresponding intergovernmental agreements.

The tax practices applied by TeamViewer, as well as transactions with and between Group companies, are disclosed to the respective tax authorities in the context of tax returns and other notification requirements. The Company also ensures that the pricing of intercompany activities is in line with the OECD arm's length principle and local transfer pricing rules to ensure it pays the appropriate taxes on profits in the countries involved. TeamViewer does not practice aggressive tax planning, such as creating entities without an underlying business purpose or substantial economic substance.

No involvement in tax havens
TeamViewer does not relocate business activities to tax havens in order to avoid taxes that would be incurred elsewhere. The term "tax haven" refers to those jurisdictions contained in the "EU-list of non-cooperative jurisdictions for tax purposes".

Tax governance, tax compliance and tax risk management

Tax governance
TeamViewer's tax activities are the responsibility of the finance function, which reports to the Chief Financial Officer. The tax function monitors the compliance with the overall tax strategy, ensures alignment on tax issues across the Group, and coordinates local tax requirements within the Group. The remuneration of the employees working in the tax function is in no way linked to the Company's tax rate.

Tax compliance
TeamViewer operates in over 180 countries worldwide. In addition to paying taxes on its own income, TeamViewer also withholds sales taxes or other withholding taxes on customer and supplier payments. Tax payments therefore represent a significant portion of the Company's contribution to society. The tax department provides guidance to the entire Group on how to comply with local tax regulations.

The Company's employees also have access to Group-wide mechanisms, such as a whistleblowing system, to report existing unethical or unlawful behaviour and activities with tax relevance.

Tax risk management
Tax risk management is integrated into the overall Group-wide risk management (see also page 51). The internal tax department identifies, assesses, monitors and manages potential tax risks. The tax department exchanges regularly with the Head of Finance regarding tax risks, and external tax experts are consulted in the event of uncertainties.

Stakeholder dialogue and advocacy

TeamViewer believes that responsible tax compliance also benefits economic and social development. TeamViewer supports efforts to sustain a better and more equitable tax system domestically and internationally to balance the different interests of society, politics and the economy. The Company underscores this belief by working cooperatively with the responsible tax authorities.

The Group's responsible persons are not currently members of any tax interest groups or have any related political exchanges.

04 Employees

477 newly hired employees – thereof 38 % women | Average length of service increased | Commitment to diversity and anti-discrimination strengthened by the introduction of Diversity, Inclusion and Non-Discrimination Policy | Proportion of women in executive positions increased by 1 % to 30 % | Equality of compensation between women and men deviates by less than 1 % | 34 % proportion of women | Cultural diversity reflected by a workforce consisting of almost 80 different nationalities

Human resources management and corporate culture

A key element in meeting our corporate objectives is the contribution made by our employees. In a time of general skills shortages and the continuing "great resignation," especially in the Western world, our future success is based more than ever on recruiting, training and, above all, retaining highly qualified and motivated employees.

Despite the difficult circumstances currently facing companies due to the COVID-19 pandemic, we continue to be seen as an attractive employer and retain valuable employees as a result of our values – trust, passion, customer focus, safety, simplicity and diversity – and the strong team cohesion in the workplace, which makes a major contribution to the Company's success.

In such a rapidly changing and volatile environment, our value-based corporate culture is an essential basis for our sustainable growth. This is one reason why anchoring our values within our work environment and shaping a sustainable, value-based corporate culture remains a high priority.

77%

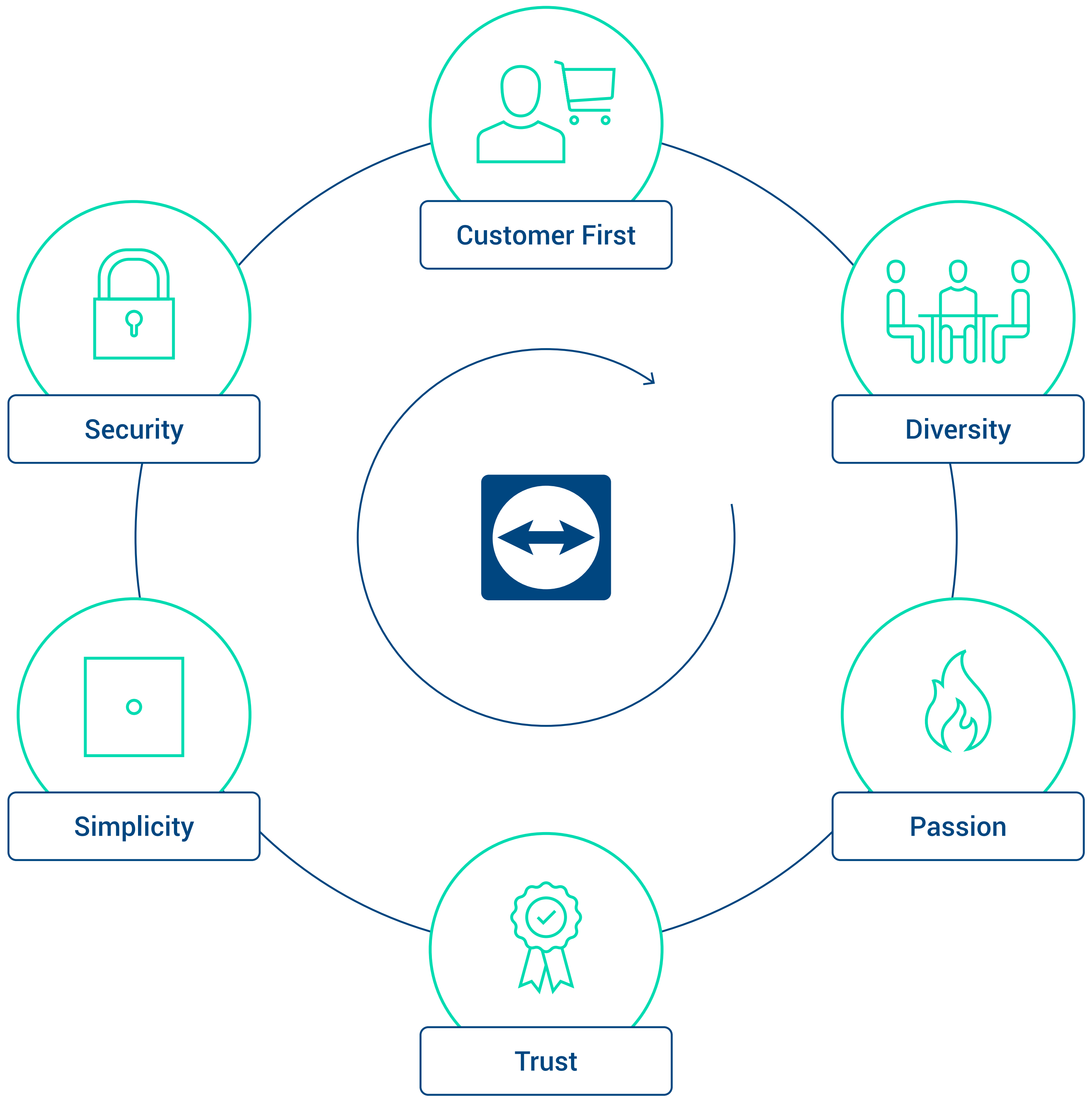
of our employees are proud to be a part of TeamViewer

We strive to create a work environment characterised by openness and honesty that enables employees to thrive with the agility and reach required in a digital work environment. This commitment is also reflected in our work practices and the daily exchange employees can have with our management team and leaders across the Company.

These statements were confirmed by our annual employee survey. The survey also confirmed our HR management approach and how we drive employee development by targeting the issues that reflect the Company's priorities and strategies and bring about meaningful improvements to our corporate culture. In this year's survey, 77 % of our employees were proud to be a part of this culture and TeamViewer.

In 2021, the responsibility for our HR management transferred from the Senior Vice President HR (reporting line to our CFO) to the Chief of Staff and Strategy (Executive Vice President), who reports directly to the CEO.

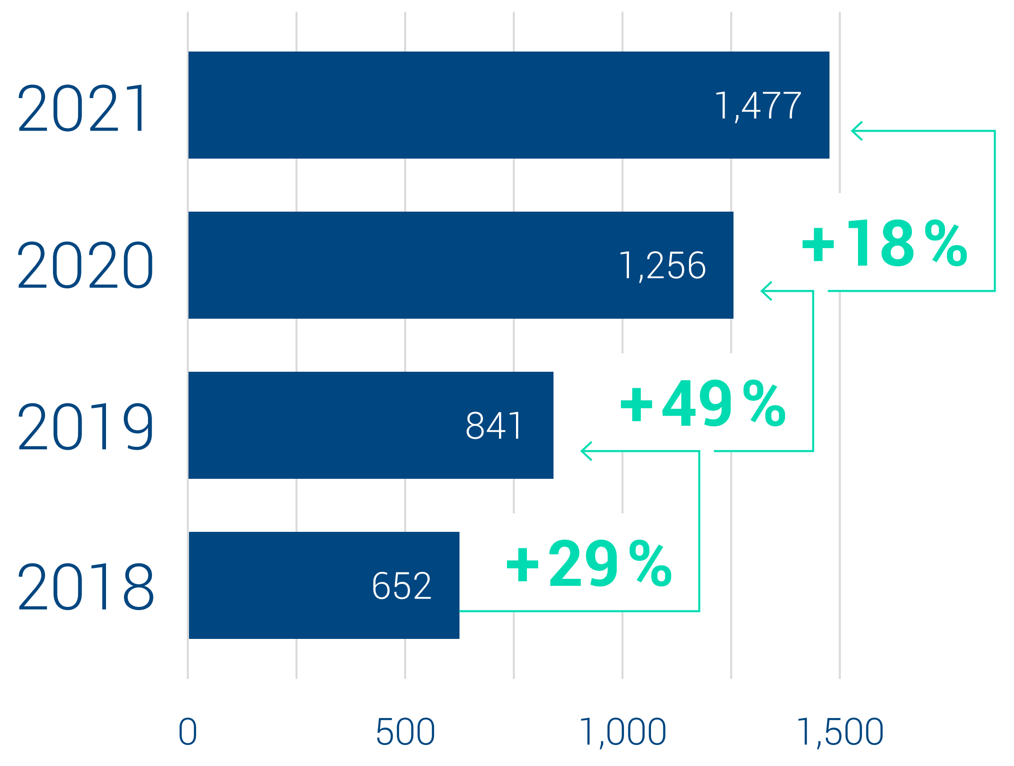
TeamViewer's Company Values



Recruitment of employees

As in the previous year, TeamViewer was successful in recruiting new employees in 2021. The somewhat weaker business growth meant a reduction in our recruiting activities, especially in the last quarter of the 2021 fiscal year, but still resulted in a total of 477 new hires, consisting of people from nearly 60 different nationalities. Of these new hires, 179 positions, or 38 %, of the positions, were filled by women, illustrating our focus on diversity.

Employees



Figures in full-time equivalents (FTEs)
as at 31 December 2021

In 2021

477

new employees were hired

The COVID-19 pandemic prompted us to change our hiring and onboarding approach for employees. Our experience as a leading player in the digital arena was a key success factor in meeting this challenge.

Although we were unable to attend a variety of recruiting events hosted by various universities, community groups and trade shows, as well as other events, this did not have any adverse effect on our global recruitment of top talent in any functional areas.

We hired a total of 477 employees in the reporting period and increased our total workforce by a net number of 187 employees.

Our recruiting activities in the 2021 fiscal year were concentrated in the sales areas, which added 267 new hires for a net increase of 180 employees, or 42 %.

Employee retention

Now more than ever, employee retention is a significant factor in the successful implementation of our growth plans. To strengthen our employee retention, we offer competitive compensation packages and other employee benefits such as flexible work schedule arrangements, alongside a positive, dynamic working environment featuring a number of personal growth and development opportunities.

We recognise that in a highly competitive industry such as ours, it is important that we offer fair and commensurate compensation and benefits packages. Our related programmes aim to attract and retain the best employees by offering both global and local options. Each employee is eligible to receive a Company bonus based on business and financial targets. A separate bonus system applies to employees in the sales areas.

Women constitute

38%

of newly recruited employees

The COVID-19 pandemic has demonstrated the ability of our employees to work effectively and successfully together despite the prolonged social distancing restrictions. Although many employees have greatly appreciated the location flexibility during this past period, we still see at our locations how valuable face-to-face collaboration is, especially after longer periods of working from home. In order to be able to combine the best of both worlds at TeamViewer on a more permanent basis, we offered our employees a hybrid working model again this year. Our employees can choose to work part-time at their respective locations and part-time from home. Arrangements are flexible and take into account the individual needs of employees but still always keep the requirements of the respective business area in mind.

The COVID-19 pandemic has also shown to an unprecedented degree how independent the delivery of successful work in our industry is from local circumstances. Particularly during the prolonged work-from-home phases, a general trend has been gathering momentum to spend these phases independent of one's place of residence. We intend to meet this desire going forward, irregardless of pandemic restrictions, and give all our employees the opportunity to work outside of Germany for part of the year.

The part-time programme is not only flexible in terms of location but also in term of work schedule. At the end of the 2021 fiscal year, a total of 95 employees were participating in this programme.

The extensive actions we have taken to retain employees were not able to prevent a decrease in retention in line with the industry in fiscal year 2021. From a high level of 91 % in the previous year (+5 % vs. 2019), employee retention declined to 84 % in 2021 (16 % voluntary turnover).

The appeal of TeamViewer's offer of job security, an attractive compensation and benefits package, and flexible, individualised work options was reflected by an increase in the average length of service at TeamViewer in 2021, which was slightly higher than the level in 2020 (2020: 2.9 years; 2021: 3.0 years). We see this as a positive sign of our long-term employees' loyalty, particularly in light of the high number of new hires we had in 2021, which lowered the year's average.

The average length of service at TeamViewer has increased slightly, despite the high number of new hires last year

Diversity and anti-discrimination

The diversity of its workforce at all levels is tremendously important to TeamViewer as a global organisation. We therefore continued to implement measures in fiscal year 2021 to continue expanding the Company's diversity and ensure that the interaction of such a wide variety of people is structured in a non-discriminatory way. We publish demographic information and train our employees on how to conduct recruitment processes that are non-discriminatory and designed to promote diversity. We also published a Company-wide Diversity, Inclusion and Non-Discrimination Policy at the end of 2021 that sets binding guidelines in the area of diversity and inclusion in addition to our Code of Conduct. In addition, TeamViewer is participating in the Target Gender Equality Program of the UN Global Compact and is committed to the Women Empowerment Principles of the United Nations.

Equality between women and men

TeamViewer values the equal treatment of women and men. In fiscal year 2021, we recruited women, when possible, particularly in previously underrepresented areas. We also want to ensure that women are equally involved in the management and decision-making processes in the Company. To strengthen our aims internally and make them visible to the outside world, TeamViewer signed the Women Empowerment Principles (WEPs) of the United Nations in fiscal year 2021. The WEPs serve as a guideline for companies worldwide for promoting gender equality as well as the empowerment of women in the workplace, in markets and beyond to society as a whole. These guidelines are a primary vehicle for implementing the 2030 Agenda as well as the United Nations Sustainable Development Goals for business. To support and drive the implementation of the WEPs, TeamViewer participated in the UN Global Compact's Target Gender Equality Program in fiscal year 2021. Performance analyses, practical workshops, peer-to-peer learning and a network with over 20 other participating companies, together with a multi-stakeholder dialogue at the country level, the programme provided practical support for implementing the WEPs and to sustainably anchor measures to promote gender equality within the Company.

As of 31 December 2021, women accounted for 34 % of our global workforce. Our goal is to further increase this proportion and be a leader among the top companies in our industry.

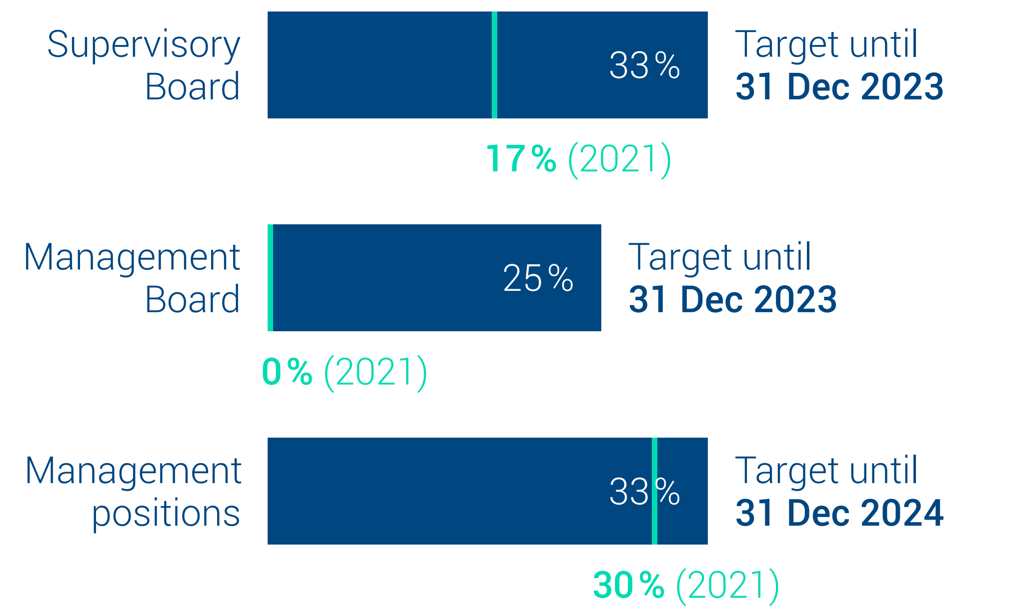
Women accounted for

34 %

of our global workforce

A key indicator that underscores gender equality at TeamViewer is the proportion of women in executive positions. In the Diversity, Inclusion and Non-Discrimination Policy published at the end of the 2021 fiscal year, TeamViewer fine-tuned the ambitious targets set in 2020. By the end of 2023, our plan is to increase the proportion of women to 33 % on the Supervisory Board and to 25 % on the Management Board.

Proportion of women in executive positions



We are also aiming to increase the proportion of women in executive positions overall to 33 % by the end of 2024. In 2021, the proportion of women in executive positions was 30 % (+1 % year-on-year), meeting our subgoal of +1 % per year. Executive positions include team leaders (managers managing employees or teams) as well as middle and senior management (managers managing managers). In addition, we have set a target of at least 33 % for women's participation in our career and leadership development programmes.

Next the women's participation targets, TeamViewer has set gender equality in terms of compensation as the second key indicator used to measure equality within the Company's influence.

TeamViewer applies the principle of equal treatment in all recruiting activities and grants equal compensation to women and men in comparable positions. In addition, TeamViewer is committed to reviewing and achieving gender pay equality each year. As part of our Diversity, Inclusion and Non-Discrimination Policy, we now also commit to concrete action should the salary difference within a comparable group of employees with the same qualifications, professional experience, company affiliation and regional location exceed 3 %.

The analysis of the gender pay gap among comparable groups within the existing workforce (same job title, seniority, tenure, location)[1] was expanded in fiscal year 2021 and revealed that TeamViewer pays its employees equally regardless of gender. With the exception of one case revealing a deviation of more than 3 % (95.2 %), there was no evidence of a gender pay gap. Women received between 95.2 % and 102.4 % of the salary of their male colleagues, resulting in an overall rate of 99.1 % across all employee groups analysed. The overall deviation was thus less than 1 %.

TeamViewer is committed to reducing the gap identified within one year and paying equally, regardless of gender. This analysis is performed each year and undergoes a continuous monitoring and improvement process.

Gender-equal remuneration

<1%

Analysis shows a deviation of less than 1 %

Cultural diversity

TeamViewer employed people from more than 80 different nationalities in the 2021 fiscal year. At our German locations alone, we hired employees from more than 50 nations and facilitated several relocations from abroad to attract talented professionals to TeamViewer.

Employee training and development

We operate in a dynamic and rapidly changing environment. We need to be able to respond quickly and flexibly to internal and, especially, external demands to ensure our short- and long-term growth and continue to meet customers' expectations. Our employees also operate in this environment of continually changing requirements. This makes the permanent training of our employees one of the key success factors enabling them to meet these evolving demands, as well as to recognise and cope with them at an early stage.

The qualification of our managers plays a special role in this context. They are the key players in mastering these diverse challenges. TeamViewer offers three different qualification programmes for managers at different levels on a recurring basis:

Junior managers:
Our programme for junior managers is aimed at employees who have recently taken on a management role or will be promoted to one within a shorter period of time. In 2021, a total of 23 junior managers took part in this multi-day programme. The proportion of women in this group was 35 %.

Experienced leaders:
The programme for experienced leaders offers various full-day modules of in-depth development in all areas of leading and managing in an agile environment. A total of 12 experienced executives participated in this programme in 2021, 33 % of whom were female.

Senior level executives:
Our programme for senior level executives was designed in cooperation with INSEAD Business School. It is a hybrid programme containing several modules and designed to run for a full year. A total of 27 executives participated in this programme in 2021. 33 % of the participants were women.

All of our leadership programmes are interdisciplinary and global in nature to foster networking across departments, disciplines and locations.

Non-managerial employees also have the opportunity to develop and expand their skills for better work efficiency. Employees are encouraged to use up to 6 days each year for professional and personal development. Through our Learning Management System, employees have access to over 1000 different courses and content on a wide range of topics. Employees can also take advantage of additional external training opportunities. Many of the courses are held virtually to ensure that employees worldwide have easy access to flexible training to meet the changing requirements of the ongoing COVID-19 pandemic. Online learning is available live and recorded. Depending on the COVID-19 situation, TeamViewer actively promotes face-to-face events or plans hybrid measures.

In 2022, we will continue to expand our training programmes and seize any opportunities available to bridge the time differences between locations and deliver content even more effectively to various employee groups.

1 Positions labeled "Inside Sales Representative," "Software Developer," and "Customer Support Specialist" with the same tenure, in the same country, and at the same seniority level were analysed, as these are the largest and most important role categories at TeamViewer.

Health and well-being

The past two years have shown how the COVID-19 pandemic and related restrictions can have an adverse impact on different areas of employees' health and well-being. Prolonged lockdown periods lead to undesired isolation, and economic worries and childcare responsibilities act as added stressors. Even though TeamViewer as a company has come through the crisis economically unscathed, we have taken the effects of global measures on the well-being of our employees seriously from the outset.

In 2021, we acted promptly and individually in each region to minimise the risk posed to our employees by COVID-19. In periods of lockdown, we encouraged and supported our team managers in maintaining social interaction within their teams and promoting personal interaction. We also used the phase of low incidence rates regionally to promote face-to-face collaboration on-site while adhering to existing hygiene guidelines. We also provided our employees with occupational health and wellness training on COVID-19 precautions at least once during the year.

In dealing with the COVID-19 pandemic, TeamViewer made it a priority to emphasise the option to obtain a vaccination as soon as it was available to everyone. We offered our employees in Germany easy access to vaccinations by hosting several vaccination days at our headquarters in Göppingen in the summer of 2021. Employees from other sites in Germany and close relatives also had the opportunity to receive their vaccinations on those vaccination days. In January 2022, we offered the employees working at our German sites the option to receive a booster vaccination.

In spring 2021, TeamViewer launched Move4Change, the first global charity initiative in the Company's history. This initiative gave our employees an incentive to stay physically on the move. All employees were eligible to take part in this campaign through an app that recorded the steps taken or distances travelled by bicycle. TeamViewer played its part by committing to donate a small amount of money for each mile walked or biked to UNICEF's UPSHIFT project, which supports youth in social entrepreneurship. Over a two-month period, 516 employees worldwide participated in the initiative, covering a total of 73,959 kilometres and raising $20,000 for UPSHIFT. In addition to this global initiative, smaller regional campaigns that took place in 2021 were also focused on movement, such as collectively organised local sporting events.

Flexible work models

As a leading provider of connectivity solutions, TeamViewer's definition of excellent employer offerings naturally includes flexible work models. Next to flexible work schedules, which have been a feature at TeamViewer for some time, we introduced a hybrid work model in the 2021 fiscal year spanning globally. Employees now have the option of working part-time from home and part-time in their respective office locations. The model specifies the requirements at an individual and unit-specific level. We also continue to offer part-time models. In fiscal year 2021, 95 employees (equivalent to 6.4 %) opted for a part-time programme.

In order to also promote the compatibility of family and career, TeamViewer offers maternity and parental leave in accordance with the laws and locations and actively promotes the reintegration of mothers and fathers when they return to the workplace

Openness and organisational transparency are important to us to keep our employees informed on both strategic and operational issues

Employee commitment and feedback

Our motivated and committed employees place a high value on feedback and participation, as reflected by their participation in our annual employee survey. In 2021, almost 80 % of all employees took this opportunity to give their feedback on important topics and help shape the Company's further development.

The topic of feedback is also gaining importance on an individual level. The new generation of employees and managers want regular, qualified and role-specific feedback on their individual work. In order to establish a holistic and organisation-wide approach, we started to set up regular feedback processes on a role-specific basis in 2021 and will continue to expand on this effort in fiscal 2022.

Openness and organisational transparency are important for us in keeping our employees current on both strategic and operational issues. We use regular meetings (All Hands Meetings) and corporate and CEO updates to keep everyone up to date. Frequent interactions within teams and across departments are important for employee engagement and encouraged by the Company's collaboration platforms. Regular updates let employees connect on a global level and develop a better sense of TeamViewer's open and diverse culture. This will also be of long-term relevance, especially now in light of our hybrid work model.

05 Environmental and climate protection

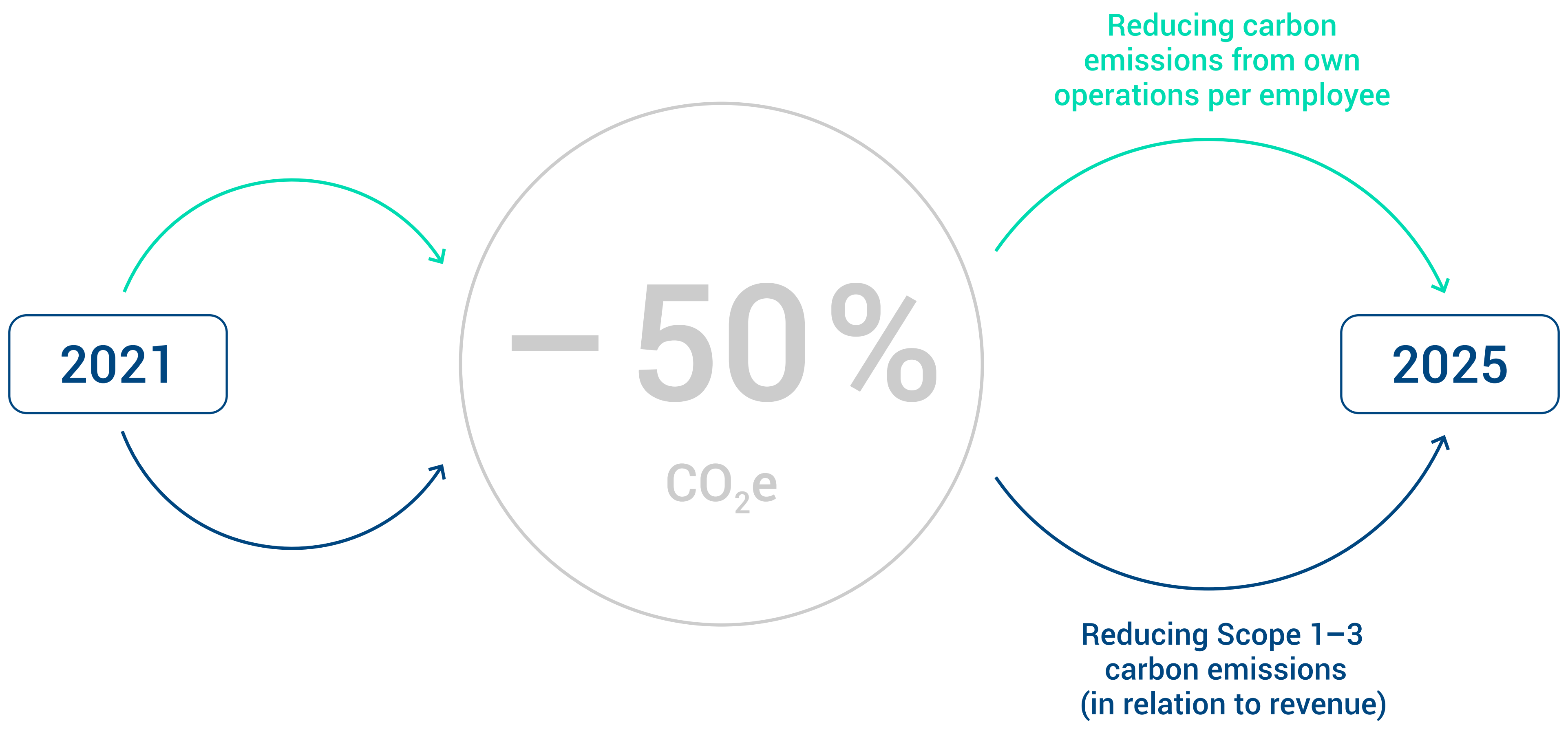
Climate neutrality target brought forward to 2025 | Science-Based Target Initiative joined to achieve 1.5°C target | Measures rolled out to achieve emissions reduction targets | Use of TeamViewer products avoid emissions of approximately 37 million tonnes of CO_2e

Climate strategy

Protecting the environment and the climate are important concerns for TeamViewer and were classified as material issues for the Company in the materiality analysis. Climate and environmental protection are also topics that have a high priority in our c-a-r-e sustainability programme.

As a provider of remote connectivity software, TeamViewer considers it its duty to help customers save CO_2e emissions while ensuring its own business operations are environmentally friendly and climate-neutral. TeamViewer's own business operations have been climate-neutral since 2018.

The path to net zero carbon emissions



Remaining unavoidable emissions are offset with certificates.

Revision of the climate targets

The climate targets to date:

1. Continuous climate neutrality of own business[1] operations, with a simultaneous 50 % reduction in operational CO_2e emissions per employee by the end of 2025 vs the base year 2019, and

2. achievement of total carbon neutrality (net zero; full Scope 1–3 GHG Protocol) no later than 2030, while simultaneously reducing Scope 1–3 emissions by 50 % (per million EUR in revenue),

were jointly revised by the Management Board and the Senior Leadership Team:

TeamViewer is now aiming for the entire company to achieve climate neutrality no later than 2025 (five years earlier than originally planned), taking into account Scope 1–3, while reducing emissions by 50 %.

We are convinced that the time for waiting and postponing is over, and with our new and more ambitious goal, we want to take a pioneering role that will encourage other companies to also take responsibility and act.

1. By offsetting Scope 1 and 2 emissions and Scope 3 emissions attributable to own operations (e.g., travel and commuting activities; see also definition under Operational Emissions).

TeamViewer aims to achieve climate neutrality[1] no later than

2025

In 2021, we also expanded our climate reporting by participating in the Carbon Disclosure Project (CDP) reporting. The result (B-) published in December 2021 proves TeamViewer's active management of environmental issues. To corroborate this active management and, especially, our highly ambitious climate targets with global standards and commitments, TeamViewer joined the Science-Based Targets Initiative (SBTI) in 2021 and is committed to verifying its climate targets according to scientific standards and aligning them with the limitation of global warming by a maximum of 1.5°C. In accordance with the SBTI regulations, we aim to calculate these targets (or verify the previous targets on an SBT basis) within the next two years.

Environmental protection is an important concern throughout the Company's value chain. Basic principles on how to conserve resources are anchored in our corporate Code of Conduct, as well as in our Supplier and Business Partner Code of Conduct, which is aimed at our upstream and downstream business partners. TeamViewer strives to use energy, water and other natural resources responsibly throughout its business operations. The Company is optimising its energy efficiency and striving to rely fully on renewable energy sources.

In organisational terms, sustainability issues are also anchored in the direct reporting lines to the Management and Supervisory Boards or the Audit Committee. The Sustainability Department, which reports directly to the Management Board and the Chief Financial Officer, is responsible for combining the existing measures to form an environmental management system and continuously optimise it. It is also responsible for developing the climate strategy and coordinating operational measures to achieve targets. Cross-functional teams ensure compliance with all of the applicable environmental laws, official regulations and voluntary commitments in the area of environmental protection.

In 2021, the Audit Committee assigned one of its members with the primary task of addressing the Company's sustainability issues and reviewing and evaluating climate targets.

Environmentally relevant incidents did not occur in 2021, and no corresponding fines were imposed.

Climate protection and climate neutrality

Global climate change is already having observable effects on the environment. Climate protection and the achievement of globally coordinated goals are crucial social and economic challenges. In 2015, the Paris Agreement, a global, legally binding agreement, was announced and signed by nearly 190 parties. Governments agreed on the long-term goal of limiting the increase in the average global temperature to 1.5°C above pre-industrial levels.

As a company, TeamViewer is conscious of its responsibility to protect the climate and acts consistently by supporting the use of technology as an effective means of reducing carbon emissions globally. By joining the Science-Based Target Initiative and the Business Ambition for 1.5°C, TeamViewer is taking another important step and committing to reducing emissions within its own sphere of influence to the greatest extent possible in order to meet the requirements of the Paris Agreement.

As early as 2005, when TeamViewer was founded, already one of the Company's central concerns was how to overcome physical distances enabling users to connect remotely to computers and other devices. This ability not only leads to efficiency gains for our customers in the form of saving time and money but also contributes greatly to reducing carbon emissions by avoiding travel.

Our ultimate environmental goal is to help others reduce their carbon emissions by providing easy-to-use green technology that allows people to connect remotely to any device from anywhere at any time. At the same time, we are committed to reducing our own emissions. TeamViewer's own business operations have already been carbon neutral since 2018.[2]

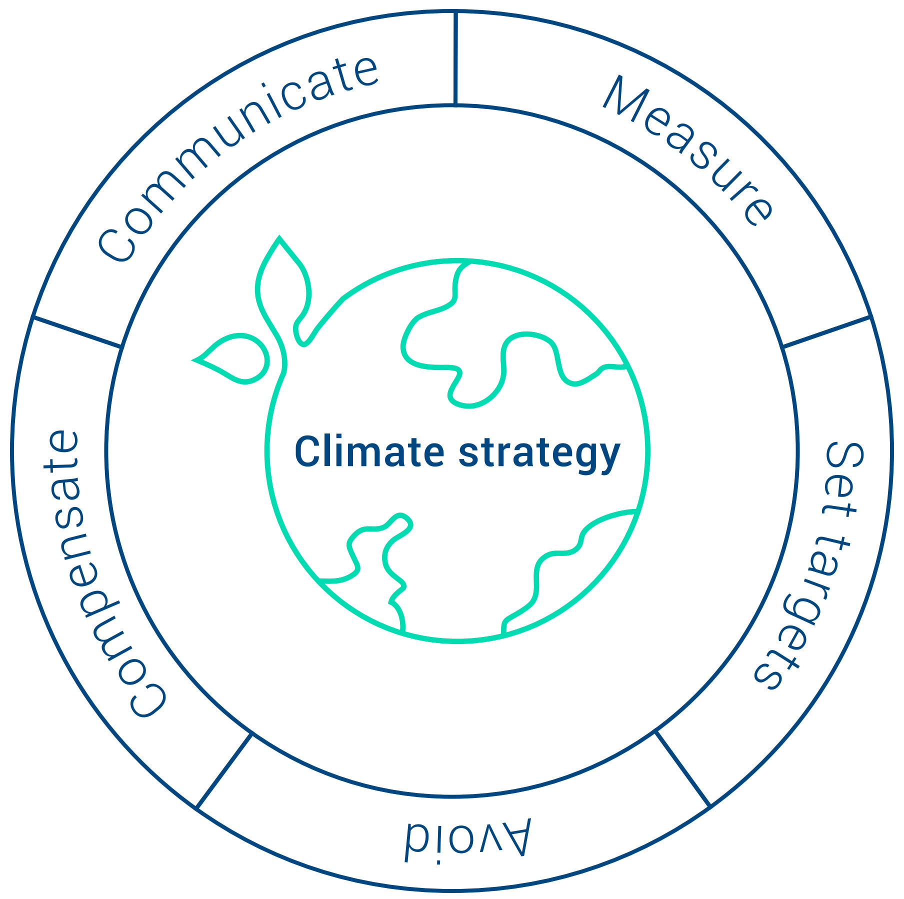
TeamViewer also considers climate education to be a key influential factor in improvements going forward, which is why every year it supports projects to promote climate education in alignment with the Company's own social responsibility framework (see also page 181).

By joining the Science-Based Targets Initiative and the Business Ambition for 1.5 °C, TeamViewer is taking another important step towards achieving the targets of the Paris Agreement

[2] Certificates are purchased for offsetting. Refers to the offsetting of Scope 1, 2 and pro rata 3 (pro rata: does not include all product- and use-related components; see also definition of Operation Carbon Emissions).

[1] Full scope 1–3 Emissionen

The five steps of the climate strategy to achieve the neutral carbon footprint



Carbon footprint

TeamViewer places considerable emphasis on transparent value chains when implementing global climate strategies. In fiscal year 2021, the Company again calculated its greenhouse gas emissions in accordance with the GHG Protocol and plans to continue to do this on an annual basis going forward. For the calculations in 2019 and 2020, TeamViewer worked with a scientific partner. In 2021, the Company used a certified software solution for the calculation of its CO_2 footprint. The emissions values for the years 2017 and 2018 were extrapolated for better comparability and to derive and develop suitable reduction measures.

The central component of the climate strategy is the achievement of climate neutrality, extended to include GHG Protocol Scopes 1–3. The five steps of the climate strategy – measure, set targets, avoid, compensate and communicate – were defined as the control approach.

Details on these steps can be found in the Sustainability Report in the following chapters:

1. Measure (Emissions)
2. Set targets (Climate Strategy)
3. Avoid (Emissions reduction measures)
4. Compensate (Emissions reduction measures)
5. Communicate (Emissions reduction measures)

To find the optimal control approach, TeamViewer divides its climate neutrality measures, goals and communication into two strategic areas:

1. TeamViewer's operational CO_2e emissions (OCE): includes all directly generated emissions (Scope 1), emissions associated with purchased energy (Scope 2), and operational Scope 3 emissions (such as business travel or employee commuting).
2. TeamViewer's product lifecycle-related CO_2e emissions (Product Carbon Emissions – PCE): all product-related Scope 3 emissions (purchased goods and services and the use of sold products).

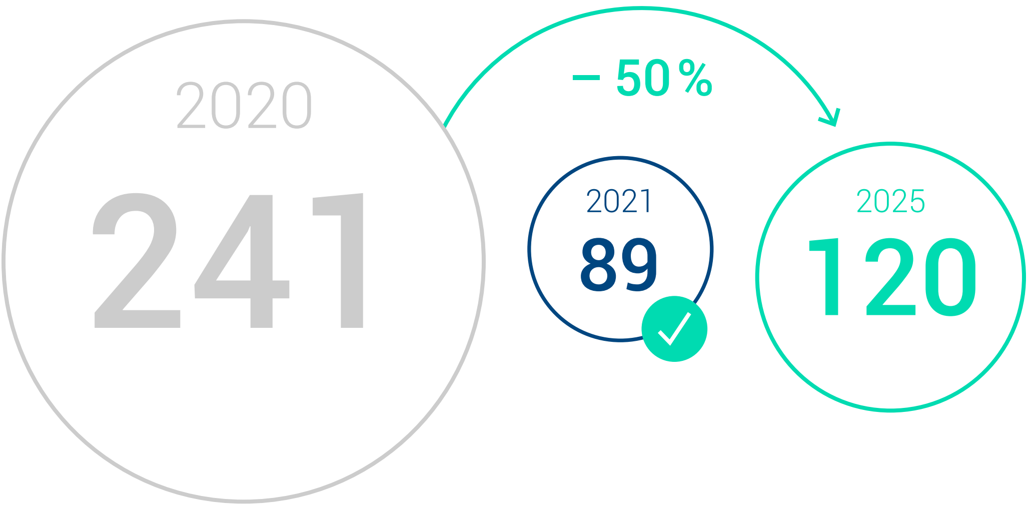
Emissions reduction targets and measures

After already achieving this target in the 2020 fiscal year (– 53 %), TeamViewer went on to further reinforce this accomplishment in fiscal year 2021 by bringing emissions per employee down to 1.7, thereby achieving the target. Because TeamViewer's clear understanding is to continuously improve, we are now focusing our efforts entirely on climate neutrality for the entire company, including Scopes 1-3 (GHG Protocol). This deadline for achieving this target has also been brought forward by 5 years from 2030 to 2025, reflecting our stronger commitment.

CO_2e emissions in tonnes

per employee

per EUR million of revenue



TeamViewer solutions continue to enjoy strong demand. Our revenue and number of customers continue increasing but so are our CO_2e emissions for product development, sales, and business operations.

In order to keep the increase in emissions as low as possible, TeamViewer also aims to reduce emissions by 50 % (per million EUR in revenue). The Company's increased switch to green energy in its own buildings and for server and cloud services, the significantly better quality of the primary data and the use of industry-specific and thus more accurate methods of calculating emissions resulted in a significant reduction in the carbon footprint calculated for 2021. A total of roughly 45,000 in CO_2e in 2021 represents a reduction of 54 % compared with the previous year (98,000 t). In relation to revenue, the target of 120 t/million EUR revenue, which was brought forward to 2025, has therefore already been exceeded (89 t/million EUR revenue). However, we will stick to this target for the time being and use the year 2022 to adjust the basic data to the new data collection method and subsequently revise the target and reduction measure definition. In the same period, we will work together with SBTI on a net-zero long-term target.

Four primary actions were defined to achieve this reduction:

1. A switch to 100 % green energy
   - At the Company's own office operations
   - Within the entire product infrastructure (router/server/cloud services)

2. An increase in product efficiency
   - Reduce the data intensity of Company's services, thereby reducing the energy requirements along the entire value chain

3. Employ a hybrid working model
   - Reduce emissions from work commuting by transitioning to 50 % of work done from home offices

4. Emissions-efficient business travel
   - Increase use of rail and public transport, conscious use of flights

Achieving the reduction

TeamViewer technology protects the environment

Remote connectivity can have a significant positive effect on achieving global climate targets. To quantify this effect, TeamViewer has worked with an established climate research institute to determine the CO_2e savings attributable to the use of TeamViewer products and has extrapolated this information to a full calendar year.

As part of this study on "avoided emissions," a Corporate Carbon Footprint (CCF) was calculated in accordance with the GHG Protocol followed by a Product Carbon Footprint (PCF) for the baseline year 2019. An evaluation of anonymous connection data was then combined with feedback from more than 1,000 private and commercial users on their usage and associated travel behaviour and verified by further interviews with experts.

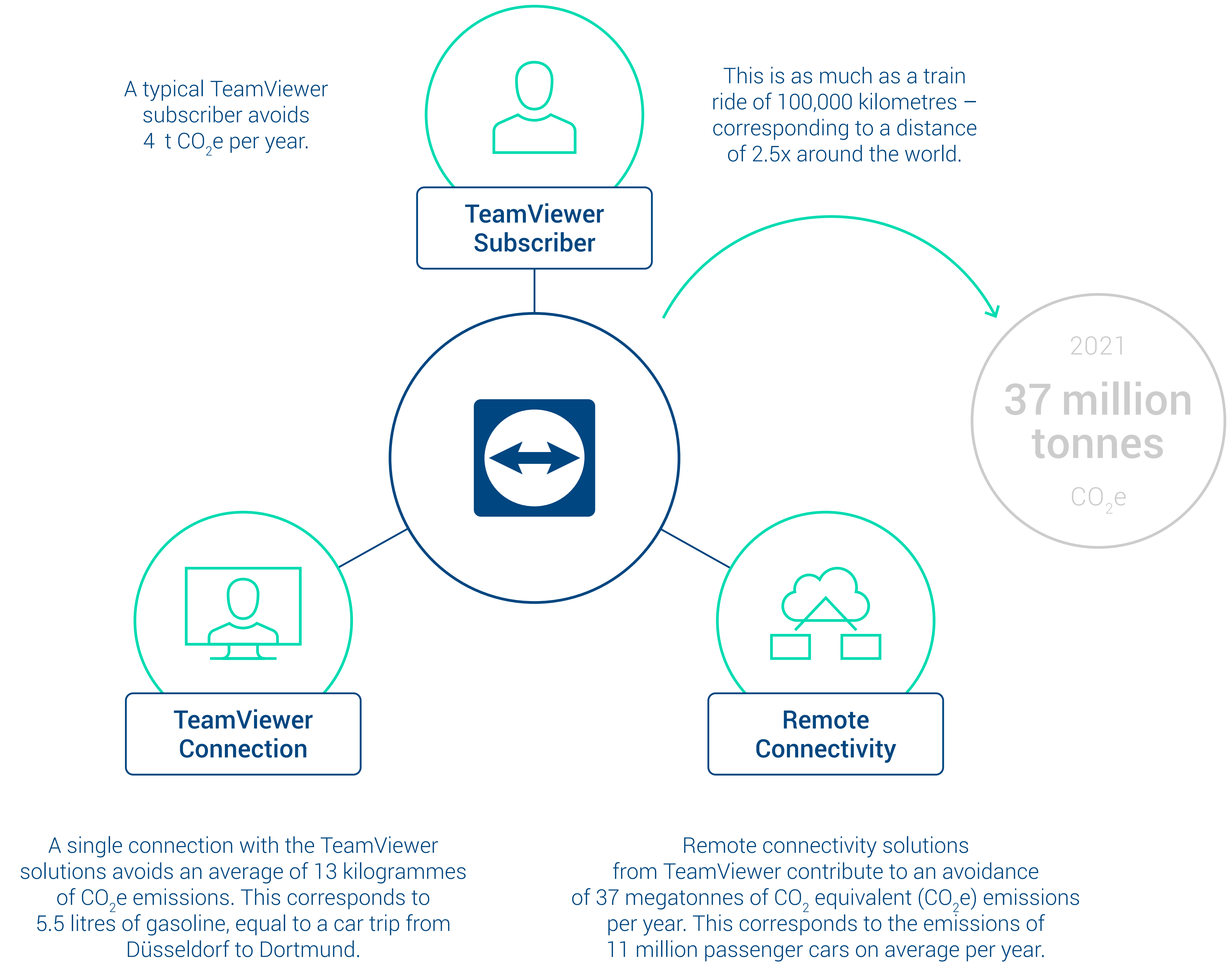
According to this study, TeamViewer products are responsible for avoiding around 37 million tonnes of CO_2e in one year, which is roughly equivalent to the offsetting performance of 3.5 billion trees, or the entire tree population of Austria. This illustrates the significant contribution the Company's products make to achieving global climate targets.

Each individual connection avoids an average of around 13 kilograms of CO_2e. This means that each single licensed device used by our enterprise customers is responsible for avoiding an average of 4 tonnes of CO_2e per year. For further details and the background to the scientific methods used, please see the ↗TeamViewer website.

The results of the study were verified by evaluating the underlying connection data and could be confirmed again for the year 2021. No further recalculation was necessary.

Avoided Emissions Through the Usage of TeamViewer Solutions

Remote connectivity can have a significant positive impact on the achievement of global climate targets. This is how many CO_2e emissions can be avoided with TeamViewer solutions per year.*



* Numbers determined in a scientific study by the Institute for Energy, Ecology, and Economy (DFGE) based on 2021 figures.

Emissions

Supported by the use of a certified software solution and additional external consulting, TeamViewer calculated its own CO_2e emissions in 2021.

The emissions determined in t of CO_2e are distributed among Scopes 1–3 as follows.

In 2021, TeamViewer reduced operational CO_2e emissions per employee by

-33 %

Development of CO_2e emissions

Figures in metric tonnes of CO_2e, change in %.	2017	2018	2019	2020	2021	Change compared to previous year
Scope 1	215	219	283	266	223	– 16 %
Scope 2	796	813	1,049	986	256	– 74 %
Total Scope 1 & 2	**1,010**	**1,033**	**1,332**	**1,252**	**479**	**– 62 %**
Scope 3 – operational emissions	3,545	3,623	4,673	2,211	1,826	– 17 %
Total overall operations (Scope 1, 2 and 3 operations) [1]	**4,556**	**4,656**	**6,005**	**3,463**	**2,305**	**– 33 %**
Scope 3 – Product-related emissions	66,702	68,166	87,926	94,366	42,371	– 55 %
Total Scope 3	**70,248**	**71,789**	**92,598**	**96,557**	**44,197**	**– 54 %**
CCF total [2]	**71,258**	**72,822**	**93,931**	**97,829**	**44,676**	**– 54 %**

Development of CO_2e emissions per employee

Figures in metric tonnes of CO_2e per employee (full-time equivalents), change in %	2019	2020	2021	Change compared to previous year
Scope 1	0.3	0.3	0.2	– 47 %
Scope 2	1.2	0.9	0.2	– 80 %
Total Scope 1 & 2	**1.5**	**1.2**	**0.3**	**– 72 %**
Scope 3 – Operational emissions	5.4	2.1	1.3	– 39 %
Total overall operations (Scope 1, 2 and 3 operations) [3]	**7.0**	**3.3**	**1.6**	**– 51 %**
Scope 3 – Product-related emissions	102.0	90.0	29.9	– 67 %
Total Scope 3	**108.0**	**92.0**	**31.2**	**– 66 %**
CCF total	**109.0**	**93.0**	**31.6**	**– 66 %**

Development of CO_2e emissions per million EUR of revenue

Figures in metric tonnes of CO_2e per million euros of revenue, change vs. previous year in %.	2019	2020	2021	Change compared to previous year
Scope 1	0.7	0.6	0.4	– 26 %
Scope 2	2.7	2.1	0.5	– 76 %
Total Scope 1 & 2	**3.4**	**2.7**	**1.0**	**– 65 %**
Scope 3 – Operational emissions	12.0	4.8	3.6	– 24 %
Total overall operations (Scope 1, 2 and 3 operations) [4]	**15.4**	**7.5**	**4.6**	**– 39 %**
Scope 3 – Product-related emissions	225	205	85	– 59 %
Total Scope 3	**237**	**210**	**88**	**– 58 %**
CCF total	**241**	**213**	**89**	**– 58 %**

The decrease in operational CO_2e emissions in 2021 is largely due to the sharp drop in travel and commuting. This vividly demonstrates the effectiveness of the measures taken in this area and particularly the increased use of home offices.

Not only did the Company reduce operational per capita emissions in 2021, but also its overall carbon footprint, which fell both in relation to revenue (161 t/per million euros in revenue [– 24 %]) and in absolute terms (-16,800 t CO_2e [– 17 %]). The increasing switch to renewable energy sources, both at the Company's own offices and in the product supply chain, had a particularly strong impact.

On the basis of business growth, CO_2e emissions were calculated according to their FTE (annual average) and revenue intensity. These intensities play a vital role in defining the climate targets because they allow for more realistic control of the measures put in place for reduction.

1 Since 2018, TeamViewer has made the emissions caused by its own business activities climate-neutral by purchasing certificates to offset them.

2 From the year 2030, TeamViewer will make all emissions (Scope 1, 2, 3) climate-neutral by offsetting all emissions not avoided by then with certificates.

3 By the year 2025, TeamViewer aims to reduce the emissions caused by its own business activities, converted to individual employees (full-time equivalents) by 50 percent relative to the year 2019.

4 By the year 2030, TeamViewer aims to reduce the emissions caused by its own business activities by 50 percent in relation to the year 2019, converted to one million in revenue.

06 Energy management, waste management and water management

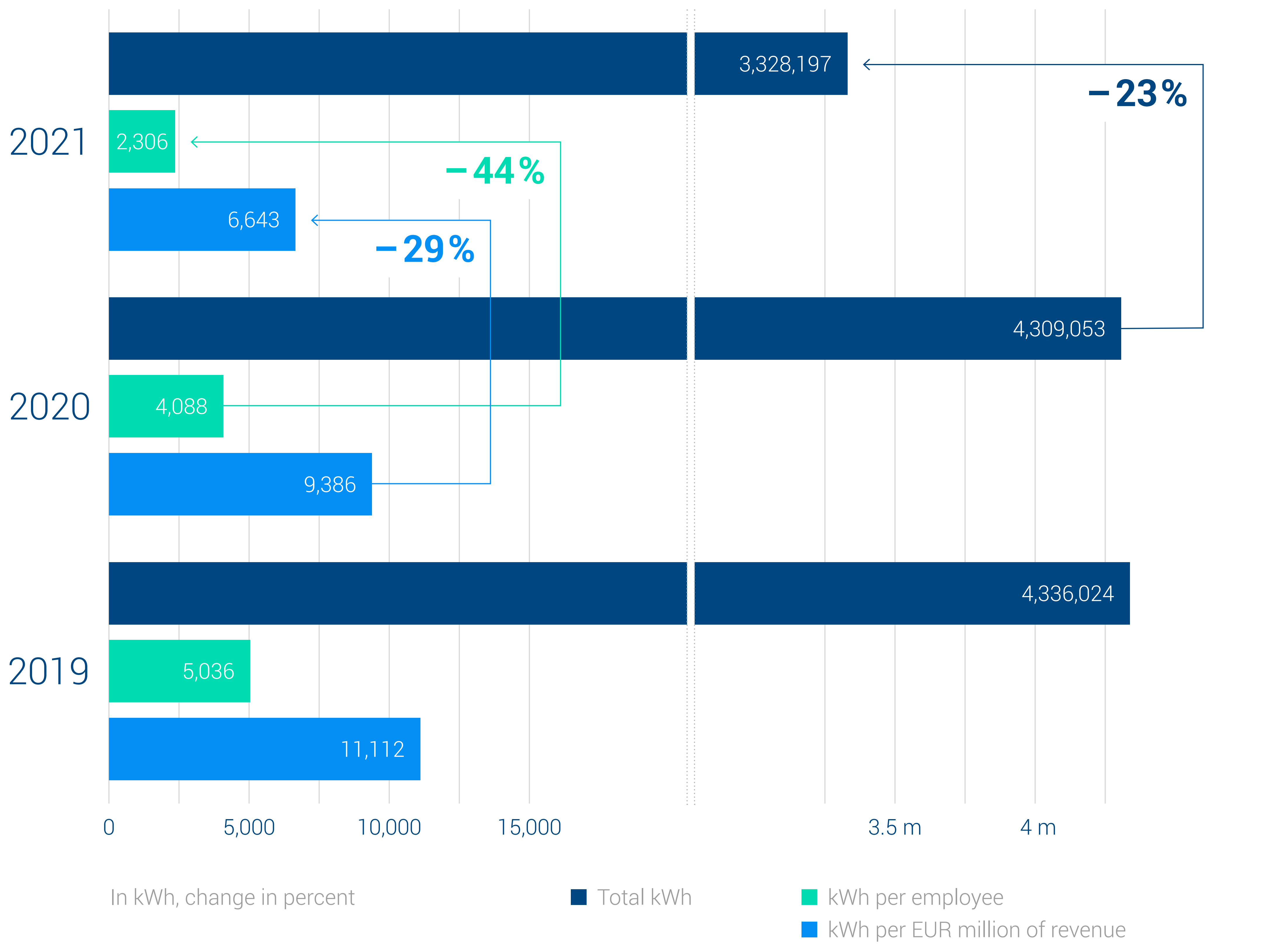
By 2025, 100 % of the energy purchased should come from CO_2e-neutral sources | Energy consumption and waste volumes lower despite strong business growth | Per capita energy consumption reduced by **66** % in 2021

Energy management

As one of the most important measures to reduce our emissions, we are driving forward our transition to renewable energy sources. By 2025, all TeamViewer-operated buildings are expected to run on an average of 100 % CO_2e neutral energy. Energy consumption in 2021 was as follows.

In line with the achievement of our reduction targets, we also commit our suppliers to greater efficiency and a rapid switch to renewable energy sources. This is monitored via a due diligence process as part of the globally binding Supplier & Business Partner Code of Conduct.

Energy consumption trend



Waste management

Waste separation alternatives have already been introduced at all German sites during the past several years and are increasingly being rolled out globally.

To avoid single-use plastic, washable and reusable tableware, cutlery, drinking containers and water dispensers are available at almost all locations.

Extending the life cycles of our IT/electronic devices is particularly important to us. After an average of three years, our devices are sorted out, but then not scrapped, but sold to secondary recycling partners (partly donated locally) and can be used further after a technical and data protection compliant revision.

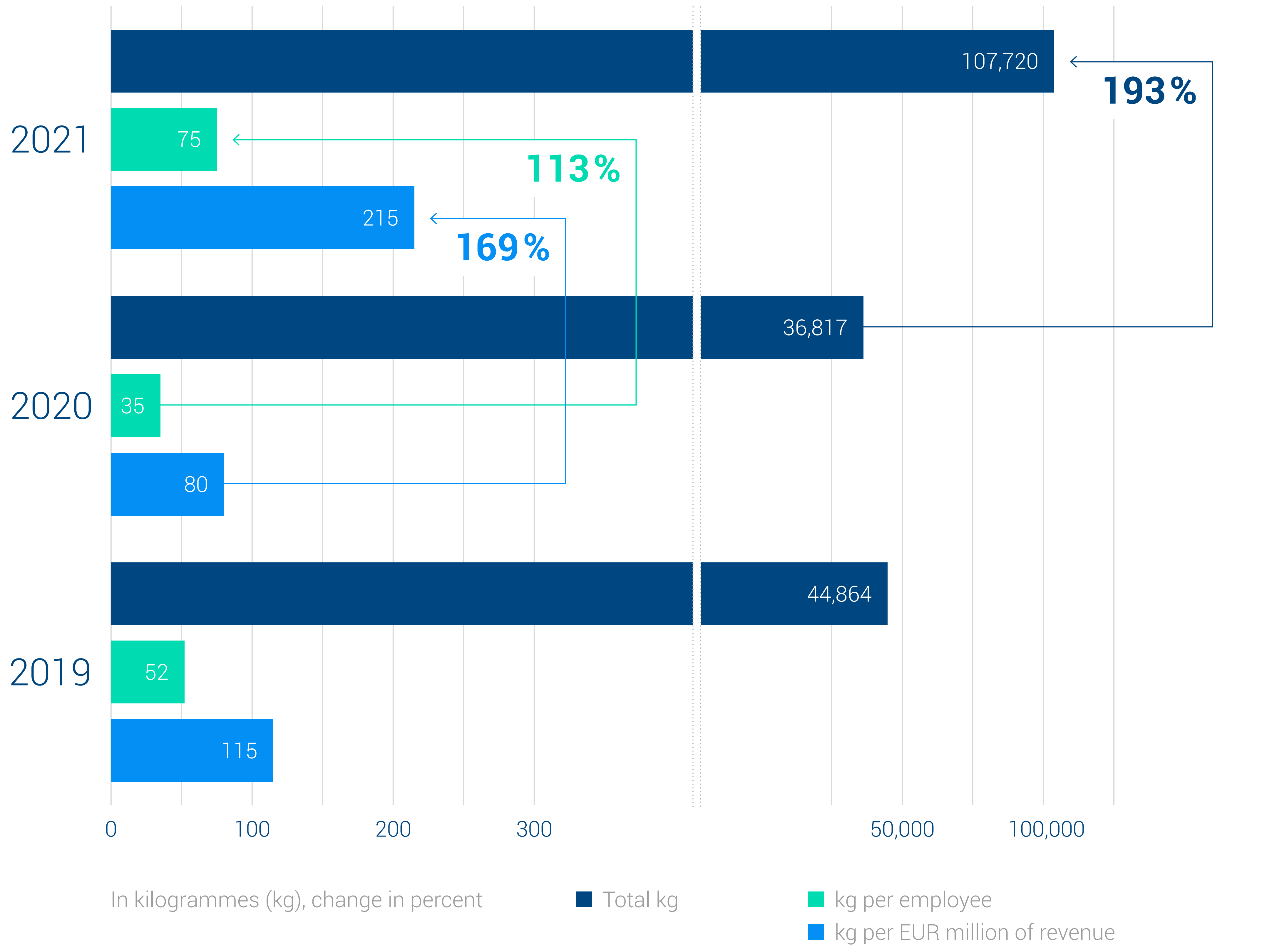
The higher waste volumes documented in this report are mainly a result of the greater transparency in data collection.

Water management

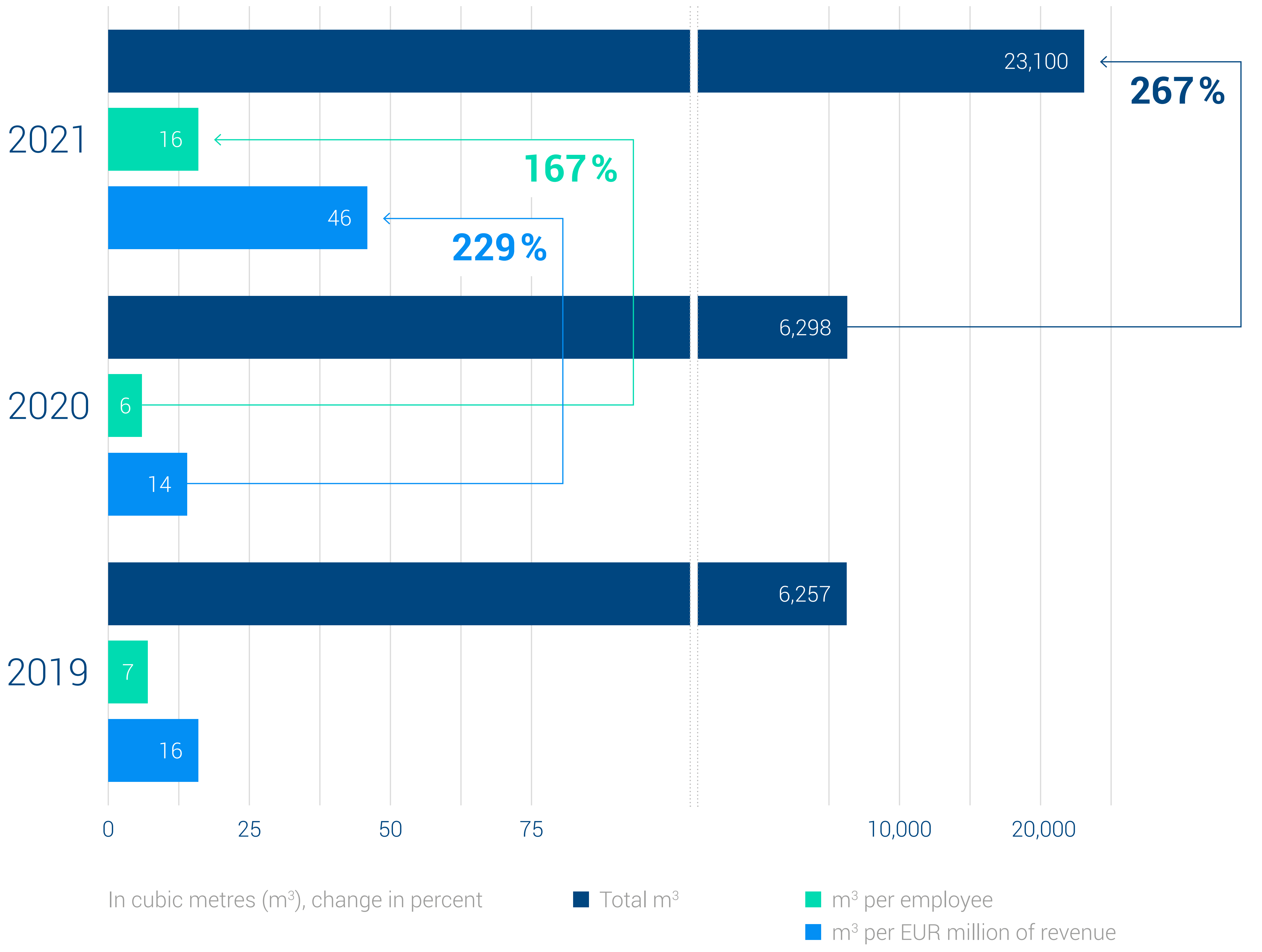
Waste and wastewater are further optimised despite the low share (< 5 %) of the CO_2e footprint. Efficient use of resources is increasingly promoted at all TeamViewer sites.

The increase in water volumes documented in this report is mainly a result of the greater transparency in data collection.

Waste generation trend



Wastewater volume trend



07 Social responsibility

Strategy is based on four pillars: technology, local engagement, education and diversity | Support for non-profit institutions | Partnership with educational institutions

Our understanding

TeamViewer's mission is creating a world that works better. We envision a world where by leveraging our technology and support, we make it possible for our stakeholders to make a positive impact. We want to be an example of what it means to be a good local, regional, national and international partner.

To make the best use of time, effort and budget, TeamViewer bases its social responsibility strategy and projects on the following four key pillars:

Technology

As a global player in the technology sector, TeamViewer uses its solutions to make life easier for millions of customers worldwide. We know that collective efforts are important and use our position to facilitate targeted positive change.

Local engagement

TeamViewer values not only its ability to assert itself as a global player, but also the opportunity to share its success for the benefit of its immediate neighbourhood. Therefore, we try to be actively involved outside of politics in the regions where we are located.

Education

Companies like TeamViewer only stand to benefit from the academic and innovative efforts of schools and universities, which is why we make a conscious effort to support educational systems that strive to advance society through research and learning.

Diversity

With nearly 80 nationalities among our workforce, diversity is one of our core values at TeamViewer. We benefit from the creativity that comes from the intentional and accidental intertwining of diverse people and ideas. Diverse experiences and perspectives have allowed us to develop ideas and products that reflect our differences, which is something we want to see in society and the world at large.

Our contribution

Based on the four pillars of our social responsibility strategy, we are involved in numerous projects and initiatives. The following describes some of the activities we were involved with during the reporting year:

TeamViewer for Good

The TeamViewer for Good initiative has long enjoyed a quiet but central position in our sales and marketing departments. Under this initiative, TeamViewer grants licenses at a greatly reduced rate or even for free to non-profit institutions (NGOs) that provide socially relevant assistance to people at all our locations around the world. With more than 1,600 licenses donated to NGOs in 2021, this initiative has already helped many users looking for a digital solution to facilitate their non-profit work.

Partnership with the Esslingen University of Applied Sciences

The Göppingen campus of Esslingen University of Applied Sciences is not far from our corporate headquarters. We support several projects dedicated to the promotion of technology degree programmes and, most importantly, the promotion of women. This commitment encompasses all our social responsibility pillars: Technology, Education, Local Engagement and Diversity. Through this initiative, many students and young talents from this institution have been introduced to our company.

We support projects dedicated to the promotion of technology studies and the advancement of women in the technology sector

The following projects were organised and implemented as part of the partnership with the Esslingen University of Applied Sciences:

- **Scholarships**
  In 2021, scholarships were made available to two students (one female and one male) at Esslingen University of Applied Sciences under the umbrella of the Germany Scholarship. We want to encourage outstanding young talent to continue their academic development. In this way, we also support students who are committed to conducting research studies and experiments, which are essential for technological innovations.

- **Girl's Digital Camp**
  The transfer programme "Girl's Digital Camp" is an initiative sponsored by the Esslingen University of Applied Sciences. It aims to engage young female students and school pupils and encourage them to get involved in STEM subjects (Science, Technology, Engineering, Mathematics). As STEM subjects are predominantly pursued by male students, it has become essential to promote the appeal of STEM subjects to female students and demystify these subjects as a whole. TeamViewer is a major sponsor of this initiative, committing not only to financially supporting the programme for a three-year period, but also to providing opportunities for interaction between the students and TeamViewer's staff. To kick off the partnership, TeamViewer organised an online event led by two female employees who shared their own experiences in the tech industry and offered career tips. Our sponsorship and involvement in this programme are in line with our corporate goal to promote and increase the employment of women in the technology sector.

Education Partner Network Göppingen

We support academic institutions in our local neighbourhoods and promote academic excellence. We are an official education partner in various elementary and secondary schools in Göppingen and, despite the difficultly of carry out plans during the COVID-19 pandemic, we still intend to actively support our partners. Through our support, we hope to involve many more schools in this partnership and form a stronger school network in Göppingen. We believe this will be an effective way to help students early to make more conscious career decisions by giving them insight into the potential career paths that exist at a technology leader.

Local social institutions

During the first COVID-19 lockdown, we were approached by the charitable organisation "Haus der Familie" in Göppingen for help. Pregnant women close to delivery and at home were not able to access necessary childbirth courses. TeamViewer meeting licenses issued free of charge and the relevant training from our customer support team solved the problem. This initial contact paved the way for further joint projects. We see "Haus der Familie" Göppingen as a charitable organisation that works to support people from various levels of society and all nationalities, regardless of their social background, and facilitate their social integration. It provides a space where people can meet up and make contact for a variety of reasons: to cook, play with children, sing, dance, read, etc.

We promote social projects with the common goal of advancing diversity

The Lokales Bündnis für Familie Göppingen e. V. is another organisation supported by TeamViewer that focuses on supporting disadvantaged families, children and seniors. The organisation offers initiatives to help people from different backgrounds integrate and participate in social and cultural activities.

This year, TeamViewer also supported the Grund.stein Rehabilitation Center (RPK) of the Tübingen Society for Social Psychiatry and Rehabilitation GmbH. This organisation provides services to young adults who suffer from mental illness and are unable to manage their daily lives independently. The programme focuses on helping these people rebuild their skills so they can succeed in every aspect of life.

We believe that even small gestures can bring tremendous joy to people, which is why we take every opportunity to bring a little joy to those who need it. This year, we donated a Carrera track to the SOS Children's Villages in Stuttgart, a youth welfare organisation. The track had previously been used to demonstrate TeamViewer solutions.

With the common goal of promoting diversity, we have committed to continuing our financial support for some of these projects in 2021.

Sponsorships in top athletics

TeamViewer recognises the importance of employee health as a key part of corporate longevity and sustainable employment. We therefore strive to promote an exercise-oriented culture within the Company.

This has strengthened our commitment to promoting athletic activities in Göppingen, such as our recent main sponsorship of the national handball league team Frisch Auf Göppingen. This sponsorship enables us to marry sponsorship and social commitment in the local community in Göppingen.

As part of this engagement, a joint understanding of social and local responsibility is of particular importance. Some joint social projects have been planned but are unfortunately still awaiting implementation due to the restrictions imposed by the global pandemic.

We also pay attention to uniting our sustainability goals in two of our other sponsorship activities.

Manchester United
TeamViewer shares a focus on diversity, education, and talent development with Manchester United. Our expert groups exchange regularly to ensure our close cooperation. We have joint projects planned for 2022.

Mercedes-AMG Petronas Formula 1 and Mercedes-EQ Formela E Teams
The teams describe themselves and racing as "the fastest laboratory in the world." We share the view that technology can be a key driver for change in climate strategy and can have a positive impact on mitigating the climate crisis. TeamViewer as well as the two teams as well as the parent company Mercedes-Benz AG are committed to climate neutrality, with TeamViewer aiming to achieve it by 2025. The Mercedes-AMG Petronas Formula 1 Team is working on its roadmap to become net zero, in line with Formula One's 2030 timeline, and will achieve a 50 % CO_2 footprint reduction by the end of 2022.

The Mercedes-EQ Formula E Team also provides an extremely important platform: the Partners Advisory Board. Once a quarter, all partners are invited to an exchange to discuss sustainability approaches and goals, to further optimise the sport and their own processes, and to further reduce emissions.

Local sports and other athletic activities

Our social responsibility strategy is not limited to sponsoring sports at the top level. We also support a large number of amateur sporting activities, thereby combining our employees' health with local social engagement. Our strategy has been further reinforced by our decision to support a women's football club and local tennis club.

Internal initiatives

TeamViewer organised Move4Change, a charitable initiative that encouraged employees to stay active through activities such as walking, running, biking and swimming. For every mile walked, a certain amount of money was donated to UPSHIFT, a UNICEF programme focused on social innovation and social entrepreneurship among youth. TeamViewer and UPSHIFT share a common focus on four SDGs, recognising the right to access quality education regardless of gender and have equal opportunity to live a prosperous life.

FURTHER INFORMATION

E.

01 Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the earnings, assets, and financial position of the Group, and the Group management report, which is combined with the management report of TeamViewer AG, includes a fair review of the development and performance of the business, and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group.

Göppingen, 11 March 2022

The Management Board

Oliver Steil Stefan Gaiser

02 Index for GRI, SDG, UN Global Compact, WEP and SASB

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Energy management, waste management and water management	TC-SI-130a.2
Climate protection and carbon neutrality	TC-SI-130a.3
Security and data protection	TC-SI-220a.4
Respect for human rights	TC-SI-220a.5
Security and data protection	TC-SI-230a.2
Employees	TC-SI-330a.1
Employees	TC-SI-330a.2
Diversity and anti-discrimination	TC-SI-330a.3
Combating corruption and bribery	TC-SI-520a.1
Security and data protection	TC-SI-550a.1
Security and data protection	TC-SI-550a.2

03 Independent auditor's report

We have issued the following opinion on the consolidated financial statements, the group management report, which has been combined with the management report of TeamViewer AG, and the ESEF (European Single Electronic Format) documents:

Independent auditor's report

To TeamViewer AG

Report on the audit of the consolidated financial statements and the combined management report

Opinions
We have audited the consolidated financial statements of TeamViewer AG, Göppingen, Germany, and its subsidiaries (the Group), which comprise the consolidated statement of profit or loss and other comprehensive income for the fiscal year from 1 January to 31 December 2021, the consolidated statement of financial position as at 31 December 2021, the consolidated statement of cash flows and the consolidated statement of changes in equity for the fiscal year from 1 January to 31 December 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of TeamViewer AG, which has been combined with the management report of the Company, for the fiscal year from 1 January to 31 December 2021. In accordance with the German legal requirements, we have not audited the content of the statement on corporate governance, which is published on a website stated in the group management report and is part of the group management report pursuant to § 289f and § 315d HGB ["Handelsgesetzbuch": German Commercial Code]. Furthermore, we have not audited the content of the disclosures not included in the management report in the section "Remuneration Report" of the group management report. Non-management report disclosures in the group management report are disclosures that are neither required by §§ 289, 289a or §§ 289b to 289f HGB and §§ 315, 315a or §§ 315b to 315d HGB, nor required by GAS 20.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2021 and of its financial performance for the fiscal year from 1 January to 31 December 2021; and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the group management report does not cover the abovementioned statement on corporate governance or abovementioned chapter "Remuneration report" contained in the group management report.

Pursuant to § 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

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

Key audit matters in the audit of the consolidated financial statements
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year from 1 January to 31 December 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matters:

1. Realisation of revenue from connectivity services

Reasons why this matter was determined to be a key audit matter
The Group's business activities mainly consist of the provision of connectivity services on the basis of time-limited software licences under a subscription model. Revenue is recognised pro rata and straight-line basis over the term of the contract with the customer. Connectivity services based on licences for software products are regularly billed at a fixed amount set at the inception of the contract. Therefore, the amount of revenue that has not yet been recognised to the extent that the related services have not yet been provided to the customer is deferred. Deferred revenue is recognised as revenue on a straight-line basis over the performance period.

Consequently, there is a risk to the consolidated financial statements that the recognition of revenue from connectivity services is incorrect as of the reporting date and that revenue is thereby allocated to the wrong period.

In view of the importance and complexity of revenue, we consider the recognition of revenue from connectivity services to be a key audit matter.

Audit approach
Within the scope of our audit process, we considered the procedures related to revenue recognition and addressed the application of the accounting policies for revenue recognition under IFRS 15. We assessed the establishment, design and effectiveness of the accounting-related internal control system with the involvement of IT experts by tracing business transactions from their origination to their presentation in the consolidated financial statements.

We have traced the recognition of the revenue reported in fiscal year 2021 within the framework of data analyses and assessed the underlying accounting logic against the background of the existing processes. As part of our data analyses, we examined whether the corresponding trade receivables were settled by payment of the invoiced amount in line with normal business practices. In addition, we reconciled, on a sample basis, payments received with the corresponding bank account statements. Our evidence-based audit included, among other things, reviewing the period-specific revenue recognition for individual revenue transactions, on a sample basis, based on the contract.

Furthermore, in order to assess the recognition of revenue on an accrual basis, we recalculated the revenue accrued as of 31 December 2021 on a sample basis using the underlying contracts with customers and the performance periods of the individual licences contained therein and validated them on the basis of the invoices.

Our audit did not lead to any reservations regarding the recognition of revenue from connectivity services.

Reference to related disclosures
Disclosures provided by the Company on the measurement of goodwill and the brand name, the accounting and measurement principles applied, and the discretionary decisions made in this context are described in the notes to the consolidated financial statements. The information is contained in the chapters "Basis of preparation", "Significant accounting policies" and "Goodwill and intangible assets".

2. Accounting treatment of share-based remuneration with a variable vesting period

Reasons why this matter was determined to be a key audit matter
Just prior to the IPO carried out in fiscal year 2019, the then parent company of TeamViewer AG, TigerLuxOne S.à r.l. (TLO), established various share-based remuneration programmes for employees of TeamViewer AG. In the consolidated financial statements of TeamViewer AG, these are accounted for as equity-settled share-based compensation transactions.

Under one of these programmes for granting share appreciation rights to selected executives of the Group, the payment of the second and third tranches is linked to the sale of the shares held by TLO in TeamViewer AG. The related expense recognition is subject to the estimation of the expected vesting period, as the respective employee only receives the second and third tranche if he or she is still employed by TeamViewer when TLO sells the shares. The complete sale of the TeamViewer shares by TLO and thus the estimated vesting period for the second and third tranches is now expected to end on 31 December 2023 (previously: 31 December 2021).

In light of the discretionary scope that exists, particularly with regard to the assessment of the expected vesting period, and due to the materiality of the resulting impact on earnings, we consider the accounting treatment of share-based remuneration with variable vesting periods to be a key audit matter.

Audit approach
As part of our audit process, we discussed the legal representatives' assessment of the length of the vesting period with the responsible persons. Furthermore, in order to assess the vesting period used, we obtained written confirmation from TLO's legal representatives on the estimated date of the sale of the last TeamViewer shares as audit evidence. In addition, we compared the previous estimate with past share sales and analysed the reasons for the change in estimate made as at 31 December 2021.

Furthermore, we computed the impact on profit or loss of the change in estimate as a whole and in relation to the allocation to the individual functional areas to which the beneficiaries are assigned.

We assessed TeamViewer's recognition of the change in estimate in profit or loss for compliance with the requirements of IFRS 2.

Our audit process did not give rise to any objections to the accounting treatment of share-based remuneration with a variable vesting period.

Reference to related disclosures
Disclosures provided by the Company regarding the accounting and valuation principles for share-based remuneration and the discretionary decisions made in this context is included in the notes to the consolidated financial statements in the chapters "Basis of preparation," "Significant accounting policies," and "7. Personnel expenses".

3. Measurement of goodwill and the brand name

Reasons why this matter was determined to be a key audit matter
The consolidated financial statements of TeamViewer AG include goodwill and a brand name, which are subject to an annual impairment test in accordance with IAS 36.

The result of the impairment test depends particularly on the estimation of the future cash inflows by the legal representatives, as well as the discount rate used and is thus subject to judgment. The impairment test is therefore associated with exceptional uncertainty and judgment.

Audit approach
Its compliance with the requirements of IAS 36. We analysed the derivation of the discount rate and its individual components with the involvement of our internal measurement specialists, in particular by analysing the peer group, comparing market data with external evidence and verifying the calculation method. We examined the computational accuracy of the measurement model on a sample basis.

We reconciled on a sample basis the planning assumptions used in the planning calculation with the Company's corporate planning prepared by the Management Board. We also reconciled the growth rates for income and expenses used for the extrapolation of the planning with market data. In addition, we analysed the planning calculation, as well as the planning accuracy of the past, and compared it with the planning of the previous year, discussed it with the Company's legal representatives and obtained supporting evidence for the individual assumptions made for the planning calculation.

We assessed the sensitivity calculations prepared by the Company with regard to the consideration of the key assumptions in order to assess a possible impairment risk in the event of a change in one of the measurement's key assumptions.

Our audit did not lead to any reservations relating to the measurement of goodwill or the brand name.

Reference to related disclosures
Disclosures provided by the Company on the measurement of goodwill and the brand name, the accounting policies applied and the discretionary decisions made in this context are contained in the notes to the consolidated financial statements in the chapters "Basis of preparation," "Significant accounting policies" and "10. Goodwill and intangible assets".

4. Measurement of deferred tax assets on the interest carryforward

Reasons why this matter was determined to be a key audit matter
The deferred tax assets recognised in the consolidated financial statements of TeamViewer AG mainly relate to a domestic tax interest carryforward. The measurement of deferred tax assets on an interest carryforward depends largely on the estimate of future expected taxable income and future expected interest income. As a result, measurement is especially subject to discretionary decisions and uncertainties.

Audit approach
We discussed the method used for measuring deferred tax assets on an interest carryforward with the Company's legal representatives and assessed its compliance with the provisions of IAS 12.

We analysed the legal representatives' assumptions on the forecast of the projected future taxable income and the projected future interest result depending on the planned repayment of financial liabilities and checked on a test basis that these are in line with the internal forecast. In particular, we verified the reconciliation of the planned earnings with the projected taxable income with the support of internal tax specialists. We also analysed the tax planning assumptions against the background of the taxable income generated in the past and the utilisation in fiscal years 2020 and 2021.

Our audit did not lead to any reservations concerning the valuation of deferred tax assets on interest carryforwards.

Reference to related disclosures
Disclosures provided by the Company on the accounting policies applied and the related judgments made by the Management Board with regard to the measurement of deferred tax assets on an interest carryforward are included in the notes to the consolidated financial statements in the chapters "Basis of preparation", "Significant accounting policies" and "9. Income taxes".

Other disclosures
The Supervisory Board is responsible for the Report of the Supervisory Board. The Company's legal representatives and the Supervisory Board are responsible for the declaration pursuant to § 161 of the German Stock Corporation Act (AktG) on the German Corporate Governance Code, which forms part of the corporate governance declaration, and for the compensation report pursuant to § 162 AktG. In addition, the legal representatives are responsible for the other disclosures. The other disclosures comprise the abovementioned corporate governance statement, which is part of the group management report, and the abovementioned disclosures not included in the management report, which are included in the chapter "Remuneration report" of the group management report. Furthermore, the other disclosures comprise the components intended for the annual report, a version of which we obtained before issuing the auditor's report, and particularly chapters "TeamViewer AG at-a-glance", "To our shareholders" (including the Report of the Supervisory Board), the separate non-financial report, and "Further information" (including the responsibility statement by the legal representatives), but not the consolidated financial statements, group management report disclosures included in the substantive audit, or our related auditor's report.

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

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other disclosures
- are materially inconsistent with the consolidated financial statements, group management report or our knowledge obtained in the audit, or
- otherwise appear to be materially misstated.

Responsibilities of the legal representatives and the Supervisory Board for the consolidated financial statements and group management report

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

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

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

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

Responsibility of auditor for the audit of the consolidated financial statements and group management report

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

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional scepticism throughout the audit. We also

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

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- perform audit procedures on the prospective information presented by the legal representatives in the group management report. On the basis of sufficient, appropriate audit evidence, we evaluate, in particular, the significant assumptions used by the legal representatives as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information or on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

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

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

Other legal and regulatory requirements

Report on the audit of the electronic reproductions of the consolidated financial statements and the group management report prepared for disclosure purposes pursuant to § 317 (3a) HGB

Audit opinion

We have performed assurance work in accordance with § 317 (3 a) HGB to obtain reasonable assurance about whether the reproduction of the consolidated financial statements and the group management report ("ESEF documents") contained in the electronic file Teamviewer_AG_KA+KLB_ESEF-2021-12-31.zip (SHA-256-Prüfsumme: a8a69ea63ff 5a7b4 96b6495396d3dde653a0b6172dc2e6b5e1c1ff41a79a1148) and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance only extends to the conversion of the information contained in the consolidated financial statements and group management report into the ESEF format and therefore does not relate to either the information contained in this reproduction or any other information contained in the abovementioned electronic file.

In our opinion, the reproduction of the consolidated financial statements and the group management report contained in the abovementioned attached electronic file and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format. We do not express any opinion on the information contained in this reproduction nor on any other information contained in the abovementioned file beyond this reasonable assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the fiscal year from 1 January to 31 December 2020 contained in the "Report on the audit of the consolidated financial statements and group management report" above.

Basis for the audit opinion

We conducted our assurance work on the reproduction of the consolidated financial statements and the group management report contained in the abovementioned attached electronic file in accordance with § 317 (3a) HGB and Exposure Draft of IDW Assurance Standard: Assurance in Accordance with § 317 (3a) HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes (IDW PS 410 [October 2021]). Our responsibilities under that standard are further described in the "Group auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm applied the standards for the quality assurance system set forth in IDW Quality Control Standard: "Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis" [Requirements for Quality Control in the Practice of Public Auditors] (IDW QS 1).

Responsibility of the legal representatives and Supervisory Board for ESEF documents

The Company's legal representatives are responsible for the preparation of ESEF documents, including the electronic reproduction of the consolidated financial statements and group management report, in accordance with § 328 (1) Sentence 4 No. 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 (1) Sentence 4 No. 2 HGB.

In addition, the Company's legal representatives are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 (1) HGB for the electronic reporting format, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the preparation of ESEF documents within the scope of the financial reporting process.

Responsibility of the Group's auditor for the audit of ESEF documents
Our objective is to obtain reasonable assurance as to whether the ESEF documents are free from material non-compliance with the requirements of § 328 (1) HGB due to fraud or error. We exercise professional judgment and maintain professional scepticism throughout the engagement. We also

- identify and assess the risks of material non-compliance with the requirements of § 328 (1) HGB, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i.e. whether the electronic file containing the ESEF documents meets the requirements of Delegated Regulation (EU) 2019/815, in the version valid as of the reporting date, on the technical specification for this electronic file.
- evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited consolidated financial statements and to the audited group management report.
- assess whether the markup of the ESEF documents with inline XBRL technology (iXBRL) in accordance with §§ 4 and 6 of Delegated Regulation (EU) 2019/815, as applicable at the reporting date, provides an adequate and complete machine-readable XBRL copy of the XHTML rendition.

Further disclosures pursuant to § 10 of the EU Audit Regulation (EU APrVO)
We were elected as auditors of the consolidated financial statements by the Annual General Meeting on 15 June 2021 and appointed by the Supervisory Board on 13 October 2021. We have served as auditors of the consolidated financial statements of TeamViewer AG without interruption since the short fiscal year 2019.

We declare that the audit opinions contained in this auditor's report are consistent with the additional report to the audit committee pursuant to § 11 EU APrVO (Audit Report).

Other matters – Use of the audit opinion
Our audit opinion should always be read in conjunction with the audited consolidated financial statements, audited group management report and the audited ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be published in the German Federal Gazette – are merely electronic reproductions of the audited consolidated financial statements and the audited group management report and do not replace them. In particular, the ESEF opinion and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

Responsible German Public Auditor
The responsible German Public Auditor is Mr Steffen Maurer.

Stuttgart, 11 March 2022

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Prof Dr Kuhn	**Maurer**
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

04 List of abbreviations

AG	Stock corporation, Aktiengesellschaft
AktG	Stock Corporation Act, Aktiengesetz
AMERICAS	North, Central and South America
APAC	Asia-Pacific
AR	Augmented reality
ARUG II	German Act Implementing the Second Shareholder Rights Directive, Gesetz zur Umsetzung der zweiten Aktionärsrichtlinie
BGB	German Civil Code
CAGR	Compound annual growth rate
CGU	Cash-generating unit
Code	German Corporate Governance Code in its version of 7 February 2017, published by the Federal Ministry of Justice and Consumer Protection on 24 April 2017, in the official section of the German Federal Gazette (Bundesanzeiger)
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CO_2e	CO_2 equivalent, Global warming potential
CRM	Customer Relationship Management
CSM	Compliance Management System
CSR	Corporate Social Responsibility
ECL	Expected credit loss
EMEA	Europe, Middle East and Africa
EONIA	Euro Overnight Index Average
EPP	Employee Participation Programme
ERP	Enterprise Resource Planning
EU	European Union
FTE	Full-time equivalent
G&A	General and administrative
GCGC	German Corporate Governance Code
GDPR	General Data Protection Regulation
GmbH	Limited company, Gesellschaft mit beschränkter Haftung
HGB	German Commercial Code, Handelsgesetzbuch
HoldCo	TigerLuxOne Holdco S.C.A.
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IDW	Institute of Public Auditors in Germany
IFRS	International Financial Reporting Standards
IFRS IC	IFRS Interpretations Committee
IfW	Kiel Institute for World Economy
ILO	International Labor Organization
IoT	Internet of Things
IPO	Initial Public Offering
IT	Information Technology
LTI	Long-term variable remuneration component
LTIP	Long-term incentive plan for Management Board members of the company
MAR	Market Abuse Regulation
MEP	Management Equity Participation
NCI	Non-controlling interests
OCI	Other comprehensive income
OEM	Original equipment manufacturer
OT	Operational Technology
PEC	Preferred Equity Certificates
R&D	Research and development
RaaS	Remote-as-a-Service
SAR	Share Appreciation Rights
SASB	Sustainability Accounting Standards Board
SIC	Standing Interpretations Committee
SOC	Security operations centre
STI bonus	Short-term variable remuneration component
TLO	TigerLuxOne S.á r.l.
UK	United Kingdom
UmwG	German Transformation Act, Umwandlungsgesetz
VAT	Value added tax
WACC	Weighted average cost of capital
2017 syndicated loans	Credit agreement, Regit Eins GmbH entered into with various lenders on 22 February 2017
2019 syndicated loan	New credit agreement with various lenders from 27 September 2019

05 Financial calendar

Month	Day	Event
May 2022	04	Q1 2022 Results
May 2022	17	Annual General Meeting
August 2022	03	Q2 2022 Results/ Half-Year Report 2022
November 2022	03	Q3 2022 Results

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