

ANNUAL FINANCIAL  
STATEMENTS  
OF TEAMVIEWER AG  
**FISCAL YEAR 2020**



# 01\_COMBINED MANAGEMENT REPORT

01 Group fundamentals .....	3
02 Employees .....	15
03 Corporate responsibility .....	16
04 Economic report .....	17
05 Events after the reporting period .....	28
06 Opportunity and risk report .....	29
07 Outlook .....	39
08 Remuneration report .....	40
09 Takeover-related disclosures .....	48
10 Corporate governance statement.....	51
11 Nonfinancial statement .....	60
12 Closing statement on the dependency report .....	60
13 Management report of TeamViewer AG .....	61

# 02\_ANNUAL FINANCIAL STATEMENTS

01 Balance Sheet .....	63
02 Income Statement.....	64
03 Notes to the financial statements.....	65

# 03\_FURTHER INFORMATION

01 Responsibility statement.....	74
02 Independent auditor's report .....	75

# COMBINED MANAGEMENT REPORT

## 01 Group fundamentals

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. In addition to a high number of private users who can use parts of the product portfolio free of charge, TeamViewer's customer base comprises companies of different sizes and from various industries. TeamViewer Group globally has 1,256 employees. TeamViewer AG is the Group's parent company and its shares are listed on the Frankfurt Stock Exchange, in various indices, including the MDAX and TecDAX.

### Increase in the number of employees



Full-time equivalents (FTEs) as per 31 December 2020

### TeamViewer solutions for the entire value chain



### BUSINESS MODEL

As digital technologies continue to develop, the way in which people interact and work is also changing. For companies, there is a growing need to connect employees and a large number of devices and applications irrespective of time and place. Alongside the continuous increase in endpoints and devices, this strong need for connectivity solutions is influenced by global megatrends. These include digital transformation, further developments in the Internet of Things (IoT) segment,

advancing automation, robotics and the deployment of artificial intelligence (AI). Added to this is society's increasing sensitivity to environmental and climate issues and the growing call for a reduction in CO<sub>2</sub>e emissions and flexible working concepts (e.g. working from home). The global COVID-19 pandemic in 2020 led to a substantial acceleration of these trends, particularly in respect of flexible working concepts.

These megatrends and requirements are served by TeamViewer's product and solutions portfolio. The software allows remote access to devices of all types and enables them to be controlled, managed and monitored – ranging from laptops and mobile phones to industrial machinery and robots. The TeamViewer products, moreover, allow interaction with other people through digital tools and the digitalisation of industrial processes along the entire value chain, enriching them with augmented reality (AR) elements. TeamViewer supports all common operating systems to grant its customers the greatest possible freedom in the design of individual application scenarios.

Most of TeamViewer's revenue is generated from sales of its own software products and solutions. Since 2018, they have been sold exclusively through a subscription model, where the subscription period is usually twelve months. TeamViewer also provides services to implement more complex solutions, for example in enterprise, IoT or AR settings.

## Strategy

TeamViewer's strategic orientation pursues the overarching goal of generating long-term growth and steadily increasing the value of the Company. The Company's strategy is based on three growth dimensions which are to be advanced and further deepened by a number of strategic initiatives: First, TeamViewer will develop new use cases.

Secondly, TeamViewer is steadily expanding its portfolio for all customer segments, building on its product offerings which already cover the full range of customers, from private users to global corporations. Thirdly, TeamViewer always has geographic expansion in its sights and is working towards further penetration of its international markets. As part of these three dimensions, TeamViewer is seeking to generate organic growth while at the same time looking out for suitable strategic acquisition targets that complement the solutions portfolio and technological knowledge of the TeamViewer Group in a meaningful way.

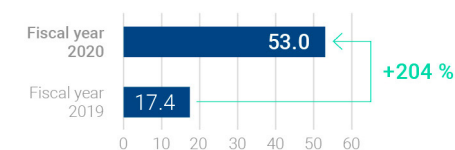
## Increase in use cases

TeamViewer allows devices of all kinds to be connected across all relevant operating systems. This alone means that the opportunities for using the software are basically unlimited. Customers use the solutions to access devices and machinery remotely, to monitor, control, maintain or repair them. Beyond merely connecting devices, TeamViewer seeks to create added value by utilising new technologies such as AR, IoT and AI. The digital transformation offers a considerable scope for additional use cases, especially in the industrial area. The main focus is on accessing machinery data and using it intelligently while at the same time providing specialists and maintenance engineers on site with digital support in their activities outside an office setting. TeamViewer's large user and customer base and its continuous input are an important source of new use cases. They are addressed via new functionalities in existing solutions or selectively, through new applications. In general terms, TeamViewer is working both on solutions that can be deployed horizontally but also on new, tailored solutions for individual industries or parts of the value chain to support digital transformation.

## Coverage of customer segments

Through its product portfolio, TeamViewer covers a broad range: Private individuals can use the software free of charge for non-commercial purposes (Free User Community), and there are a variety of solutions and subscription models for commercial use. TeamViewer has a strong customer base in the SME segment for historical reasons, although in recent years the Company has invested more in the major customer segment and secured a large number of enterprise customers<sup>1</sup>.

## Billings performance in the enterprise business

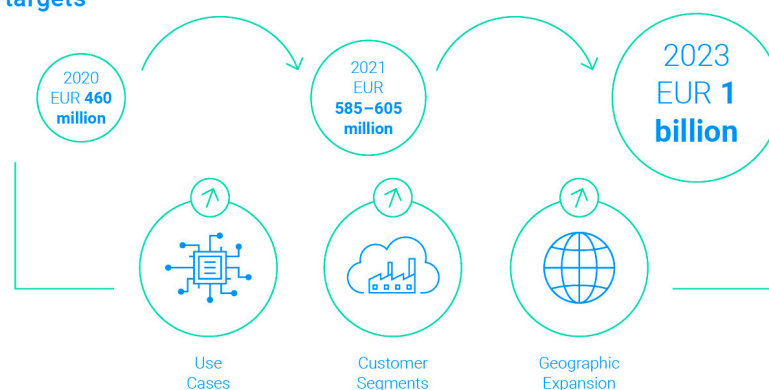


In EUR million, enterprise billings (min. EUR 10,000 volume) in the past 12 months

TeamViewer is increasingly seeking to expand its presence in the enterprise segment, especially in the area of Industry 4.0. In this regard, TeamViewer has reached an important milestone with the takeover of Ubimax and the intelligent integration of its AR and IoT solutions. Another growth driver in the enterprise customer segment is the digitalisation of sales and customer service interactions. In this context, TeamViewer has supplemented its Tensor enterprise suite with major functionalities including co-browsing, a GDPR-compliant version of screen sharing. At the other end of the customer range, TeamViewer also increasingly meets the needs of non-commercial individual users through the free-of-charge integration of TeamViewer Meeting and other new developments.

<sup>1</sup> Customers with invoiced billings across all products and services of at least EUR 10,000 within the last 12 months

## Medium-term growth targets



## Geographic expansion

TeamViewer is a company with global operations and users and customers all over the world. In recent years, its long-standing central sales offices in Germany, the United States and Australia have been joined by additional sales offices in the APAC region. The Company also opened a new software development site in Greece. In 2020, the sales and marketing activities were further expanded in strategic growth markets across all regions.

Thanks to the Ubimax acquisition, new sites in the United States and Mexico were added. Going forward, TeamViewer intends to establish and expand local sales and marketing activities and the corresponding teams. By adapting to local customs to a greater extent, TeamViewer seeks to harness the potential in these growth markets which are of distinct strategic importance to the Company.

## Medium-term growth targets

Driven by strategic growth initiatives in the areas described above – increase in use cases, coverage of customer segments, and geographic expansion – TeamViewer has set itself ambitious targets. Thus, billings are to be increased to EUR 585 to 605 million in the year 2021 and reach the EUR 1 billion mark in 2023 in the medium term.

## GROUP STRUCTURE AND ORGANISATION

### Legal structure

The TeamViewer Group consists of TeamViewer AG, based in Goppingen, and its total of twelve subsidiaries. TeamViewer AG acts solely as a holding company for the TeamViewer Group with responsibility for the uniform management and steering of the Group while operations are managed by TeamViewer Germany GmbH, an indirect and wholly owned subsidiary of TeamViewer AG, and its subsidiaries.

The scope of consolidation of the Group changed in fiscal year 2020 due to the acquisition of Ubimax GmbH, including its subsidiaries Ubimax Inc. and Ubimax SA de CV, by TeamViewer AG and TeamViewer Germany GmbH in August 2020. The Ubimax GmbH, a wholly owned subsidiary of the TeamViewer Germany GmbH as of 31 December 2020, was merged with the TeamViewer Germany GmbH by entry in the commercial register on 7 January 2021. The merger was given retroactive effect as of 1 January 2020 in accounting terms.

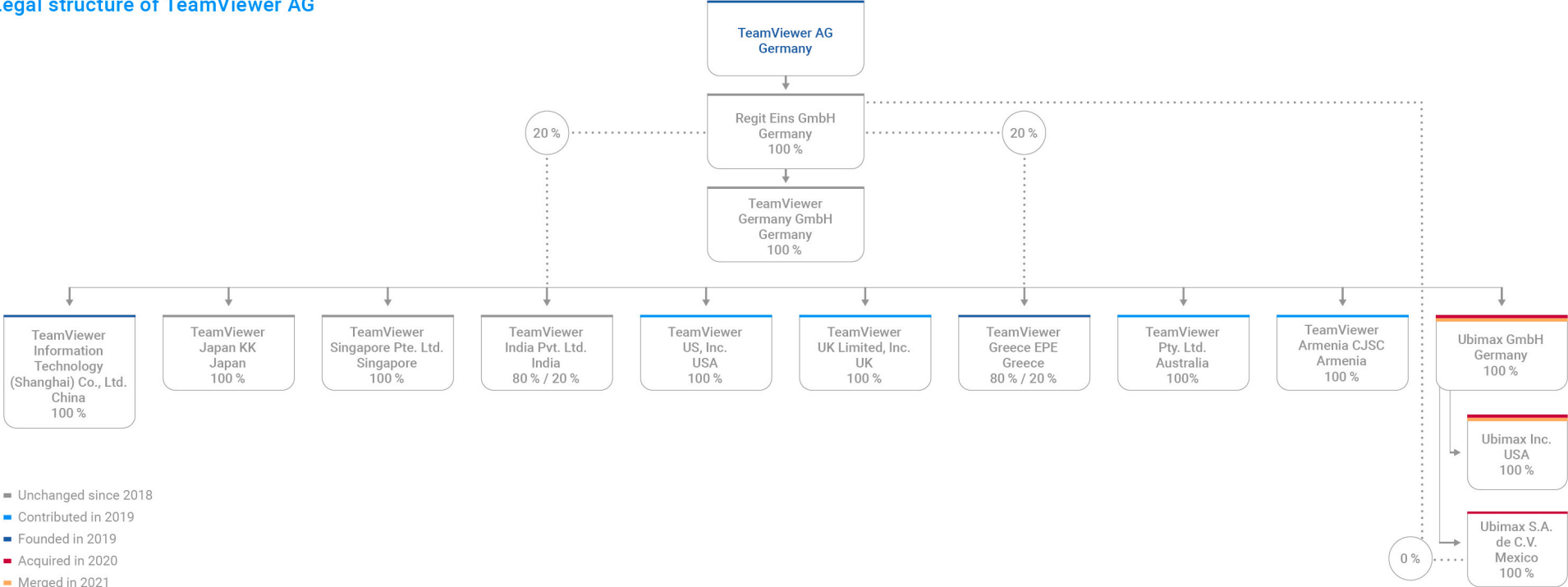
## Locations

TeamViewer maintains a total of 17 locations in ten countries. The Group's head office is in Goppingen (Germany) which is also the central development location and sales centre for the EMEA region. Other central sales offices 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 development locations in Yerevan (Armenia) and Ioannina (Greece). Through the Ubimax GmbH acquisition, five further locations were added compared with the previous year, including Bremen and Bruchsal in Germany, Atlanta and Palo Alto in the USA and Guadalajara in Mexico.

## 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 EMEA, Americas and APAC geographic regions as reporting units.

**Legal structure of TeamViewer AG**



**MANAGEMENT SYSTEM**

**Description of the management system**

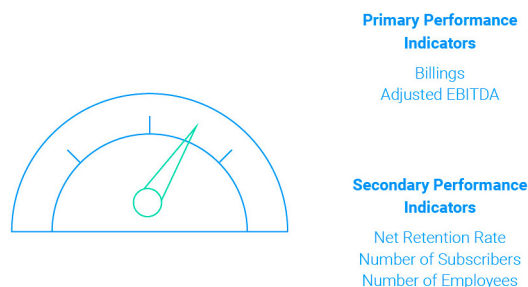
To manage and monitor the Group's development, TeamViewer uses an internal corporate management system based on financial performance indicators complemented by nonfinancial performance indicators.

These performance indicators involve TeamViewer-specific definitions which are not defined or explained in applicable

accounting frameworks. However, the relevant financial performance indicators can be bridged 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 around the year. Thereby, actual values are compared with budgeted and prior-year values, and corrective action is taken where necessary. The performance indicators are, to some extent, 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, which have subordinate internal management priority but still represent important informational metrics.

## Performance indicators



### Primary performance indicators

In the 2020 fiscal year, TeamViewer mainly used the following primary performance indicators for Group management purposes:

- Billings
- Adjusted EBITDA

### Billings

Billings represent the value (net) of goods and services invoiced to customers within a period and constitute a contract within the meaning of IFRS 15.

### Adjusted EBITDA

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

of the business. These include, among others, expenses from special IT projects of EUR 1.9 million (2019: EUR 3.5 million), expenses from financing and M&A of EUR 1.8 million (2019: EUR 0.6 million), expenses for special legal matters of EUR 0.4 million (2019: EUR 2.5 million), and income from the valuation of financial instruments of EUR 3.0 million (2019: EUR 0 million).

### Secondary performance indicators

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

- Net retention rate
- Number of subscribers
- Number of employees

The net retention rate as a performance indicator to measure customer retention is defined as annual recurring billings of existing subscription customers during the period under consideration less gross-value churn plus billings from upselling and cross-selling activities, including foreign exchange effects and expiring discounts, as a percentage of annual recurring billings in the previous period. The number of subscribers and employees also represents important informational metrics for measuring TeamViewer Group's business performance.

## MARKETS AND SALES MODEL

TeamViewer sells its products and solutions in almost all countries around the world. In geographical terms, TeamViewer subdivides its markets into the EMEA (Europe, Middle East, and Africa), Americas (North, Central and South America) and APAC (Asia, Australia, and Oceania) regions. In the 2020 fiscal year, the EMEA region was once again the biggest sales area, followed by Americas and APAC. At country level, the USA remained the biggest sales market, followed by the domestic German market. As TeamViewer's products and solutions can be used in nearly all sectors, consequently, the sales markets are not subdivided further. More information on the regional breakdown of revenue can be found on Page 21 in the economic report.

Since the Company's establishment, the free-of-charge provision of a large number of TeamViewer products for private use – especially the "TeamViewer" product – has been a material element in the TeamViewer sales strategy. Free private use in combination with barrier-free installation and the product's strong degree of performance capability both ensured TeamViewer's high brand awareness and a large user base. This benefits the entire sales model, particularly when it comes to selling commercial licences.

The sales model consists of several sales channels with a focus on different customer groups and licences.

TeamViewer uses its own web shop and phone lines to sell primarily standardised licences of its products. This includes TeamViewer Business, Premium and Corporate licences, and the licences of the augmented reality (AR) product, TeamViewer Pilot as well as TeamViewer Remote Management. These products work on a plug & play basis and can be used by customers immediately without requiring any major installation efforts. TeamViewer has opted to apply low entry-level pricing for small and medium-sized businesses. Moreover, TeamViewer deploys algorithms to detect unlicensed commercial use.

To create tailored solutions for major customers from its product portfolio, TeamViewer operates its own dedicated solution sales organisation. In addition to the TeamViewer Tensor product which is tailored to the needs of major customers and focuses on remote access and remote support, the Company's solutions for application in the IoT and AR segments also play a key role. Particularly, TeamViewer's sales competence in AR solutions was strengthened further in the fiscal year through the acquisition of Ubimax GmbH. To provide technical support to the Solution Sales Organisation and to realise more complex opportunities for its customers, particularly in the IoT and AR segments, TeamViewer additionally created its own Solution Delivery Organisation in the 2020 fiscal year.

Besides the described sales channels, TeamViewer is also collaborating with various sales partners who are active in selling standardised licences and/or in the development as well as in the implementation of complex solutions, depending on the partner.

## **PRODUCTS, RESEARCH & DEVELOPMENT AND INNOVATION**

### **All products – one platform**

TeamViewer offers a cloud-based platform to digitalise entire businesses, individual divisions or standalone processes. Through its products, TeamViewer is working on solutions for the megatrends of the future: ubiquitous connectivity, the Internet of Things (IoT), augmented reality (AR) and artificial intelligence (AI). Thanks to the product's joint IT architecture, they are mutually compatible to a high degree, as well as being safe, easy to implement and scalable. TeamViewer develops solutions which allow businesses to implement their digitalisation projects step by step or as a whole, regardless of the industry or size. TeamViewer technology connects nearly any device, from laptops and mobile phones to industrial machinery and robots. To this end, the products use the global TeamViewer router network and are encrypted end-to-end on the basis of 256-bit AES and 4096-bit RSA keys. The TeamViewer products are deployed in an industrial setting (IoT, Pilot & Frontline), in IT departments (Remote Management, Web Monitoring) and in the remote working context (Remote Access, Meeting). This approach constitutes seamless human-machine communication with additional human-human interaction using AR. The Company's development activities in the 2020 fiscal year had a special focus on all-in solutions rather than individual products. The Group aims to develop the portfolio so that individual challenges can be resolved in a targeted manner through a combination of different TeamViewer products. In this sense, the platform approach to product development was gained while addressing the requirements of major customers and their digitalisation strategies.

TeamViewer's proprietary protocol for the creation of connections to virtually any end device through existing firewalls is a major competitive advantage. In addition, TeamViewer supports all common operating systems and software architectures, and its integration partners include global players such as Microsoft, Apple, Salesforce and ServiceNow. TeamViewer was one of the first companies in 2020 to provide native sup-

port to the new Apple Silicon architecture, as well as to Apple's LiDAR Scanner and the Google Depth API in the AR segment.

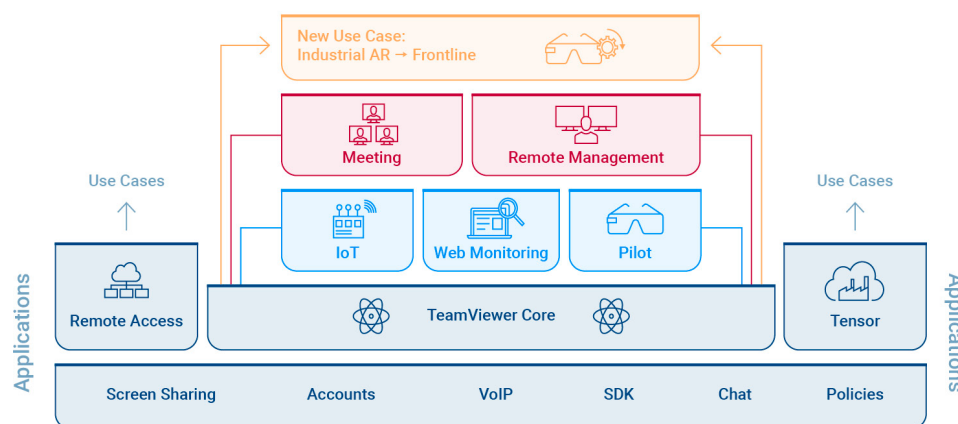
TeamViewer makes all necessary tools and the requisite knowledge available to its customers to enable them to digitalise multi-part processes using TeamViewer products. The takeover of the Ubimax GmbH resulted in the creation of the new TeamViewer Frontline solution which allows the digitalisation of work processes, usually with the help of a head mounted device, smart glasses or other wearables. This includes, for example, the support of skilled workers in production and maintenance or the employees in logistics.

The integration of the products developed by Ubimax into the TeamViewer platform was one of the focal points of the Company's development activities in 2020 and has already resulted in initial product successes. Used in combination with the TeamViewer IoT product, the entire process chain of customers can now be digitalised: from the creation, monitoring, updating and remote control of production machinery to on-site maintenance and repair by means of the worker's AR support.

The product portfolio includes TeamViewer, TeamViewer Tensor, TeamViewer Remote Access, TeamViewer IoT, TeamViewer Remote Management, TeamViewer Pilot, TeamViewer Meeting (formerly Blizz), TeamViewer Web Monitoring (formerly Monitis) and the newly created TeamViewer Frontline, consisting of Ubimax-developed products xAssist, xPick, xMake and xInspect.



## TeamViewer technology platform



### Overview of current TeamViewer products TeamViewer

The TeamViewer core product offers consistently secure connectivity across a wide range of different operating systems and device types with the aid of end-to-end encryption, two-factor authentication and the “Trusted Devices” function. TeamViewer’s features enable, for example, remote access and control of devices, a security screen feature, screen sharing, fast data transfer and the reintegrated TeamViewer Meeting functionality. The product is available in the form of three licences – Business, Premium and Corporate. As the most used and most known product, it vitally contributes to the popularity of the TeamViewer brand. TeamViewer’s various features, its fast connectivity and compatibility with basically any devices and operating systems all enable customers and users worldwide to implement their own use cases. An important development in 2020 was the manufacturer-independent support of all Android devices from version 7 upwards.

### TeamViewer Tensor

TeamViewer Tensor is TeamViewer’s enterprise solution. In addition to the functionality of the regular TeamViewer solution, it includes a large number of functionalities which large companies require, e.g. multi-tenancy support, conditional access, granular role and access management, and deeper integration into companies’ IT landscapes through features like Mass Deployment, Managed Devices 2.0 and Single Sign-on. In 2020, TeamViewer Tensor was expanded to include a dedicated remote access solution for working from home, the integration of TeamViewer IoT, TeamViewer Pilot or Frontline, mobile SDK and co-browsing. This means that it comprehensively maps the TeamViewer platform with all associated products.

### TeamViewer Remote Management (RMM) and TeamViewer Web Monitoring (formerly Monitis)

TeamViewer Remote Management automates back-end IT processes and centralises the management of all IT devices owned by a company, including malware protection, data back-up and patch management. TeamViewer Remote Management is aimed mainly at two large customer groups: IT administrators and IT managers in small, medium and large businesses as well as managed service providers.

TeamViewer Web Monitoring is TeamViewer’s solution for the continuous monitoring of websites, servers, and applications. Unlike Monitis, it runs on the TeamViewer IT platform. TeamViewer Web Monitoring allows the monitoring of websites and focuses on access time optimisation, page load time speed, function monitoring for online shops and website stress tests. The newly launched TeamViewer Web Monitoring is about to replace Monitis in the course of 2021.

### TeamViewer Meeting (formerly Blizz)

TeamViewer Meeting is the meeting function which is available both in the TeamViewer client and as a standalone solution. The formerly independent Blizz programme has been integrated with all its functionality into the TeamViewer platform so that meetings both from TeamViewer and using the standalone solution are fully compatible. TeamViewer Meeting offers audio and video conferences, screen sharing, a chat function, granular role attributions for presentations, instant messaging, and a phone dial-in option.

## TeamViewer Remote Access

TeamViewer Remote Access is the entry-level version of TeamViewer and facilitates remote access to specific devices that are defined in advance. The solution has been designed as purely remote access and does not therefore offer any meeting or support solutions, instead it provides data transfer and a security screen feature.

## TeamViewer IoT

TeamViewer IoT is the dedicated TeamViewer solution for devices outside the traditional office environment. The software can be used on smart devices without a display, keyboard or mouse and is therefore particularly suitable for Industry 4.0 scenarios. These include, for example, remote control of robots, monitoring of industrial machinery and disruption management. During the fiscal year 2020, multi-tenancy support, a rules engine with Waylay integration, a predictive maintenance module and the support of edge modules were added.

## TeamViewer Pilot

Alongside TeamViewer Frontline, TeamViewer Pilot is one of TeamViewer's AR solutions which enables the user on site to be provided with live support by technical experts (for example, engineers or mechanics) via shared smartphone or smart glasses camera streaming. Possible applications include scenarios in which a field service is involved, e.g. telecom providers, or repairs. Since 2020, the Frontline workflows can also be used in combination with TeamViewer Pilot.

## TeamViewer Frontline

TeamViewer Frontline is the product that emerged because of the Ubimax GmbH acquisition. The Ubimax subproducts – xAssist, xMake, xInspect and xPick – were incorporated into the TeamViewer portfolio and are being gradually transferred to the TeamViewer IT infrastructure. The xAssist product, like TeamViewer Pilot, is a remote assistance solution that deploys AR but is specifically geared to industrial use involving smart glasses and other wearables. xPick, xMake and xInspect are workflow-based solutions. This means that step-by-step instructions are displayed on smart glasses, head mounted displays or mixed reality glasses for predefined work processes which can be worked through interactively. The Frontline workflows open up a new target group in the industry segment. Possible applications include manual picking processes in logistics, standardised repairs or maintenance and production processes.

Frontline workflows are always designed in consultation with the customer and tailored to their specific requirements. To this end, TeamViewer supports its customers with a Solution Delivery Team.

## Focus on research & development activities in 2020

The ability to bring innovative solutions that meet the steadily rising demands of customers to the market is a critical success factor in the dynamically evolving software industry. In the Management Board's view, the R&D (research and development) activities are thus of key importance for the future success of the TeamViewer Group and are, accordingly, assigned a high priority. During the fiscal year 2020, the focus was on the following areas:

### Further development of the platform

The further development of the platform and interoperability of products was a focus of R&D activities in 2020. Major milestones included the reintegration of the TeamViewer Meeting solution (formerly Blizz) and of TeamViewer Web Monitoring (formerly Monitis). The integration of acquired Ubimax Gm-

bH's products under the name TeamViewer Frontline commenced shortly after completion of the takeover, and initial milestones, such as the combination with the TeamViewer Pilot app, have been reached.

TeamViewer is also cooperating closely with partners when it comes to creating a comprehensive ecosystem to tackle various digitalisation challenges. As a result of such cooperation, the Group is developing joint products while at the same time providing the APIs to its partners. The fiscal year also saw the implementation of the remote access solution and AR integration into Microsoft Teams, Salesforce and ServiceNow and the IoT integration in collaboration with Waylay.

## Digitalisation of industrial facilities

TeamViewer is offering its IoT customers a range of solutions, from digitalisation of individual processes to a fully connected factory. The approach of maximum connectivity while ensuring security and stability is implemented as a horizontal addition for OEMs because TeamViewer's work is manufacturer independent. For existing facilities, in the past fiscal year the Group increasingly collaborated with partners who integrate the IoT solution directly into their products, such as SPS monitoring devices or starter kits, for monitoring and maintenance purposes and for remote access. This allows even facilities that were not designed for the IoT to be integrated into the connected factory and mapped using their digital twin.

The Group sees itself as the digitalisation partner of the full value chain and, using combinations of various other TeamViewer solutions, it helps ensure continuous monitoring and maintenance, also in tandem with the TeamViewer Frontline solution. The core focus of innovation is the analysis of data for visualisation and evaluation by means of AI. The newly developed predictive maintenance module analyses this data using machine learning algorithms and is thus able to minimise the risk of failure.

## **AR for industry and service providers**

Thanks to TeamViewer's AR products, customers are equipped to conduct remote support and digitalised work processes both more efficiently and securely. By placing 3D elements in the picture of the smartphone or tablet camera, technicians can support on-site experts remotely in an equally effective manner as if they were present themselves. Elsewhere, production employees can import work instructions directly into their field of vision through the use of smart glasses. To this end, TeamViewer is updating its products on a continuous basis to make the latest technologies accessible to customers as fast as possible. This includes the support of the Apple LiDAR scanner and Google Depth API as a component of the AR CORE kit, which in its turn improves the accuracy of locating AR elements on screen and enables a concealed object to be annotated.

The acquisition of Ubimax GmbH and implementation of the Frontline products into the TeamViewer solution was another focus area for the Company's AR development department. The newly created TeamViewer Frontline products underwent a complete UX and UI redesign in the current fiscal year to ensure more intuitive operability. TeamViewer Pilot and TeamViewer Frontline are already compatible in technological terms and supplement each other as Pilot customers are now also able to use Frontline workflows. The platform idea seeks to ensure that every customer can be flexible and use other TeamViewer products if required. TeamViewer supports the latest devices in the head-mounted display, smart glasses and mixed reality fields, such as Microsoft HoloLens 2.

## **Enabler for remote workers**

The strategic focus in the 2020 fiscal year was on the development of IoT and AR solutions. But the year 2020 and the start of the global COVID-19 pandemic shifted the focus of customers to the main product, the TeamViewer client, and the products TeamViewer Meeting, Remote Monitoring and Management (RMM) and the Group solution TeamViewer Tensor. Thanks to the good scalability of the Company's offerings, customers were able to expand their capacity rapidly. In a difficult and uncertain time, new customers benefited from the fact that the solutions can be rolled out very quickly, easy, yet securely. Here too, the TeamViewer platform played a key role. Features such as a security screen, which ensures data protection in the wake of remote access, improved patch management and a remote scripting feature to execute scripts on servers were implemented rapidly and reliably. The coordination of the IT infrastructure using the TeamViewer Remote Monitoring and Management solution was marked, by the integration of the TeamViewer Web Monitoring solution. It will replace the Monitis product in the course of 2021 and thus, allow constant monitoring of the availability and functionality of websites and web shops.

## **Next step for customer support**

With the TeamViewer Tensor licence the Group also laid the foundations for fully digitalised customer support, including a specially developed mobile software development kit (SDK). Applications, developed directly with the TeamViewer Mobile SDK, allow remote support within the app without displaying other smartphone information. Together with the GDPR-aligned co-browsing plug-in for remote support within a browser tab, which was introduced in 2020, TeamViewer provides its customers with an additional layer of privacy insurance in respect to their own client base.

This solution, like an integrated chat function, allows companies to provide their website visitors rapid and uncomplicated support through browser-based screen sharing. The TeamViewer Tensor licence has moreover been given a licence management update through the newly developed multi-tenancy support which enables major groups to manage the licences of individual subsidiaries.

## **Improvement of collaboration solution**

As a result of growing demand for digital meeting solutions, TeamViewer in 2020 stepped up the reintegration of online collaboration tool Blizz and its rebranding as TeamViewer Meeting. The meeting solution fulfils the following requirements: security, stability, scalability, ease of use and integration capability. To improve stability for participants in highly remote areas, TeamViewer enabled upscaling by switching to distributed meetings. This involves the nearest TeamViewer router being used to establish a connection for every single participant. It reduces latencies and improves the failure safety of the entire meeting.

## Further improvement of the development process

TeamViewer sees itself as the backbone of its customers' digitalisation and must, therefore, fulfil a variety of differentiated requirements. Consequently, the Company maintains a constant focus on the optimisation of its own R&D activities. In the attempts to combine all functionalities on one platform, TeamViewer also advanced the development process itself and implemented a security software development cycle (S-SDLC).

By advancing the product development, TeamViewer replaced some of the traditional SCRUM processes and roadmaps, thereby accelerating and creating greater transparency. In 2021, the Company will use the experience acquired from the transformations and the knowledge gained from the previous structures to improve the development process further.

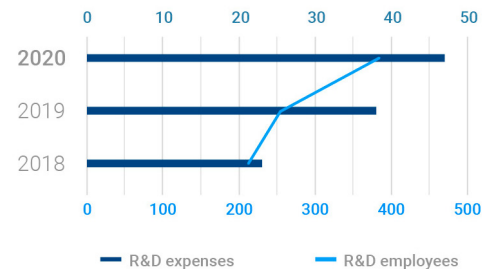
## Further research projects

TeamViewer is working with universities and research institutions. In total, it is involved in eleven research projects, two of them European-led, eight as part of nationwide German projects and one in a regional setting. Ubimax research projects were continued following the takeover by TeamViewer AG and will be advanced further under the scope of the existing projects.

## R&D organisation

At the end of the fiscal year, 384 full-time equivalents (FTE) were employed in the R&D department throughout the Group: an increase of +51% compared to the previous year's 254 FTEs. Most of these employees work in Germany, mainly in Goppingen and Bremen (former Ubimax R&D location) but also in Stuttgart and Karlsruhe – in close vicinity of local universities. TeamViewer also has R&D facilities in Armenia and Greece. These international locations enable the Group to gain access to qualified local talent.

### R&D: Expenses and employees



Expenses in EUR million, employees in FTEs as at 31 Dec 2020

## R&D expenditure

In the 2020 fiscal year, expenses for R&D amounted to EUR 46.6 million (2019: EUR 37.9 million). This includes personnel costs, costs of work performed, and services provided by service providers and cooperation partners as well as depreciation and amortisation. TeamViewer's expenses for R&D, excluding depreciation and amortisation and considering the adjustments corresponding to the definition of adjusted EBITDA, amounted to EUR 34.8 million (2019: EUR 28.0 million). This amount corresponds to 7.6% of billings (2019: 8.6%).

## SECURITY AND DATA PROTECTION

Millions of businesses and people worldwide rely on TeamViewer products every day for critical business processes and private use. This translates to very high requirements in respect to the privacy and cyber security of TeamViewer users. It is therefore of key importance for TeamViewer's corporate action to ensure the highest possible data protection, IT and product security standards are met. To ensure fulfilment of the intentions, the Group during the recent years has made significant investments to establish the necessary organisational and structural action.

### Infrastructure and product security

TeamViewer attaches great importance to ensure full employee awareness in respect to the maintenance of the highest possible level of IT security and cyber hygiene. For example, the Company offers mandatory training and regular courses in which advanced knowledge of the patterns of possible attacks and necessary responses are taught. The content of various internal policies and manuals is checked on a regular basis, providing both permanent and freelance employees with a practical guide to an effective security culture.

TeamViewer's security strategy pursues a best-of-breed approach. Accordingly, the best solution is to be deployed for each security application. In this way, world-leading resources can be integrated into a comprehensive security concept that also includes physical security. Two dedicated teams for IT security and for product security are responsible for the best possible protection of the global IT infrastructure and all the Group's products. The teams are supported by additional internal resources and external advisors, as well as by recognised security solutions. An external 24/7 Security Operations Centre (SOC) monitors the TeamViewer system landscape around the clock. The Group's security architecture is certified in accordance with HIPAA/SOC2 and TISAX. It is also to be mentioned that TeamViewer has been placed in the highest category of the BitSight Cyber Security Rating.

TeamViewer has a Computer Security Incident Response Team (CSIRT) and a Product Security Incident Response Team (PSIRT), whose permanent availability is based on a regularly updated Security Incident Response Plan and further Security Playbooks. TeamViewer regularly commissions detailed security reviews of the relevant systems and product portfolio through Red Teaming exercises and penetration tests of leading security researchers. The Company supports the responsible disclosure principle and collaborates closely with third parties to uncover potential software vulnerabilities in its software. Throughout all phases of software development, TeamViewer seeks to ensure the highest level of product security through a Secure Software Development Life Cycle (S-SDLC). TeamViewer software is signed with DigiCert code signing certificates.

In early 2020, TeamViewer discontinued the functionality of legacy versions 4, 5, 6 and 7. Moreover, at the end of 2020, TeamViewer announced that it would support additional legacy versions with security updates until mid-2021 before discontinuing them. This has allowed the Company to ensure that all users benefit from up-to-date software and security architecture. For the same reason, free use of the software is only possible with the latest TeamViewer version.

TeamViewer's Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are kept informed of recent developments regarding IT and product security related matters, as well as actively involved in all relevant discussions. The Senior Leadership Team (SLT) regularly deals with detailed reports on strategic and operational cyber security issues. The security organisation is headed by the Security Steering Board, which is composed of the Chief Operations Officer (COO), Chief Technology Officer (CTO), Chief Information Security Officer (CISO) and the Director of Product Security.

### **Data protection**

TeamViewer attaches great importance to the protection of personal data. The Group's compliance policy grants particular importance to compliance with the principles related to the processing of personal data pursuant to Article 5 of the General Data Protection Regulation (GDPR). TeamViewer and all its associated companies fully recognise the resultant obligations as data controller and processor. Having said that, TeamViewer only collaborates with processors who also meet these requirements.

The TeamViewer Privacy Management Framework, a data protection management system, defines all data protection-related provisions, policies, and procedures to this end. To operationalise them, significant investments have been made since 2017 to develop a Data Protection Organisation and data protection culture within the Company. In accordance with Art. 5 GDPR, TeamViewer publishes an accountability report at regular intervals, at least annually, to implement the TeamViewer Privacy Management Framework. The most recent report is dated April 2020 and has not identified any relevant violations or shortcomings in the Data Protection Organisation.

Within the TeamViewer Privacy Management Framework, the TeamViewer Privacy Handbook is the lead document for TeamViewer's data protection. It includes comprehensive rules on fulfilling regulatory requirements, including the maintenance of a full list of processing activities, of checking and concluding order processing agreements with contractors and the implementation of data protection impact assessments. In addition, the implementation of appropriate technical and organisational measures to ensure the security of all personal data entrusted to TeamViewer is addressed.

In its privacy policy, TeamViewer defines the rights of data subjects in terms of information, correction and deletion on the basis of the GDPR, among other things. These are procedurally acknowledged in the TeamViewer Privacy Handbook, as are possible notification obligations in the event of a personal data breach. Accordingly, TeamViewer undertakes to notify the relevant supervisory authority pursuant to Art. 33 GDPR and, subject to the provisions of Art. 34 GDPR, also the data subjects without undue delay.

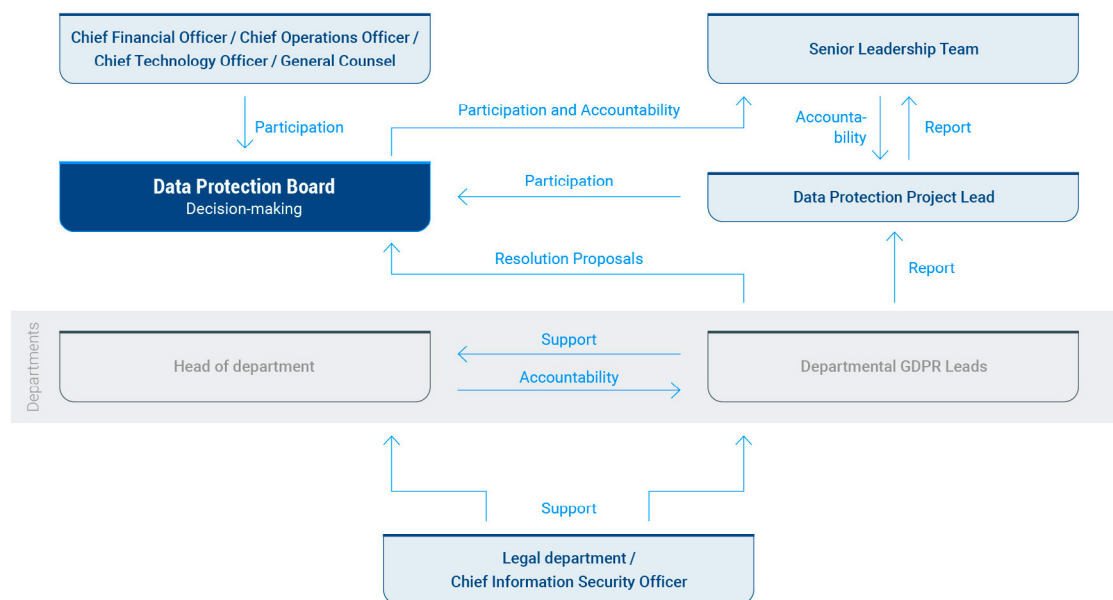
Data protection is the responsibility of all TeamViewer employees. Following this approach, the content of the TeamViewer Privacy Handbook is communicated and reviewed in annual mandatory training events run equally for permanent but also freelance employees and as part of further training and qualification measures for the affected persons responsible and function holders. The employees have access to the Company's internal network where a large amount of up-to-date information and templates on the fields of action defined in the TeamViewer Privacy Handbook are available.

To ensure effective implementation of the TeamViewer Privacy Management Framework, clear reporting lines have been defined in the corporate organisation and in corporate governance. At the top of the Data Protection Organisation is the Data Protection Board, which must include, as a minimum, the Chief Financial Officer (CFO) as member of the Management Board and the Chief Operations Officer (COO), General Counsel and Data Protection Project Lead. The Data Protection Board convenes regularly, at least once a quarter, to deliberate issues of strategic importance and to manage the Data Protection Organisation.

TeamViewer creates a strong interlocking of data protection and GDPR compliance and operational responsibility with a decentralised principle which is based on the departmental structure. The responsibility for implementation of and compliance with the Data Protection Organisation thus lies with the relevant heads of department in the Senior Leadership Team (SLT) who submit an annual letter-confirmation of personal accountability statement. The heads of department are supported in the exercise of their function in the Data Protection Organisation by GDPR Leads in the divisions, of which there are 15 at present, nine of them on a full-time basis. The GDPR Leads meet regularly, usually monthly, in a working group, to coordinate the operations of the Data Protection Organisation under the leadership of the Head of the Data Protection Project.

Experts from TeamViewer's Legal department and the Chief Information Security Officer (CISO) form an integral part of this process and support the Data Protection Organisation on an ongoing basis. In addition, TeamViewer has appointed an external independent Data Protection Officer pursuant to Art. 37 GDPR who assists TeamViewer in an advisory and auditing capacity and represents the Company in its dealings with the supervisory authorities.

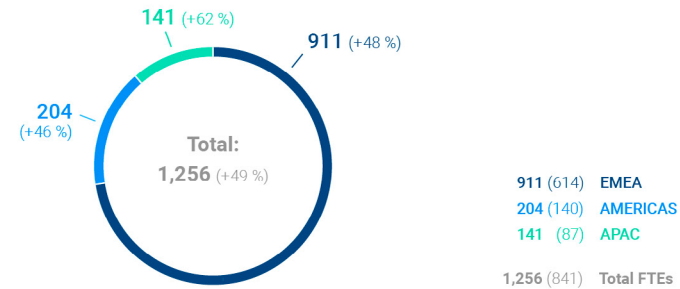
### TeamViewer's data protection organisation



# 02 Employees

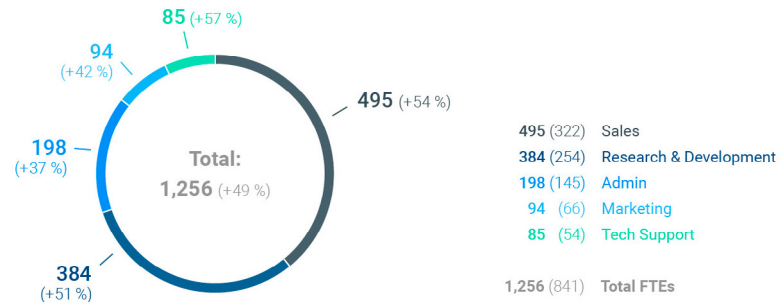
As of 31 December 2020, the Group had 1,256<sup>1</sup> employees worldwide (31 December 2019: 841). This corresponds to an increase of 49.3% compared to 2019, which is consistent with the growth of business. Out of these, 78 employees resulted from the Ubimax GmbH acquisition.

## Breakdown of employees by regions



As at 31 Dec 2020 (2019) in FTEs; change vs. previous year in percent

## Breakdown of employees by function



As at 31 Dec 2020 (2019) in FTEs; change vs. previous year in percent

<sup>1</sup> Number of employees refer to full-time equivalents (FTEs) at year-end

# 03 Corporate responsibility

By using TeamViewer solutions, millions of people get remote access, remote control and support capabilities for free. TeamViewer products enable people to help others while reducing the need to travel and the associated CO<sub>2</sub>e emissions.

TeamViewer seeks to harness the innovative strength of the Company to change the world for the better and to be a role model in terms of a good local, regional, domestic, and international partner.

TeamViewer divides its corporate responsibility into the three elements of the ESG concept:

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



## Environment

In 2020, TeamViewer focused heavily on the detailed elaboration of its climate strategy. In addition to our key goal of climate neutrality, we added specific climate targets in terms of content and time commitment.

## Social

TeamViewer continues to view its business model and the possibility for private individuals using TeamViewer products free of charge as the biggest social impact. It allows millions of people worldwide to help others and access digital infrastructure.

A detailed description of the TeamViewer management approach to social responsibility and the corresponding projects is found in Social responsibility in the Nonfinancial report.

## Governance

TeamViewer is committed to global standards of sustainable corporate governance, such as the UN Global Compact, which we joined in 2020. A detailed presentation of the governance issues can be found in the Chapter Corporate governance statement also by following the sections on security and data protection (on page 12) and on employees (on page 15).

In 2020, TeamViewer was evaluated by various rating agencies with regard to its ESG performance: among others, TeamViewer AG received an “AA” rating (on a scale of AAA–CCC) in the MSCI ESG ratings assessment.



# 04 Economic report

## ECONOMIC CONDITIONS

### Macroeconomic conditions

According to the Kiel Institute for the World Economy (IfW)<sup>1</sup>, since mid-2020 the global gross domestic product (GDP) has recouped a substantial portion of the decline it suffered as a result of the COVID-19 pandemic. Nevertheless, the IfW projects a further 3.8% decline in the global economy for 2020. The extent of the economic recovery varied considerably from region to region. The economic output in the Asian emerging markets – where the pandemic was contained early on and effectively – in some cases exceeded pre-crisis level at the end of 2020. By contrast, in Europe the recovery in the fourth quarter was curbed by a second wave of infections and repeated lockdowns in many countries. Moreover, the uncertainty surrounding Brexit, completed at year-end 2020, exerted strain. For the European Union, the IfW forecasts a decline in GDP of 7.7%. For the United States, where the government launched extensive programmes to support the economy, the forecast says a decline of 3.6%.

### Industry-related conditions

Based on an assessment of market research firm Gartner, global IT spending in 2020 decreased by 5.4% in most economies as a result of the recession<sup>2</sup>. At the same time, the COVID-19 pandemic showed that businesses have a substantial need to catch up when it comes to digitalising their processes. A survey conducted by Gartner among CFOs showed that many businesses are dissatisfied with the status of their digital transformation and are therefore planning a sharp rise in digitalisation investments.<sup>3</sup>

According to the research institute IDC, in 2020 spendings of businesses on digital transformation grew by 10.4%, despite the COVID-19 pandemic<sup>4</sup>. Projections have global spending on the Internet of Things (IoT) growing by 8.2%<sup>5</sup>. The market conditions in the segments of relevance to TeamViewer – digital transformation, IoT and connectivity solutions – during the reporting year remain characterised by persistent growth.

## BUSINESS DEVELOPMENT

### Impact of the COVID-19 pandemic

Despite the global lockdown to combat the COVID-19 pandemic, the TeamViewer Group was able to maintain its business operations during the reporting year free of any noteworthy restrictions. Here, TeamViewer benefited from early contingency planning. The Company has virtual selling processes in place and can install products remotely, quickly, and efficiently for its customers over the Internet. At the start of the crisis, in particular, many TeamViewer employees worked from home. In the further course of the year, hybrid working models were increasingly established, with employees combining office work with remote work. Expect-

ing increased activity on its connectivity platform, the Group expanded its existing router capacity to ensure the stability of its platform and thus disruption-free use of TeamViewer applications. In addition, TeamViewer continued to expand the number of its employees during 2020. Out of a total of 415<sup>6</sup> new employees, 130 are software developers, while 173 work in sales. A total of 78 employees were added as a result of the Ubimax acquisition.

The restrictions imposed on public life and economic activity to combat the pandemic led to an acceleration in the fundamental growth drivers of the TeamViewer Group. Working from home (WFH) became a necessity, and reliable solutions for the remote management and control of infrastructure and devices were needed across all industries. Accordingly, remote access and collaboration functions increasingly became success-critical factors for businesses and organisations alike. As a result, companies made investments in digitalisation that had either been put off or not made, particularly during the first few months of the crisis. By mid-2020 the demand situation mostly returned to normal.

<sup>1</sup> Kiel Institute Economic Outlook of the Kiel Institute for the World Economy (IfW): The global economy in winter 2020

<sup>2</sup> Gartner: <https://www.gartner.com/en/newsroom/press-releases/2020-10-20-gartner-says-worldwide-it-spending-to-grow-4-percent-in-2021>

<sup>3</sup> Gartner: <https://www.gartner.com/en/newsroom/press-releases/2020-11-12-gartner-cfo-survey-reveals-a-dramatic-digital-acceleration-since-covid19>

<sup>4</sup> IDC: <https://www.idc.com/getdoc.jsp?containerId=prUS46377220>

<sup>5</sup> IDC: <https://www.idc.com/getdoc.jsp?containerId=prUS46609320>

<sup>6</sup> Net increase in FTEs at year-end

## Geographic expansion

One of the key goals of the TeamViewer Group is to expand its geographic presence. It focuses on the expansion of the sites established in 2018 in India, China, Japan, and Singapore in the APAC region and on intensifying its sales and marketing activities in the AMERICAS region. In the fiscal year 2020, the number of FTEs was increased by 54 or 62% in the APAC region and by 64 or 46% in the AMERICAS region. During the reporting year, the TeamViewer Group achieved strong billings growth in both regions of 36.3% (APAC region) and 43.7% (AMERICAS region), which underscores the success of the measures implemented so far.

## Ubimax acquisition

In July 2020, TeamViewer AG signed a binding agreement to take over Ubimax, a provider of wearable computing technologies and augmented reality (AR) solutions to improve manual work processes. The Ubimax technology is employed in the work environment of the Frontline workforce and used on wearables such as smart glasses. The Company's product portfolio also includes the AR software platform Frontline. The more than 200 Ubimax customers include various international groups. Ubimax has more than 80<sup>1</sup> employees who operate at sites in Germany, the United States and Mexico. The acquisition helped TeamViewer to expand its offerings for major corporate customers in the areas of Industry 4.0 and the Internet of Things (IoT) to a considerable extent. In addition, the take-over enables TeamViewer to push ahead with the development of new use cases with a focus on data analysis and artificial intelligence. The expanded offerings build on TeamViewer Pilot, an easy-to-use AR application for mobile phones and tablets.

62.44% of the shares in Ubimax GmbH were acquired by TeamViewer Germany GmbH. The purchase price of EUR 86.2 million was fully paid in cash with cash and cash equivalents of the Group. In addition, 37.56% of the shares in Ubimax GmbH were acquired in return for the issue of shares in TeamViewer AG. For this purpose, 1,070,931 new shares in TeamViewer AG were issued from authorised capital in the course of a capital increase against contribution in kind.

As the transfer of the shares is linked to the future performance of work by the founders of Ubimax for TeamViewer AG, this contribution in kind is accounted for as an equity-settled share-based payment and not as consideration as part of the acquisition of Ubimax. The new shares are pledged to TeamViewer AG and are subject to a vesting period of three years, with release in annual tranches. The closing of the transaction took place in August 2020.

## Comparison between actual and forecast business development

For 2020, the 2019 management report projected billings ranging between EUR 430 million and EUR 440 million (increase of 32% to 35% compared with 2019) and revenue ranging between EUR 420 million and EUR 430 million (increase of 8% to 10% compared with 2019). The adjusted EBITDA forecast ranged between EUR 240 million and EUR 250 million.

The rapid spread of the COVID-19 pandemic led to a significant increase in demand for remote access and WFH solutions, particularly during the first half of 2020. As a result, the TeamViewer Group recorded an additional acceleration of demand from March onwards after an already good business performance in the first two months of the year 2020. Given that business performance in the first quarter outstripped expectations and demand remained persistently strong in April, in May 2020 the Group raised its forecast for billings to around EUR 450 million and for revenue to a minimum of EUR 450 million. At the same time, TeamViewer raised its outlook for the adjusted EBITDA margin to around 56%, equivalent to an absolute figure of around EUR 256 million. In addition, it forecasts a slightly higher investment spending of between EUR 25 million and EUR 30 million (previously approx. EUR 25 million), due to the pandemic-related delays in the introduction of the new enterprise resource planning (ERP) system and costs incurred in connection with the move to the new head office.

### Guidance adjustment in 2020

In EUR million	Fiscal year 2019	Forecast (2019 management report)	Forecast (May 2020)	Forecast (November 2020)	Fiscal year 2020 (incl. Ubimax)
Billings	324.9	430 to 440	approx. 450	450 to 455	460.3
Growth YoY (in %)	--	+ 32% to + 35%	approx. 39%	+39% to +40%	+ 41.7%
Revenue	390.2	420 to 430	minimum 450	minimum 450	455.6
Adjusted EBITDA	182.1	240 bis 250	252	252 to 255	261.4

<sup>1</sup> Headcount at year-end

In the wake of persistently strong growth in the second and third quarters and at the beginning of the fourth quarter, largely supported by the key account business among other factors, the TeamViewer Group raised its forecast again in November 2020. It now projects billings ranging between EUR 450 million and EUR 455 million, equivalent to an increase of 39% to 40% (currency-adjusted: 41% to 42%). The higher billings forecast did not include the contribution from the Ubimax takeover. The outlook for revenue (minimum EUR 450 million) and the adjusted EBITDA margin (56%) was confirmed. In view of the higher billings, the target figure for the adjusted EBITDA margin corresponded to a slightly higher absolute amount of between EUR 252 million and EUR 255 million.

The business performance in the fourth quarter also exceeded expectations, thanks to strong new business and the persistently high number of contract renewals from existing subscribers. Accordingly, billings in the fiscal year 2020 came to EUR 456.8 million in organic terms, which means that the upper end of the forecast range adjusted in November was slightly exceeded. Including the contribution from Ubimax, billings came to EUR 460.3 million and increased by 41.7% over the previous year. At EUR 455.6 million, revenue during the 2020 reporting year also exceeded the most recent forecast. Adjusted EBITDA of EUR 261.4 million exceeded the forecast range that had been raised in November, too.

## EARNINGS POSITION OF THE GROUP

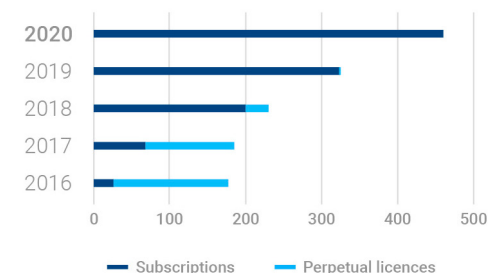
The following overview describes the development of the key earnings figures of the TeamViewer Group in fiscal year 2020 compared to the prior year. In addition to the most important items of the income statement according to IFRS, the overview also shows the reconciliation to the management view, in which the change in deferred revenues 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 22. TeamViewer's management uses billings and adjusted EBITDA as primary financial performance indicators to manage the Group.

### Development of billings and revenue

In 2018, the TeamViewer Group completed the switch of its business model from a perpetual licence model to a subscription model. Since 2019, all products sold have used the subscription model. Under the perpetual licence model, revenue was deferred over three years (up to TeamViewer

version 11; four years); by contrast, in the subscription model revenue is deferred over the subscription period, which is usually twelve months.

### Switch of business model completed



Billings in EUR million

### Key figures of the TeamViewer Group's operating results<sup>1</sup>

In EUR million	2020			2019		
	IFRS	Reconciliation	Management view	IFRS	Reconciliation	Management view
<b>Revenue/ billings</b>	<b>455.6</b>	4.7	460.3	<b>390.2</b>	(65.2)	324.9
<b>EBITDA<sup>2</sup>/ Adjusted EBITDA</b>	<b>205.1</b>	56.3	261.4	<b>189.5</b>	(7.4)	182.1
<b>EBITDA in % of revenue / Adjusted EBITDA in % of billings</b>	<b>45.0%</b>	11.8 pp <sup>3</sup>	56.8%	<b>48.6%</b>	7.4 pp	56.0%
<b>EBIT</b>	<b>164.0</b>			<b>153.0</b>		
<b>Profit/(loss) for the year</b>	<b>103.0</b>			<b>103.9</b>		

<sup>1</sup> Negative values are shown in brackets in tabular overviews

<sup>2</sup> EBITDA does not constitute an IFRS performance indicator but has been included in the table for ease of understanding

<sup>3</sup> pp = percentage points

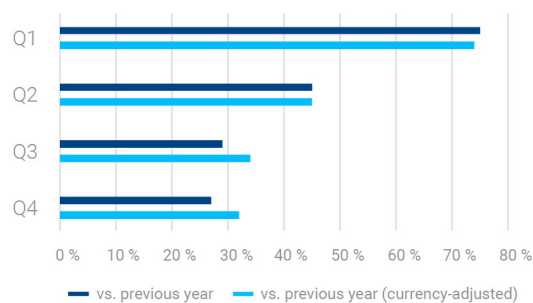
## Billings

Billings represent the (net) value of goods and services invoiced to the customer within a specific period constitutes a contract within the meaning of IFRS 15. Billings result directly from customer contracts and are not affected by the deferral of revenue. Revenue in the fiscal years 2019 and 2020 still includes revenue from perpetual licences even though the business model has already been converted for years. 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 calculated from IFRS revenue, adjusted for the change in deferred revenue recognised in profit or loss.

The Group's billings in the 2020 reporting year rose by 41.7% to EUR 460.3 million (2019: EUR 324.9 million). The currency-adjusted growth came to 44.4%.<sup>1</sup> The negative currency effect resulted primarily from the depreciation of the U.S. dollar against the euro.

The Ubimax GmbH and its subsidiaries, which have been included in the group of consolidated companies since 21 August 2020, contributed EUR 3.5 million to total billings. The high demand for remote access and WFH solutions due to the COVID-19 pandemic led to an exceptionally strong growth in billings totalling 74.7% in the first quarter of 2020. Although the market setting had mostly returned to normal by mid-2020, the Group nevertheless reported currency-adjusted growth rates of more than 30% in each of the following quarters.

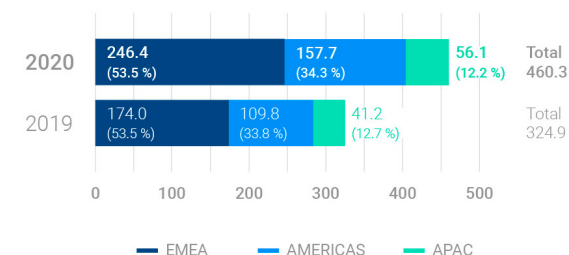
### Billings growth by quarter



2020 growth rate in percent

Billings in the EMEA region rose by 41.6% to EUR 246.4 million in the reporting year (2019: EUR 174.0 million). The growth largely resulted from a substantial expansion of sales and a high number of enterprise customers the Company was able to attract. Accounting for an unchanged 53.5% of total billings (2019: 53.5%), the EMEA region remained the Group's most important region in the fiscal year 2020. Billings in the AMERICAS region rose by 43.7% (currency-adjusted: 49.7%) to EUR 157.7 million (2019: EUR 109.8 million). Growth in the region was driven mostly by the enterprise segment and by the availability of a wider product range. In the APAC region the Group generated an increase in billings of 36.3% (currency-adjusted: 38.7%) to EUR 56.1 million in the fiscal year 2020 (2019: EUR 41.2 million).

### Breakdown of billings by regions



In EUR 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 recorded 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 the fiscal year 2020 and the prior-year period:

<sup>1</sup> To determine the currency-adjusted billings for the fiscal year, the exchange rates used for the billings of the previous year are 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.

## Reconciliation of billings to revenue

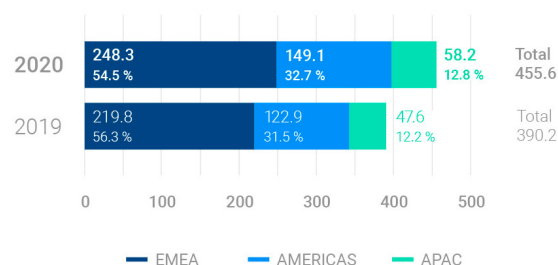
In EUR million	2020	2019	Change	In %
<b>Billings</b>	<b>460.3</b>	<b>324.9</b>	<b>135.4</b>	<b>42</b>
Change in deferred revenue recognised in profit or loss	(4.7)	65.2	(69.9)	107
of which from the subscription business	(48.6)	(56.7)	8.1	14
of which from perpetual licences	46.2	124.5	(78.3)	63
of which from non-allocated business	(2.3)	(2.6)	0.3	12
<b>Revenue</b>	<b>455.6</b>	<b>390.2</b>	<b>65.4</b>	<b>17</b>

Following the switch of the business model to a subscription model in the 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 (until TeamViewer version 11: four years) and will therefore expire gradually. The release of deferred revenue from perpetual licences during the 2020 reporting year resulted in revenue of EUR 46.3 million (2019: EUR 125.5 million).

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 2020 reporting year resulted in an effect on revenue of EUR –48.6 million (2019: EUR –56.7 million).

Overall, Group revenue in the fiscal year 2020 increased by 16.8% to EUR 455.6 million (2019: EUR 390.2 million). The lower percentage increase compared to billings results from the effect of deferred revenue explained above, especially from the perpetual licences. The Ubimax acquisition contributed EUR 2.9 million to the Group's revenue.

## Breakdown of sales revenue by region



In EUR million

In the EMEA region, the TeamViewer Group generated revenue of EUR 248.3 million in 2020 (2019: EUR 219.8 million), equivalent to a growth rate of 13.0%. Despite slower revenue momentum when compared with the other regions, EMEA remained the Group's region with the highest revenue. Revenue in the AMERICAS region rose by 21.3% to EUR 149.1 million (2019: EUR 122.9 million) while the APAC region reported an increase of 22.4% to EUR 58.2 million (2019: EUR 47.6 million).

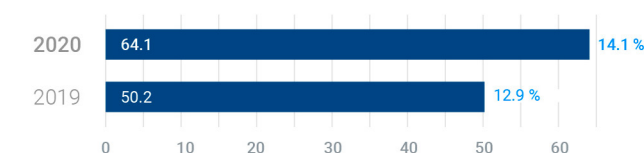
## Earnings development

Looking at the earnings development compared to the prior year, it must be taken into account that the prior year's net profit/loss for the year included a positive effect of EUR 65.2 million from the changes in deferred revenue recognised in profit or loss. In the fiscal year 2020 this resulted in a negative effect of EUR 4.7 million. The EUR 69.9 million decline in changes of deferred revenue recognised in profit or loss is mainly attributed to the fall in perpetual licences of EUR 78.3 million. This decrease results from the change of the business model from a perpetual licence model to a subscription model.

## Total costs and other income

The Group's cost of sales increased by 27.6% to EUR 64.1 million in the fiscal year 2020 (2019: EUR 50.2 million). The increase in the cost of sales was largely driven by usage-related higher spending on payment and Internet service providers, increased personnel costs, and a rise in infrastructure costs, such as expenses for servers and routers. The cost of sales as a percentage of revenue increased to 14.1% (2019: 12.9%).

## Cost of sales trend



In EUR million, in percent of revenue

Gross profit, defined as revenue less cost of sales, increased accordingly by 15.2% to EUR 391.5 million (2019: EUR 340.0 million).

Other income amounted to EUR 5.3 million in the fiscal year 2020 (2019: EUR 7.7 million). The item mainly consisted of price gains from the currency cap amounting to EUR 3.4 million (2019: EUR 0). The previous year's figure also included income from the charging on of expenses to the selling shareholder TigerLuxOne S.à r.l. (TLO) in connection with the IPO.

R&D costs in 2020 increased by 22.9% to EUR 46.6 million (2019: EUR 37.9 million). The higher costs were attributable, especially, to the recruitment of more software developers in connection with the further development of products such as Tensor, IoT and Pilot and the expansion of the IT infrastructure and of IT security. The acquisition of Ubimax, which led to further additions to the development team, also contributed to higher R&D costs. In addition, R&D costs rose due to increased expenses for share-based compensation and higher bonus payments.

The 47.4% rise in sales expenses during the reporting year to EUR 77.7 million (2019: EUR 52.7 million) resulted from the further expansion of TeamViewer's sales structure, particularly the sales subsidiaries in Germany, the United States and Japan. At the same time, the sales organisation for enterprise customers was expanded at all key locations. Other reasons for the rise in sales expenses include the acquisition of Ubimax, which strengthened the sales force, and increased expenses from share-based compensation due to significantly higher billings.

The 30.1% growth in marketing costs to EUR 38.5 million (2019: EUR 29.6 million) was largely owed to higher personnel expenses. In addition, marketing costs rose due to increased search engine marketing.

The decline in general and administrative (G&A) expenses of 6.0% in the fiscal year 2020 to EUR 54.9 million (2019: EUR 58.4 million) resulted primarily from the absence of advisory costs in the previous year incurred, in connection with preparations for the IPO. Higher personnel expenses had the opposite effect.

Other expenses were almost unchanged in the fiscal year 2020 at EUR 0.4 million, after EUR 0.5 million in the previous year.

Bad debt expenses declined by 5.9% to EUR 14.6 million in the fiscal year 2020 (2019: EUR 15.5 million).

### Operating profit (EBIT) and adjusted EBITDA

The Group's operating profit (EBIT) increased by 7.2% to EUR 164.0 million in the fiscal year 2020 (2019: EUR 153.0 million). The EBITDA margin in relation to revenue fell from 39.2% to 36.0%, mostly due to lower revenue from the release of deferred revenue from perpetual licences and higher expenses from share-based compensation.

Depreciation, amortisation, and impairment losses on tangible and intangible assets, which are included in total costs, came to EUR 41.1 million in the reporting year (2019: EUR 36.4 million). This increase resulted from higher investments made in the current year. Moreover, the purchase price allocation in the context of the Ubimax acquisition led to additional depreciation and amortisation of EUR 1.3 million. Amortisation of acquired customer relationships was almost unchanged at EUR 24.2 million (2019: EUR 23.6 million).

EBITDA, defined as EBIT plus depreciation and amortisation, increased by 8.3% to EUR 205.1 million (2019: EUR 189.5 million). The EBITDA margin in relation to revenue contracted from 48.6% in the fiscal year 2019 to 45.0%. In line with the development of the EBIT margin, this decline was largely attributable to lower revenue from the release of deferred revenue from perpetual licences and higher expenses from share-based compensation.

### Reconciliation of operating profit to adjusted EBITDA

In EUR million	2020	2019
<b>Operating profit (EBIT)</b>	<b>164.0</b>	<b>153.0</b>
Amortisation and depreciation	41.1	36.4
<b>EBITDA</b>	<b>205.1</b>	<b>189.5</b>
Change in deferred revenue recognised in profit or loss	4.7	(65.2)
Expenses for share-based compensation	48.9	36.8
Expenses (and income) in connection with the IPO	-	10.8
Other items to be adjusted	2.7	10.2
<b>Adjusted EBITDA</b>	<b>261.4</b>	<b>182.1</b>

The table above illustrates the reconciliation from operating profit to adjusted EBITDA, the Group's primary performance indicator for the development of operating profit, for the fiscal years 2020 and 2019. The calculation of adjusted EBITDA adjusts the change in deferred revenue recognised in profit or loss and specific items defined by the Management Board in consultation with the Supervisory Board.

In addition to the change in deferred revenue recognised in profit or loss, totalling EUR 4.7 million (2019: EUR -65.2 million), expenses (less corresponding income) amounting to EUR 51.6 million (2019: EUR 57.9 million) were adjusted in 2020.

These adjustments were related primarily to expenses for share-based compensation amounting to EUR 48.9 million (2019: EUR 36.8 million). Most of these expenses (EUR 36.8 million) resulted from compensation programmes issued by and payable by TLO. Although the TeamViewer Group does not make these share-based payments itself, it is obliged to account for them because it formed part of the superordinate TLO Group, and hence, constituted share-based compensation transactions between group companies. The liquidity of the TeamViewer Group is not affected by these transactions. In addition, share-based compensation of EUR 12.1 million (2019: EUR 0.0 million) resulted from compensation programmes of the TeamViewer Group and Ubimax GmbH.

Other special items in the fiscal year 2020 came to EUR 2.7 million and mostly concerned transaction-related expenses in connection with the Ubimax takeover, expenses resulting from special IT projects, reorganisation expenses and measurement effects. In the previous year, IPO costs and bonus payments to employees in connection with the IPO totalling EUR 10.8 million and expenses resulting from the implementation of GDPR requirements and from projects designed to improve IT security, reorganisation expenses and expenses for specific legal disputes amounting to EUR 10.2 million were adjusted.

Adjusted EBITDA in the fiscal year 2020 rose by 43.5% to EUR 261.4 million (2019: EUR 182.1 million). The main reason for this increase was economies of scale due to the pronounced growth in billings. The adjusted EBITDA margin as a percentage of billings improved to 56.8% in the fiscal year 2020 (2019: 56.0%).

### **Earnings before taxes (EBT)**

Foreign currency gains amounted to EUR 43.9 million in the fiscal year 2020 (2019: EUR 28.4 million). They largely resulted from the impact of the exchange rate trend on the tranches of financial liabilities denominated in U.S. dollars and pound sterling. By contrast, foreign currency losses fell to EUR 17.6 million (2019: EUR 41.3 million). While losses in the 2020 fiscal year were mainly composed of losses on cash and cash equivalents held in foreign currencies and foreign exchange losses from operating activities, losses from foreign currency translation in the previous year were related to the development of the USD/EUR exchange rate and the corresponding impact on the measurement of financial liabilities.

Finance income decreased from EUR 38.9 million to EUR 3.0 million in the fiscal year 2020 and mainly consisted of the income from refinancing. The prior-year figure additionally included income from the measurement of derivatives embedded in the 2017 syndicated loan. Finance costs decreased to EUR 22.9 million (2019: EUR 83.9 million). During the reporting year, the Company primarily incurred interest payments on financial liabilities and expenses resulting from the amortisation of capitalised transaction costs. Furthermore, the previous year included losses from the measurement of derivative financial instruments. In the previous year, expenses were included in connection with the refinancing as well as with the then existing loan from TLO. All told, net finance costs in the reporting year improved to EUR 19.9 million (2019: EUR 45.0 million). Based on these developments, earnings before taxes (EBT) in the fiscal year 2020 grew to EUR 170.4 million (2019: EUR 95.1 million).

### **Profit / (loss) for the year**

In the fiscal year 2020, the net tax expense amounted to EUR 67.4 million (2019: net tax income of EUR 8.7 million). This was equivalent to a tax rate of 39.5% (2019: -9.2%). The increase in current tax expense to EUR 42.6 million (2019: EUR 12.6 million) is mainly due to the increase in profit before tax to EUR 170.4 million (2019: EUR 95.1 million) and the utilisation of a loss carryforward in the previous year in the amount of EUR 9.0 million.

The tax rate in the fiscal year in the amount of 39.5% (2019: -9.2%) exceeded the Group tax rate of 28.8% on account of additional income tax expenses largely from non-deductible expenses from share-based compensation of EUR 13.8 million, from the non-recognition of loss carryforwards of EUR 2.0 million and other non-deductible expenses amounting to EUR 1.6 million.

In the prior year, these items resulted in additional tax expense totalling EUR 13.7 million. This additional tax expense contrasted with additional tax income of EUR 49.3 million from the first-time recognition of a deferred tax asset related to the interest carryforward. This led to a net tax income of EUR 8.7 million in the previous year.

Income taxes during the reporting year were composed of EUR 42.6 million (2019: EUR 12.6 million) in current tax expense and EUR 24.8 million in deferred tax expense (2019: tax income of EUR 21.3 million). The deferred tax income in the fiscal year 2019 resulted primarily from the first-time recognition of deferred tax assets related to the interest carryforward.

Profit/loss for the year amounted to EUR 103.0 million in the fiscal year 2020 (2019: EUR 103.9 million). This resulted in unchanged earnings per share of EUR 0.52 (2019: EUR 0.52).

## ASSETS AND FINANCIAL POSITION OF THE GROUP

### Asset position of the Group

The following overview shows the structure of the asset side of the balance sheet of the TeamViewer Group at the end of the fiscal years 2020 and 2019:

#### Asset side of the balance sheet

In EUR million	31/12/2020		31/12/2019	
	(share of total assets)		(share of total assets)	
Non-current assets	948.1	89.2%	865.2	90.2%
Current assets	115.3	10.8%	93.7	9.8%
<b>Total assets</b>	<b>1,063.4</b>	<b>100.0%</b>	<b>958.9</b>	<b>100.0%</b>

Total assets of the TeamViewer Group increased by 10.9% to EUR 1,063.4 million as at the reporting date of 31 December 2020 (31 December 2019: EUR 958.9 million). Like in the previous year, at EUR 948.1 million (31 December 2019: 865.2 million), most of the asset's side of the balance sheet consisted of non-current assets. Current assets totalled EUR 115.3 million (31 December 2019: EUR 93.7 million).

The Group's non-current assets, as of 31 December 2020, comprised goodwill, intangible assets, property, plant and equipment, financial assets, other assets, and deferred tax assets. All told, non-current assets rose by EUR 82.9 million or 9.6% during the reporting year.

The increase in non-current assets, as of 31 December 2020, was primarily due to the takeover of the Ubimax GmbH. The purchase price allocation resulted in the addition of goodwill totalling EUR 56.9 million and intangible assets of EUR 37.6 million.

Accordingly, goodwill, as of 31 December 2020, came to EUR 646.8 million (31 December 2019: EUR 590.4 million) and thus remained the largest item on the asset's side of the balance sheet of the TeamViewer Group. The increase in intangible assets to EUR 255.3 million as at the reference date (31 December 2019: EUR 235.8 million) resulted largely from the purchase price allocation of the Ubimax GmbH. The rise in property, plant, and equipment to EUR 40.5 million (31 December 2019: EUR 26.5 million) was due to investments of EUR 26.2 million (2019: EUR 16.6 million) during the reporting year, which were predominantly spent on the expansion of the IT infrastructure and the construction of a new Group head office. It contrasted with depreciation and amortisation of non-current assets totalling EUR 41.1 million (2019: EUR 36.4 million).

The offsetting of deferred tax assets and deferred tax liabilities led to the reporting of deferred tax liabilities, as of 31 December 2020, amounting to EUR 29.0 million (2019: EUR 6.0 million deferred tax asset). The net disclosure of deferred tax liabilities was mainly the result of the utilisation of deferred tax assets from the interest carryforward in the amount of EUR 10.0 million, the decrease in deferred tax assets for deferred revenues in the amount of EUR 13.6 million, the initial recognition of deferred tax liabilities from the first-time consolidation of Ubimax in the amount of EUR 10.2 million, the reversal of deferred tax liabilities from the first-time consolidation of TeamViewer in the amount of EUR 6.0 million, as well as the increase in deferred tax liabilities on bank loans in foreign currencies by EUR 9.6 million. As a result, deferred tax assets were EUR 0.2 million only as at 31 December 2020 (31 December 2019: EUR 6.3 million).

The Group's current assets, as of 31 December 2020, comprised trade receivables, other assets, tax assets, financial assets and cash and cash equivalents.

The growth in current assets, as of 31 December 2020, resulted, greatly from the increase in cash and cash equivalents. At EUR 83.5 million (31 December 2019: EUR 71.2 million) they remained the largest item within current assets. Secondly, trade receivables rose to EUR 19.7 million (31 December 2019: EUR 11.8 million) in the wake of the Company's business expansion. The reporting of financial assets of EUR 4.5 million (31 December 2019: EUR 0.0 million) relates to the measurement of foreign currency derivatives at fair value.

The following overview shows the structure of the liability side of the balance sheet of the TeamViewer Group at the end of the fiscal years 2020 and 2019:

#### Liability side of the balance sheet

In EUR million	31/12/2020		31/12/2019	
	(share of total equity and liabilities)		(share of total equity and liabilities)	
Equity	240.7	22.6%	91.9	9.6%
Non-current liabilities	471.7	44.4%	585.7	61.1%
Current liabilities	351.0	33.0%	281.4	29.3%
<b>Total equity and liabilities</b>	<b>1,063.4</b>	<b>100.0%</b>	<b>958.9</b>	<b>100.0%</b>

Total equity and liabilities of the TeamViewer Group increased by EUR 148.9 million to EUR 240.7 million as of 31 December 2020 (31 December 2019: EUR 91.9 million). The increase resulted principally from the net profit for the year of EUR 103.0 million generated during the reporting year. In addition, the expenses for TLO's share-based compensation pursuant to IFRS 2 prompted a EUR 36.8 million increase in the capital reserve and the share-based payment of Ubimax in the amount of EUR 10.5 million. The shares granted, which do not form part of the purchase price pursuant to IFRS, are recognised as share-based compensation over a period of three years as expense against the capital reserve. Issued capital increased by EUR 1.1 million to EUR 201.1 million (31 December 2019: EUR 200.0 million) as part of a capital increase against non-



cash contributions that were used to part finance the purchase price of the Ubimax acquisition. It is divided into 201,070,931 ordinary bearer shares with no-par value. The granting of shares to the former Ubimax owners, which is not considered part of the purchase price under IFRS, is instead recognised as share-based compensation over a period of three years as an expense against additional paid-in capital. As a result, the equity ratio at the end of the fiscal year 2020 improved to 22.6%, up from 9.6% at the end of 2019.

Non-current liabilities of the Group decreased to EUR 471.7 million as of 31 December 2020 (31 December 2019: EUR 585.7 million). Their share of total equity and liabilities accordingly declined to 44.4% (31 December 2019: 61.1%). Within this item, financial liabilities recorded a drop to EUR 440.2 million (31 December 2019: EUR 582.5 million). Alongside the partial repayment of the USD loan, financial liabilities also decreased due to the translation of loans denominated in U.S. dollars and pound sterling. For the increase in deferred tax liabilities, please refer to our comments on deferred tax assets under non-current assets.

Current liabilities came to EUR 351.0 million as of 31 December 2020 (31 December 2019: EUR 281.4 million). Deferred revenue, the largest item within current liabilities, rose by EUR 4.6 million to EUR 214.8 million (31 December 2019: EUR 210.3 million). In the context of the adjustment of the Group's loan and credit facilities in August 2020 and the associated drawdown of a portion of the revolving credit line, current financial liabilities as of 31 December 2020 rose to EUR 82.1 million, up from EUR 34.3 million as of 31 December 2019. The rise in deferred and other liabilities to EUR 39.1 million (31 December 2019: EUR 17.8 million) was greatly attributable to higher employee-related accruals and VAT.

#### Financial liabilities

In EUR million	Currency	Nominal interest rate	Year of maturity	Principal amount (EUR)	Carrying amount (EUR)
Syndicated loan 2019 USD	USD	2.24 %	2024	263.2	257.9
Syndicated loan 2019 EUR	EUR	1.75 %	2024	118.8	116.3
Syndicated loan 2019 GBP	GBP	2.03 %	2024	70.4	68.9
Syndicated loan 2019 – Revolving credit facility <sup>1</sup>	USD	1.89 %	2024	52.2	52.0
<b>Total interest-bearing liabilities</b>				<b>504.5</b>	<b>495.1</b>

2019					
In EUR million	Currency	Nominal interest rate	Year of maturity	Principal amount (EUR)	Carrying amount (EUR)
Syndicated loan 2019 USD	USD	4.81 %	2024	400.6	395.4
Syndicated loan 2019 EUR	EUR	2.50 %	2024	125.0	123.4
Syndicated loan 2019 GBP	GBP	3.58 %	2024	78.3	77.3
Syndicated loan 2019 – Revolving credit facility <sup>2</sup>	Various	Various	2024	-	(0.4)
<b>Total interest-bearing liabilities</b>				<b>603.8</b>	<b>595.7</b>

<sup>1</sup> As at 31 December 2020, TeamViewer had a credit facility of up to EUR 150.0 million, of which EUR 86.0 million were undrawn as at the reference date

<sup>2</sup> As at 31 December 2019, TeamViewer had an undrawn credit facility of up to EUR 35 million

In August 2020, the TeamViewer Group amended the revolving credit and loan facilities maturing in 2024. While the syndicated loans denominated in euros and pound sterling remained unchanged, the volume of the syndicated loan denominated in U.S. dollars was reduced from USD 450 million to USD 340 million. By way of partial bridge financing the Group used USD 75 million of the revolving credit facility that had been increased from EUR 35 million to EUR 150 million for the early repayment of the USD loan. The interest margin was reduced by 25 basis points for all loans and by 50 basis points in the case of the revolving credit facility. In addition, the USD Libor floor was lowered from 1% to 0%. TeamViewer expects these measures to result in annual interest savings of around EUR 5.0 million starting in the fiscal year 2021. In addition, due to the measures the credit facilities are now unsecured. For the existing financial liabilities, starting from the end of 2020, the Group is obliged to make a mandatory repayment totalling at least 5% of the nominal value every year. The first repayment of EUR 23.8 million is due on 31 December 2020.

TeamViewer's net financial debt, defined as the sum of interest-bearing financial liabilities, current and non-current, less cash and cash equivalents, decreased to EUR 438.7 million as of 31 December 2020 (31 December 2019: EUR 545.6 million). Due to the leveraged free cash flow (FCFE) generated in the fiscal year under review and positive currency effects, the Group's debt was further reduced despite the acquisition of Ubimax GmbH.

The leverage ratio which puts the Group's net financial liabilities in relation to the adjusted EBITDA of the past twelve months, improved to 1.7x at the end of 2020, after 3.0x at the end of 2019. The decrease is attributable to the interplay of high net cash from operating activities and thus, a lower net financial debt, as well as a higher adjusted EBITDA.

#### Development of net financial debt

In EUR million	2020	2019
Current financial liabilities	82.1	34.3
Non-current financial liabilities	440.2	582.5
Cash and cash equivalents	(83.5)	(71.2)
<b>Net financial liabilities</b>	<b>438.7</b>	<b>545.6</b>
Adjusted EBITDA	261.4	182.1
<b>Leverage ratio</b>	<b>1.7 x</b>	<b>3.0 x</b>

#### Basic principles of financial management

TeamViewer's financial management is geared to safeguarding the financial stability, flexibility, and liquidity of the Group. It comprises the capital structure management and financing of the Company, cash and liquidity management and the monitoring and management of market price risks, such as exchange rate and interest rate risks. The financing structure of TeamViewer is designed to preserve the Company's financial room for manoeuvre to enable it to take advantage of business and investment opportunities. This is achieved through a balanced equity/debt ratio. Pursuant to the terms of the loan agreements dating from 2019, the Group must comply with certain leverage ratio covenants which are defined in the relevant loan agreements and are based on the ratio of net financial liabilities to pro forma EBITDA.)

#### Financial position of the Group

The following overview shows the key performance indicators of the financial position of the TeamViewer Group:

#### Development of financial position

In EUR million	2020	2019
<b>Cash funds at the beginning of the period</b>	<b>71.2</b>	<b>79.9</b>
Net cash from operating activities	224.5	143.6
Cashflow aus der Investitionstätigkeit	(110.2)	(20.9)
Net cash used in financing activities	(95.8)	(136.1)
Other changes	(6.2)	4.6
<b>Cash funds at the end of period</b>	<b>83.5</b>	<b>71.2</b>

Net cash from operating activities in the fiscal year 2020 amounted to EUR 224.5 million (2019: EUR 143.6 million), and thus increased by 56.4% over the previous year. This development results from a 41.7% increase in billings to EUR 460.3 million and a disproportionately small rise in operating expenses accounted for on a cash basis.

Net cash used in investing activities was EUR –110.2 million in the fiscal year 2020 (2019: EUR –20.9 million). Investments in property, plant and equipment and intangible assets rose to EUR 26.2 million (2019: EUR 16.6 million) and related primarily to the launch of a new ERP system (EUR 12.3 million) and the construction of the new head office (EUR 6.6 million). The takeover of Ubimax led to a net cash outflow of EUR 84.1 million during the fiscal year.

Net cash from operating activities (before income taxes) improved to EUR 258.0 million during the reporting year 2020 (2019: EUR 161.5 million) and the levered free cash flow (FCFE) to EUR 165.4 million (2019: EUR 77.1 million).

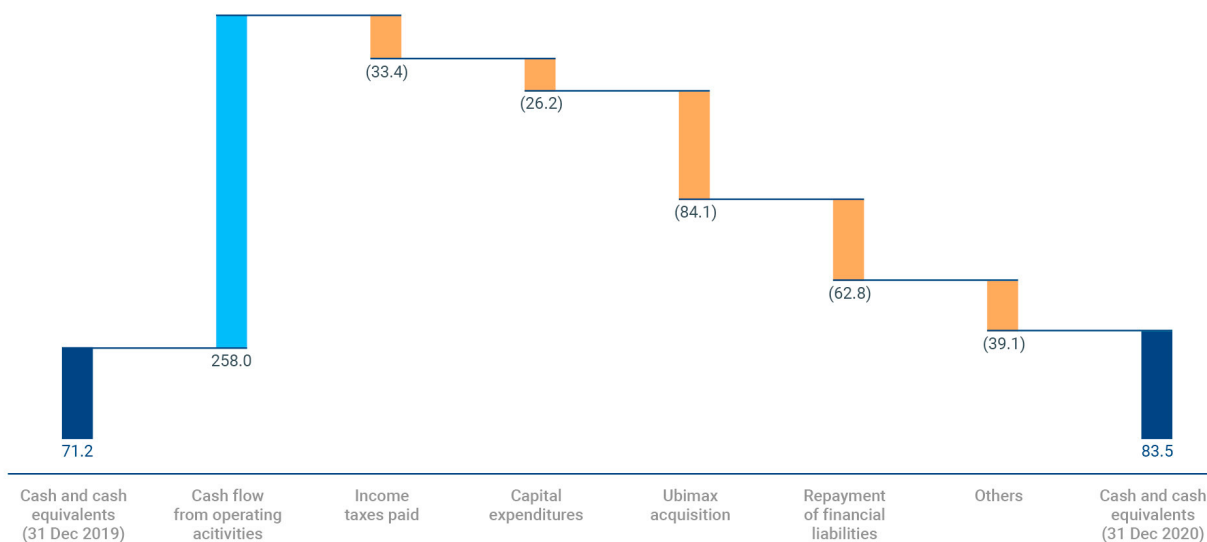
#### Cashflow development

In EUR million	2020	2019
Net cash from operating activities (before income taxes)	<b>258.0</b>	<b>161.5</b>
Income taxes paid	(33.4)	(17.9)
Investments in property, plant and equipment and intangible assets	(26.2)	(16.6)
Payments for the capital element of lease liabilities	(4.9)	(3.8)
Interest paid for borrowings and lease liabilities	(28.1)	(46.1)
<b>Levered free cash flow (FCFE)</b>	<b>165.4</b>	<b>77.1</b>
<b>In % of adjusted EBITDA</b>	<b>63%</b>	<b>42%</b>
<b>In % of EBITDA</b>	<b>81%</b>	<b>41%</b>

Net cash used in financing activities was EUR –95.8 million in the fiscal year 2020 (2019: EUR 136.1 million). The repayments of and proceeds from borrowings led to a net cash outflow of EUR 62.8 million (2019: EUR 86.1 million). In addition, interest payments in the fiscal year 2020 led to cash outflows of EUR 28.1 million compared to EUR 46.1 million in the previous year.

TeamViewer's cash and cash equivalents rose to EUR 83.5 million, as of 31 December 2020, after EUR 71.2 million at year-end 2019. The Group was able to continuously meet its payment obligations in the complete course of the fiscal year 2020.

#### Key financial performance indicators of the TeamViewer Group



#### General statement on the economic situation

The Management Board of TeamViewer AG evaluates business development and the Group's economic situation in the reporting year 2020 to be overall very positive. The forecasts for billings, revenue and adjusted EBITDA which had been raised during the year were all exceeded. Moreover, thanks to the remarkably high cash conversion rate, net debt was reduced despite the Ubimax acquisition.

At the same time, the Group continued to invest heavily in its growth initiatives in the fiscal year 2020. The number of employees rose by more than 400 over the year, while keeping a special focus on new hires in sales and research & development areas. In addition, with the takeover of Ubimax, TeamViewer has substantially expanded its portfolio of solutions, particularly in the areas of the Internet of Things (IoT) and augmented reality (AR).

The Group will continue to move forward with its strategic growth initiatives in the current fiscal year. The first step in this regard was announced at the beginning of the year with the acquisition of Xaleon, a provider of customer engagement software solutions.

The COVID-19 pandemic has led to a further acceleration of global megatrends such as digital transformation, increasing process automation, IoT and working from anywhere. In the Management Board's view, TeamViewer is in an exceptionally favourable position to continue to benefit from these trends going forward.

## 05 Events after the reporting period

On 17 March 2021, the Management Board of TeamViewer AG approved the forwarding of these consolidated financial statements to the Supervisory Board. The Supervisory Board is responsible for reviewing and approving the consolidated financial statements at its meeting on 17 March 2021.

Permira Holdings Limited notified on 18 February 2021 that TLO's shareholding in TeamViewer AG had decreased to 19.97% of the voting rights on 16 February 2021. TLO had sold 15.9 million shares in the Company to institutional investors and, in this context, subjected itself to a lock-up period of 90 days. As a result, no shareholder holds 20% or more of the voting rights of the Company.

### **ACQUISITION OF CHATVISOR GMBH**

On 18 January 2021, TeamViewer Germany GmbH acquired Chatvisor GmbH, Linz, Austria (hereinafter: Xaleon). With the acquisition of Xaleon, a leading provider of customer engagement software, TeamViewer expands its existing portfolio in the area of customer engagement. 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. With its Engagement Suite, Xaleon offers a holistic solution for digital sales and customer service processes.

The acquisition of 100% of the shares in Chatvisor was made by TeamViewer Germany GmbH, Goppingen. Please refer to our comments in the notes under 05\_04 c) Company acquisitions in 2021.

TeamViewer acquires 100% of the shares in Xaleon. The purchase price will be paid partly in cash and partly via an earn-out clause. The cash portion in the lower double-digit million range will be financed entirely from TeamViewer's liquid assets.

### **ACQUISITION OF UPSKILL, INC.**

The Group acquired 100% of the voting shares of Upskill Inc. based in Newark (Delaware, USA) effective 26 February 2021.

Upskill is a provider of augmented reality (AR) solutions in the industry. Upskill's mission is to improve the way we work and has been pioneering the use of wearable technology in the workplace since 2010. Through its AR platform, Upskill connects professionals in many industries in real time with the critical information, data and tools they need to do their jobs more efficiently and effectively.

The acquisition of Upskill, Inc. was made by TeamViewer US, Inc. Please refer to our comments in the notes under 05\_04 c) Company acquisitions in 2021.

### **TEAMVIEWER PLACES ESG-LINKED PROMISSORY NOTE LOAN**

TeamViewer has issued promissory note loans in the total amount of EUR 300 million and with maturities between 3 and 10 years. With this transaction, the Company has broadened its maturity profile and diversified its debt financing. Attractive market conditions were used to further reduce TeamViewer's average interest costs. In addition, the interest margin of the promissory note loan is linked to Sustainalytics' ESG Management Score. This underlines TeamViewer's commitment to sustainability and creates a new incentive to further promote and embed sustainability in all business areas. An improved ESG rating reduces the interest burden and TeamViewer will use the money thus saved to further promote sustainable causes.

There were no further transactions of material significance after 31 December 2020.

# 06 Opportunity and risk report

## MATERIAL OPPORTUNITIES

Various technological and societal trends provide growth opportunities for the TeamViewer Group. The Management Board of TeamViewer AG has identified the following opportunities in particular:

### Opportunities through omnipresent connectivity

TeamViewer sees the global expansion of broadband internet (5G) as an opportunity to connect more devices through its products. The increasing proliferation of mobile endpoints such as smartphones and tablets in conjunction with the progressive introduction of IoT technology in commercial and industrial applications is leading to a sharp increase in devices and endpoints. The market research institute IDC estimates the number of connected Internet of Things endpoints will grow to more than 40 billion by 2025.

In addition, businesses are increasingly making it possible for their employees to use private devices for business purposes. The growth of a heterogeneous device landscape leads to a corresponding need for connectivity solutions to connect, operate and manage these devices.

### Robotics and automation

The Management Board of TeamViewer AG sees opportunities in the expansion of the IoT product portfolio, particularly in the areas of robotics and the automation of industrial work steps. The Ubimax acquisition significantly expands the product portfolio for companies in the areas of Industry 4.0 and IoT and provides a platform for other industrial solutions. In the future, the integration of any devices into an IoT platform, its connection to production and customer inventory software together with the analytical conclusions that can be drawn, will play a key role both in production-related areas but also in other branches of industry.

The TeamViewer Group sees digitisation and the associated increase in productivity within the entire value chain – from logistics and manufacturing to maintenance and repair – as a great opportunity. TeamViewer's Frontline product can increase the speed and efficiency of processes while reducing the frequency of errors.

### Environmental matters

Environmental concerns and the need to reduce greenhouse gases are becoming increasingly important for companies and state organisations. This is illustrated, for example, by the commitment made by the EU as part of the Paris Climate Agreement to achieve a 40% reduction in CO<sub>2</sub>e emissions compared to 1990 by the year 2030.<sup>1</sup> TeamViewer's connectivity solutions can contribute to reducing emissions by facilitating interactions between people and by controlling and managing devices remotely, thereby reducing travel activity. From the Management Board's point of view, this product characteristic results in further growth opportunities for the TeamViewer Group.

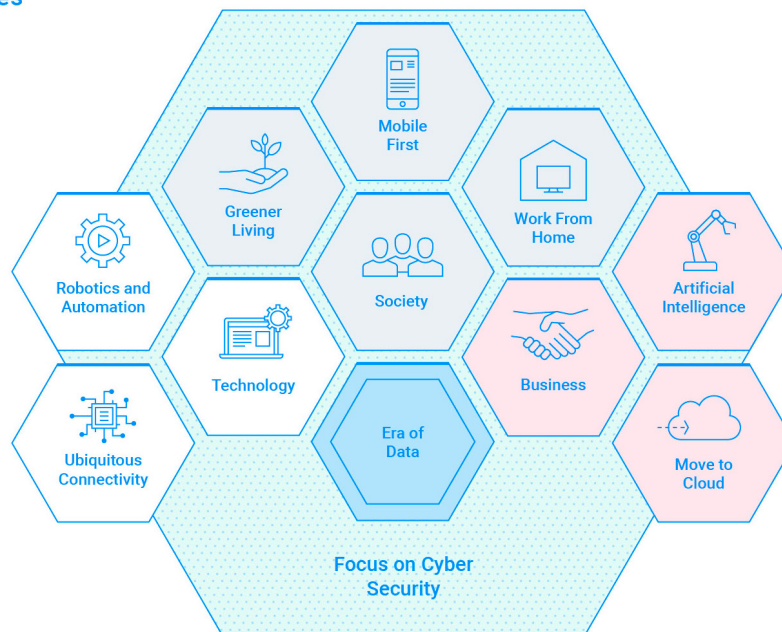
### Mobile first

With the widespread use of smartphones, access to company software via mobile end devices is steadily increasing. The trend towards a mobile software solution is intensified by factors such as the integration of the young, digitally native generation in the world of work, the continuing spread of smartphones worldwide, the improvements in connectivity, for example 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. One example here is the systematic further development of the TeamViewer Pilot solution which supports, especially, technical experts in the field of mobile endpoints by connecting them with specialists through virtual enhancements. Equally, Ubimax relies to a great extent on digitally supported glasses for its solutions to enable the user in the field to keep both hands free.

<sup>1</sup> European Commission: [https://ec.europa.eu/clima/policies/strategies/2030\\_en](https://ec.europa.eu/clima/policies/strategies/2030_en)

## Material opportunities



### Working from home

Changes driving the modern way of working, characterised by a workforce that is increasingly diverse in geography yet flexible, are seen as a further opportunity for the Group. According to a study by the International Workplace Group<sup>1</sup>, 50% of employees worldwide work outside of their office location two-and-a-half days a week. This means that companies are increasingly enabling their employees to access company data and devices remotely and to connect with colleagues, teams and third parties. This creates room for TeamViewer to offer its connectivity solutions. The support and management of devices also constitute a growing challenge for the IT departments of companies. Here, too, there

are opportunities for TeamViewer's connectivity solutions to enable the central support and management of a device landscape that is spread across the world, thereby saving costs while gaining additional efficiency.

In the wake of the pandemic, companies have had to adapt to new challenges and increasingly shift to a digital workplace to ensure business continuity. The "new normal" is also shaping the world of work and is increasingly confirming the trend towards more flexible workplaces. With its product offering, TeamViewer sees itself well positioned to benefit sustainably from this trend.

### Artificial intelligence

The Management Board of TeamViewer AG sees an opportunity in the development of data collection and structuring as artificial intelligence has become a standard requirement for successful businesses. With its product portfolio, TeamViewer sees itself as facing the challenge to establish innovative processes.

<sup>1</sup> IWG: <https://www.iwgplc.com/global-workspace-survey-2019>

## RISK MANAGEMENT, INTERNAL AUDIT AND INTERNAL CONTROL SYSTEM

### Risk management

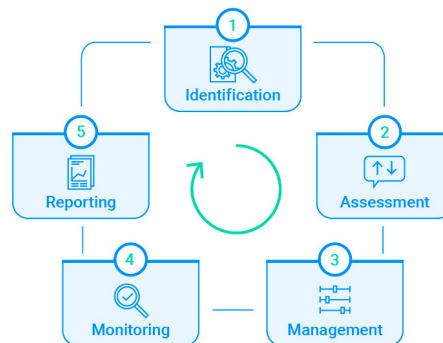
The TeamViewer Group seeks to continuously develop its products and adapt them to market and customer requirements, thereby facilitating a continuous improvement of its market position. Both the systematic identification and taking advantage of opportunities and the targeted controlling of risks are fundamental to TeamViewer's success. The Company has implemented a risk management and control system to ensure the early detection, 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 further development of the risk management system has been ensured.

Implementation of the TeamViewer risk management system has been based on the Enterprise Risk Management Standards of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and on audit standards PS 340 and PS 981 of the Institute of Public Auditors in Germany (IDW). It solely covers Group risks. The risk management system comprises the following elements:

### Risk management system



### Aim of the risk management system

The risk management system seeks to provide the Management Board with an overview of risks and to support the decision-making process at a strategic and operational level. The risk management system has been designed to identify potential risks early on, to evaluate and mitigate them comprehensively through thoroughly designed controls and measures.

### Identification and monitoring of risks

Risks are identified in a semi-annual cycle by the risk manager working in collaboration with the respective risk officers. In addition to providing regular reporting, the risk officers must examine the risks on an ongoing basis. Additional ad-hoc reporting has been implemented so that the Management Board and risk manager are informed of current risk events in a timely manner.

### Assessment of risks

All identified risks are assessed semi-annually, dependant on the probability of their occurrence and the potential impact on the Company's reputation and compliance while achieving its financial and nonfinancial corporate goals. The individual risks are assessed and classified using the following matrix:

### Risk assessment matrix

Probability of occurrence		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

For financial impacts, the following value limits apply for classification into the five levels:

### Risk value limits

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

The assessment takes place on both a gross and a net basis. The gross basis shows the risks before considering all mitigating measures and controls. The net risk refers to the remaining risk after evaluating all risk-mitigating measures and controls. In the past fiscal year, the TeamViewer Group

decided to reduce the effectiveness categorisation of controls and measures from five to three levels. The resultant changes are outlined in the following sketch:

### Risk control stages

Effectiveness of measures/controls	Risk			
	Low	Medium	High	Major
Inexistent	Low	Medium	High	Major
Partially effective	Low	Medium	High	Major
Effective	Low	Low	Medium	High

The following risk report explains the risks which, on a gross basis, may have a major or high impact on the Group.

### Management

The Risk Officer is responsible for ensuring that suitable risk-mitigating measures and controls are developed and implemented within their area of responsibility. The Risk Officer analyses the responses in relation to their impact on the risk consequences and probabilities, conducts a cost-benefit analysis, evaluates the available resources, existing controls and measures in comparison to potential opportunities. Depending on the type of risk, different strategies such as risk acceptance, avoidance, mitigation, or transfer of risk to third parties are applied.

### Reporting

The Management Board and the Senior Leadership Team are informed of the Group-wide risk situation, especially of the major risks and changes in the risk evaluation, on a semi-annual basis. Ad-hoc reports are presented to the Risk Steering Group, which consists of the Management Board, the Risk Manager, and the Risk Officer of the division in question.

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



## 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
- Material assets are subjected to regular impairment tests
- 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
- The reporting figures are reviewed every month as part of monthly reporting
- As a rule, the IT systems used in the accounting process are protected against unauthorised access through the issue of corresponding authorisations
- 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 and seeks 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 a 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 projects.

## 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 fiscal year 2020, the Group further expanded the risk analysis and risk classification, resulting in changes compared to the prior year. Risks have been reclassified, summarised, and subdivided into four main headings: strategic, operational, compliance-related, and financial. This is designed to allow a simplified presentation and better categorisation of risks.

The risks were aggregated in the following overview which lists the highest assessed risk within a risk group.

## Risk assessment

	Group risk assessment (gross risk)	Group risk assessment (net risk)	Trend <sup>1</sup>
<b>Strategic risks</b>			
Macroeconomic risks			
General macroeconomic environment	High	High	→
Coronavirus pandemic	High	High	↗
Geopolitical environment	Significant	Significant	→
Competitive environment	High	Significant	→
<b>Operational risks</b>			
Product risks	Significant	Significant	↗
Product and IT security	High	High	↗
Distribution risks	Significant	Significant	↗
Migration of the heterogeneous IT system landscape	Significant	Significant	↗
Personnel risks	Medium	Medium	↘
<b>Compliance-related risks</b>			
General legal and regulatory risks	Significant	Significant	↗
Data protection	Significant	Significant	↗
Corporate governance risks	Medium	Medium	↘
<b>Financial risks</b>			
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 interprets strategic risks as all risks resulting from following the strategic direction of its business model. This may include risks which result from the market setting or the Group's internal strategic direction.

## Internal strategic risks<sup>1</sup>

In terms of the internal strategic risks, TeamViewer differentiates between those produced by the structure and decisions of management and the ones entailed by the strategic direction and development of the business model. This includes risks from planning and resource allocation, as well as communication and investor relations risks. The Group's internal strategic risks overlap extensively with other risk categories due to the fact that fundamental decisions or assessments of business policy can have a major effect on the Group's overall risk situation and impact TeamViewer's exposure to external influences.

## External strategic risks

TeamViewer interprets external strategic risks as the risks resulting from the market and competitive environment in which the Group operates. The following risks are worth highlighting.

<sup>1</sup> Supplementary to the presentation of significant/high risks, for the sake of completeness

## 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 fluctuating 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 considers the risk of potentially negative effects of the coronavirus pandemic to be high. The coronavirus pandemic poses considerable general, health and macroeconomic challenges for businesses as a whole and the TeamViewer Group in particular. Although TeamViewer has so far largely been able to minimise the health risks to its employees, thanks to working from home options and the introduction of on-site shift work, the Group cannot rule out the possibility of health-related employees absences and the associated consequential economic damage in the future. The medium- to long-term macroeconomic effects on customer behaviour are also challenging to assess precisely.

## Geopolitical environment

As part of its growth strategy, TeamViewer intends to continue expanding its geographical presence, including its sales and marketing activities. Business activities are influenced not just by external market factors such as economic trends but also by political and fiscal changes. In particular, the expansion of business activities in emerging markets such as China may entail increased political risks for TeamViewer.

In terms of billings, the United States was TeamViewer's largest single geographical market in the past fiscal year in terms of billings. The TeamViewer Group has its own sales and marketing organisation in the United States which generates a significant portion of consolidated 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. Increasing competition from existing competitors and/or the emergence of 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.

## Operational risks

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

### Product risks

Damages and interruptions may occur in the infrastructure used by TeamViewer and in the infrastructure made available by third-party providers. 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 markets for IT, the IoT and software, a general risk exists that TeamViewer's innovative advantage in comparison with its competitors is lost. If the Group's product development fails to meet market expectations with regard to new trends and innovations and that, as a result, the Group's products lose their appeal, the loss of customers to competitors is possible. To understand market expectations and respond promptly 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 which underpins 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 faults or shortcomings may be applicable. Although TeamViewer frequently issues software updates, 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.

The assessment of product risks has increased over the past fiscal year on account of changes made to the assessment matrix of controls. This is solely attributable to the changes made to the assessment process and does not entail any substantial changes for the Group.

### **Product and IT security**

The TeamViewer business model comprises the provision of solutions that offer end users secure remote access to devices and networks (remote connectivity) and enable them to process customer data or information. 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 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 the future development of

its business. 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 at 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 the risk that TeamViewer's products will 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 or, for example, result in the product being barred from specific distribution channels. 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.

The risk assessment of the product and IT security areas increased over the past fiscal year due to the changes in the assessment matrix of controls. This is solely attributable to the modifications made to the assessment process and do not entail any substantial changes for the Group.

### **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 relationship and continuous expansion of the use of TeamViewer's product by existing customers in every case. A net retention rate of nearly 100% in each of the past few years is proof of a prominent level of customer retention and thus of 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 each market's specific requirements.

### **Migration of the heterogeneous IT system landscape**

Many of TeamViewer's operational processes, including administration, personnel, and accounting which depend to a particular extent on the due and proper functioning of its IT infrastructure and other related systems, are currently in the process of being switched to a new application landscape which most importantly includes a new enterprise resource planning (ERP), customer relationship management (CRM) and e-commerce system. TeamViewer is switching from a fragmented ERP landscape to a more integrated version on the basis of Microsoft Dynamics 365 together with specific additional modules and applications. Problems during migration might have a significant effect on TeamViewer's operations, especially in respect of the placing of orders and invoicing. TeamViewer is countering this risk through intensive test phases prior to every roll-out and by training the users affected and supporting them with the help of global key users.

The assessment of sales risks has increased due to the change in the assessment matrix of controls in the past fiscal year.

### **Compliance-related risks**

TeamViewer understands compliance-related risks to mean all legal and regulatory risks together with corporate governance risks.

### **General legal and regulatory risks**

TeamViewer defines general legal and regulatory risks as those resulting from infringements of the legal basis 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 exposed to contractual liability risks and production requirements of enterprise customers to an increasing extent. 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 major customers is often complex and necessitates individually agreed development work which must be able to function in customers' operating systems. 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 releases 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.

The assessment of general legal and regulatory risks increased in the past fiscal year due to the change in the controls assessment matrix. This is solely attributable to the changes made to the assessment process and does not entail any substantial changes for the Group.

### **Data protection**

Awareness of the need to protect personal data has grown steadily in recent years. Although the EU General Data Protection Regulation (GDPR) now provides a solid legal basis, to date no fully uniform legal interpretation and application by the competent authorities has been established. Alongside the GDPR, various national laws in countries outside Europe must be observed and harmonised with German and European requirements. The violation of these national provisions may entail the imposition of fines and conditions and lead to reputational damage. Due to the comprehensive territorial reach of the GDPR, extraterritorial application of obligations and thus tighter regulation may result as would be the case for businesses based outside the EU (for example, the United States). This may lead to competitive disadvantages for TeamViewer.

TeamViewer considers the protection of personal data to be a key factor in ensuring the trust and satisfaction of its customers. For this reason, the Group attaches the greatest importance to data protection, data minimisation, privacy, and transparency, and it protects its infrastructure, the accessibility of accounts and its products and data with suitable solutions. TeamViewer has also established a comprehensive internal infrastructure together with a corresponding organisation, responsibilities, and processes to ensure compliance with data protection legislation.

The assessment of data protection risks increased in the past fiscal year due to the change in the controls assessment matrix. This is solely attributable to the changes made to the assessment process and does not entail any substantial changes for the Group.

### **Financial risks**

TeamViewer defines financial risks as all risks resulting in connection with financing, 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 and revenue in the 2020 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 which 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 analysis of risks**

The Management Board is convinced that the identified risks do not currently, individually or taken together, threaten the existence of the Group or one of its material subsidiaries.

# 07 Outlook

## EXPECTED MACROECONOMIC AND INDUSTRY-SPECIFIC SITUATION

For 2021, the IfW projects a sharp rise in global output of 6.1% following a slump of 3.8% recorded in 2020 (2019: +3.0%). This forecast relies on the assumption that the vaccination programmes will be implemented speedily and across the whole society, as expected, and that as the wave of infection subsides and the measures taken to curtail the pandemic are scaled back, this will lead to a revival of economic activity. For the European Union, the IfW expects an increase in GDP of just under 5% in 2021, followed by growth of around 4% in 2022. In the United States, where the government has launched comprehensive programmes to support the economy, GDP is expected to grow at a rate of 3.7% and 3.5%, respectively, over the next two years.

In the markets for digital transformation and SaaS which are relevant for TeamViewer, there are signs that the positive developments seen in 2020 will continue in 2021. Thus, the market research institute IDC projects a compound annual growth rate (CAGR) of +17.1% to a market volume of USD 2.3 trillion for the digital transformation market by 2023.<sup>1</sup> A similar trend is also emerging on the SaaS market, where market research institute Gartner projects a year-on-year growth rate of +14.7% for 2021.<sup>2</sup> The market for connectivity platforms is also expected to generate substantial double-digit growth over the coming years. Hence, McKinsey and Company forecasts annual growth (CAGR) of +24% to a market volume of EUR 30.2 billion in 2023.<sup>3</sup>

## FUTURE DEVELOPMENT OF THE GROUP

In the fiscal year 2021, TeamViewer plans to further pursue the strategic direction it has taken and continue its profitable growth along three strategic dimensions (see also chapter on strategy on page 4); namely, an expansion of use cases, an expansion of customer segments and geographic expansion. It is thus projecting a further substantial increase in billings and adjusted EBITDA for the fiscal year 2021. This assessment relies on the assumption of a persistently solid economic setting and stable exchange rates between the euro and the most important foreign currencies for the Group, particularly the USD. The COVID-19 pandemic influenced earnings planning positively in that the existing trends toward digitalisation were accelerated. However, the further course of the pandemic and its impact on future earnings targets cannot be forecasted accurately.

1 IDC: <https://www.idc.com/getdoc.jsp?containerId=prUS45612419>

2 Gartner: <https://www.gartner.com/en/newsroom/press-releases/2019-11-13-gartner-forecasts-worldwide-public-cloud-revenue-to-grow-17-percent-in-2020>

3 Growing Opportunities in the Internet of Things, McKinsey & Company, 2019

Building on a very strong development in 2020, TeamViewer expects to keep its growth momentum in 2021 supported by global megatrends around digitalisation, connectivity and sustainability.

The Company expects constant currency billings growth of 29% to 33% in 2021, including the contributions from recent acquisitions. Due to exchange rate headwinds, primarily related to the weaker US dollar, reported billings are expected in a range between EUR 585 million and EUR 605 million (2020: 460.3 million) with quarterly growth rates between 20% and 40% (yoy). This assumes a US dollar exchange rate of 1.20 per EUR and broadly stable other currencies. Full-year revenue is expected to be in a range between EUR 525 million and EUR 540 million (2020: EUR 455.6 million). From 2022, revenue growth is projected to be in line with billings growth. In terms of operating profitability, the Company expects an adjusted EBITDA margin of 55% to 57%.

## OVERALL ASSESSMENT OF FUTURE DEVELOPMENT

The Management Board is confident that the TeamViewer Group will be able to build on the strong fiscal year 2020 and expects another positive business performance for the fiscal year 2021.

# 08 Remuneration report

The remuneration report describes the basic principles of the remuneration system for members of the Management Board and Supervisory Board and the amount of the individual remuneration the members of TeamViewer's corporate bodies received or were granted in the 2020 reporting year. The report complies with statutory requirements and the recommendations of the GCGC as amended on 16 December 2019.

## PRINCIPLES OF MANAGEMENT BOARD REMUNERATION

The structure and size of TeamViewer AG's Management Board remuneration decided on by the Supervisory Board meets the requirements of the German Stock Corporation Act (AktG). In particular, the remuneration structure is geared to sustainable corporate development and considers the tasks and performance of the members of the Management Board as well as the Company's economic situation, its success, and prospects. Prior to determining the amount of remuneration, an independent external remuneration advisor assessed whether the remuneration was appropriate and in line with market practice, while considering the peer environment. In order to assess the appropriateness of the remuneration within the Company, the Supervisory Board has in particular considered the ratio of the remuneration of the Management Board to the remuneration of the senior management and the workforce as a whole and the development of this comparison over time. For the purpose of this comparison, the Supervisory Board has determined how the upper management circle and the relevant workforce are to be delimited.

## OVERVIEW OF THE REMUNERATION SYSTEM

In addition to a fixed basic annual salary, the remuneration of Management Board members includes two variable components, the STI bonus and LTI (according to the conditions of the applicable long-term incentive plan for Management Board members of the Company (LTIP)), and additional fringe benefits. The long-term variable remuneration component (LTI) seeks to adjust the remuneration of the Management Board members to the Company's long-term developments and successes. The approval of the remuneration system for Management Board members to be submitted by the Supervisory Board ("say on pay") which is required by the German Act Implementing the Second Shareholder Rights Directive (Gesetz zur Umsetzung der zweiten Aktionärsrichtlinie – ARUG II) is planned for the Annual General Meeting 2021.

### Fixed remuneration

The members of the Management Board receive a fixed basic annual salary in cash, payable in equal monthly instalments, which for Mr Steil came to EUR 900,000 (gross) p.a. during the reporting year, and for Mr Gaiser to EUR 550,000 (gross) p.a. during the reporting year.

### Performance-based variable remuneration

In addition to their fixed annual salary, the Management Board members are entitled to the opportunity to receive an STI bonus which is dependent on the Company's annual success and an additional LTI according to the applicable LTIP.

## Short-term variable remuneration/STI bonus

Starting with the fiscal year 2020, the Management Board members can receive a variable annual bonus payable in cash that is subject to the achievement of specific financial (using billings-based performance targets and/or adjusted EBITDA targets) and nonfinancial corporate goals, which are set prior to the start of the fiscal year by the Supervisory Board following a previous discussion with the respective Management Board member. The calculation of the STI bonus is additionally based on specific penalty and clawback criteria which may result in the reduction or complete loss of the STI bonus.

If the target achievement is 100% (and no penalty or clawback criteria apply) the STI bonus (target STI) for Mr Steil is EUR 900,000 (gross) and for Mr Gaiser EUR 500,000 (gross). The STI bonus is limited to a maximum of 200% of the target STI bonus. If the employment contract starts or ends during a year, the STI bonus is calculated on a pro rata temporis basis for the period of the employment relationship in the fiscal year in question, whereby the target achievement is determined based on the originally set parameters and the bonus is paid out at the regular due date. The STI bonus, if a claim to such a bonus exists, will be due for payment six weeks after the adoption of the annual financial statements.

In 2020, the performance targets for billings were EUR 434 million and for adjusted EBITDA EUR 245 million, which were exceeded by 180% and 200%, respectively. The other targets set by the Supervisory Board were also almost completely exceeded by the two members of the Management Board, so that the Supervisory Board decided to pay out the STI for the 2020 fiscal year at the maximum amount of 200% of the target value. This is in line with the exceptional performance of the two Management Board members and the excellent business performance in 2020.



On 3 February 2021, the Supervisory Board has set the target values for the STI bonus 2021. In addition to the targets for billings and adjusted EBITDA in the 2021 fiscal year, it set six individual targets for each Executive Board member, which explicitly include ESG criteria (such as the improvement of the Company's ESG scores and the hiring and development of a top-class female leadership group).

### Long-term variable remuneration (long-term incentive/LTI)

The Management Board members participated in the applicable LTIP beginning with the fiscal year 2020 for the first time. A new assessment period (performance period) begins with every fiscal year pursuant to the terms of the applicable LTIP, following the expiry of which the target achievement of specific pre-defined targets is measured. The first and current LTIP applies to the fiscal year 2020 with the performance period 2020–2023.

The Supervisory Board determines the terms of the LTIP for every performance period at its discretion. If the Supervisory Board decides not to review the LTIP terms, the terms of the current LTIP continue to apply during the next performance period.

The terms of the current LTIP provide for the allocation of a tranche of virtual shares (performance shares) at the start of the first fiscal year of the performance period 2020–2023. The initially allocated tranche of performance shares serves as a basis for the subsequent calculation of a potential LTIP payout, considering the performance measurement/target achievement following the expiry of the four-year assessment period. The initial number of allocated performance shares in a tranche generally follows from a grant value that has been confirmed to the Management Board member, divided by the average closing price of the Company's shares over the 60 trading days preceding the performance period (commercially rounded to full performance shares). By contrast, for the first performance period 2020–2023, the initial number of performance shares corresponds to the grant value (which has been confirmed to the Management Board member in question) divided by the placement price of the shares in con-

nection with the Company's IPO (commercially rounded to full performance shares).

The grant value is EUR 1,000,000 for Mr Steil and EUR 550,000 for Mr Gaiser.

Upon the expiry of a performance period, a degree of overall target achievement is established for the performance targets that were determined by the Supervisory Board before the start of the performance period.

Based on the currently applicable LTIP, the final number of performance shares is calculated at the end of the performance period by multiplying the initial number of performance shares by the degree of overall target achievement. The degree of target achievement is calculated using the degree of target achievement of the individual targets which the Supervisory Board has set for the relevant performance period. In the context of the initially applicable LTIP for the performance period 2020–2023, the targets should comprise at least (i) one long-term financial target, (ii) one nonfinancial strategic target and (iii) one target which is based on the share price/the stock yield.

For the fiscal year 2020, the Supervisory Board set the following remuneration target components:

#### Remuneration components for the Management Board

	Weighting	Conditions
1. Long-term financial target	30 %	50%: Average billings growth 2020–2023 <sup>1</sup> 50%: Average EBITDA growth 2020–2023 <sup>1</sup>
2. Nonfinancial strategic target	20 %	100%: Net promoter score (surveyed externally)
3. Target based on share price/stock yield	50 %	50%: Stock yield relative to STOXX® 600 Technology 50%: Stock yield relative to MDAX®

<sup>1</sup> Average of four annual growth rates 2020 to 2023

For the fiscal year 2021, the Supervisory Board has supplemented 50 % of the nonfinancial strategic target to include an ESG-based remuneration component.

At the start of every performance period, the Supervisory Board sets a requirement for each of the at least three performance targets. If they are fulfilled, the target achievement is 100 %. The Supervisory Board moreover determines for every performance target – where possible – a minimum value as the lower end of the target corridor which, if reached, results in a target achievement of 50 % (minimum value) and a maximum value which, if reached or exceeded, results in a target achievement of 200 % (maximum value). If the figure which has been achieved with respect to a performance target falls below the minimum value, the target achievement for this performance target is 0 %. If the figure achieved matched against a performance target reaches or exceeds the maximum value, the target achievement is 200 %.

The payout amount is calculated by multiplying the final number of performance shares for the performance period by the average closing prices of the Company's shares on the last 60 trading days before the end of the performance period. If the share price remains unchanged and the target achievement totals 100% (without penalty or clawback criteria applying), the payout amount of the LTI would thus correspond to the original grant value. The maximum payout of an LTI tranche (before considering penalty or clawback criteria), in principle, cannot exceed 200% of the original grant value.

The total expense arising from the LTIP amounts to EUR 345,900 for Mr Steil and EUR 190,200 for Mr Gaiser 2020. We also consider these to be components of this remuneration report.

### Penalties and clawbacks

The STI and LTI are subject to penalties and clawback criteria (since the Company's IPO). This means that the Supervisory Board, prior to determining the payout amount of an STI or LTI, checks whether penalty criteria justify a reduction or even omission of the variable remuneration amount calculated based on the target achievement and the LTIP conditions.

A repayment of variable remuneration amounts already paid out may be requested within a clawback period if a clawback criterion emerges during the period for which the variable remuneration component was paid. The clawback period starts for every variable remuneration on expiry of the underlying performance period and ends two years after this date.

### Fringe benefits

Members of the Management Board are also granted fringe benefits. These essentially consist of flat-rate compensation totalling EUR 2,000 per month for the use of a private car for business travel, contributions to (private or statutory) health and nursing care insurance (totalling the statutory employer contributions to statutory health and nursing care insurance and/or no more than half of the actual amount spent), continued payment of wages in the event of incapacity for work due to illness or death and accident insurance in the event of death or disability. In addition, all members of the Management Board are insured against third-party liability claims through a D&O insurance policy taken out at the Company's expense with a deductible in accordance with the provisions under the German Stock Corporations Act totalling 10% of the loss or damage but no more than 150% of the basic annual salary. The Company furthermore provides Mr Gaiser with his own driver for specific trips.

### Target remuneration structure overview for fiscal year 2020



In EUR (fixed remuneration, STI bonus and LTI at 100% target achievement, excl. fringe benefits)

### Maximum remuneration structure overview for fiscal year 2020



In EUR (fixed remuneration, STI bonus and LTI at 200% target achievement, excl. fringe benefits)

The remuneration of the two Management Board members consisting of a fixed salary, STI and LTI is thus a maximum of EUR 7,350,000 p.a. based on a target achievement of 200% (or more) and EUR 4,400,000 p.a. if the target achievement is 100%.

## Obligation to hold shares

The Management Board members are obliged for the duration of their appointment to hold TeamViewer AG shares. This obligation must be fulfilled for the first time no later than two years after they are first appointed as members of the Management Board. The number of shares in the Company to be held (restricted shares) results from (i) the fixed remuneration divided by (ii) the value of the shares in the Company at the time of the IPO. The shares which were granted by TeamViewer's main shareholder<sup>1</sup> to redeem earlier rights to participate in the Company's share appreciation (see third-party services below) can be used to this end. As of 31 December 2020, Oliver Steil held 706,389 shares and Stefan Gaiser 353,911 shares.

## Benefits in case of the premature termination of employment

When the appointment is revoked prematurely, the Management Board members are entitled to a severance payment subject to certain conditions. If the appointment of a member of the Management Board is revoked due to an inability to manage the Company properly, pursuant to section 84 (3) AktG, due to a gross breach of duties, or any other good cause which is the responsibility of the Management Board member, pursuant to section 84 AktG, or if a good cause which is the responsibility of the Management Board member according to section 626 of the German Civil Code (BGB) applies which would have entitled the Company to terminate the service contract by extraordinary notice, the Management Board member does not receive a severance payment.

If the Management Board activity ends prematurely due to the death of a member of the Management Board, the Company will pay the pro rata amount of the STI bonus, if applicable, for the month in which the death occurred as well as for the three following months to the spouse or registered partner or, if the Management Board member is not married or does not have a partner, to heirs of the first order, if any.

The members of the Management Board are subject to a post-contractual restraint on competition lasting twelve months. During this period, the Management Board member in question is entitled to receive compensation for non-competition amounting to 50% of the last contractual benefits received. The compensation is paid in monthly instalments. Any severance payments received must be offset against compensation for non-competition.

## Third-party benefits resulting from the sale of an indirect participation in TeamViewer AG and from rights to participate in the Company's share appreciation

The members of the Management Board (as managing directors of TeamViewer GmbH and of Regit Eins GmbH) agreed rights with the Company's main shareholder to participate in the Company's share appreciation. Furthermore, at that time, they acquired indirect participation in the Company (so-called Management Equity Participation, MEP). Prior to the Company's IPO in 2019, the rights to participate in share appreciation were modified. The rights were partially paid out after the IPO based on the increase in value which was achieved, and the indirect participation was sold. This resulted in an inflow of funds for the two members of the Management Board and in claims for future benefits.

These benefits have all been paid by the main shareholder or by companies affiliated with the main shareholder, not by the Company itself. In the case of Oliver Steil, the said inflows amounted to EUR 39,734,344.93 and, in the case of Stefan Gaiser, they amounted to EUR 19,907,507.22 in 2019. As outlined in the Company's securities prospectus dated 11 September 2019, two share allocations are added to this which are tied to specific conditions. For the tranche maturing in 2020, these conditions occurred with final effect as of 1 October 2020. Consequently, on 1 December 2020, Mr Steil was allocated 1,765,971 shares and Mr Gaiser 884,778 shares from the main shareholder's holdings. The second outstanding share allocation of an identical amount is expected to be made in the fourth quarter of 2021 unless specific contractually defined exclusion reasons prevent this.

<sup>1</sup> TLO; where the main shareholder is named below, it refers to TLO

Benefits granted for the reporting year (1 January 2020–31 December 2020)	Oliver Steil Chairman of the Management Board (CEO)				Stefan Gaiser Chief Financial Officer (CFO)			
	2019	2020	2020 min.	2020 max.	2019	2020	2020 min.	2020 max.
Benefits granted in EUR								
Fixed remuneration	787,500	900,000	900,000	900,000	452,500	550,000	550,000	550,000
Fringe benefits	21,732	21,912	21,912	21,912	56,142	55,153	55,153	55,153
<b>Total</b>	<b>809,232</b>	<b>921,912</b>	<b>921,912</b>	<b>921,912</b>	<b>508,642</b>	<b>605,152</b>	<b>605,152</b>	<b>605,152</b>
Third-party benefits <sup>1</sup>	24,128,000	n/a	–	n/a	12,064,000	n/a	–	n/a
One-year variable remuneration	601,500	1,800,000	–	1,800,000	298,244	1,000,000	–	1,000,000
Multi-year variable remuneration	n/a	983,000	–	2,000,000	n/a	540,700	–	1,100,000
<b>Total</b>	<b>24,729,500</b>	<b>2,783,000</b>	<b>–</b>	<b>3,800,000</b>	<b>12,362,244</b>	<b>1,540,700</b>	<b>–</b>	<b>2,100,000</b>
Pension expense	–	–	–	–	–	–	–	–
<b>Total remuneration</b>	<b>25,538,732</b>	<b>3,704,912</b>	<b>921,912</b>	<b>4,721,912</b>	<b>12,870,886</b>	<b>2,145,852</b>	<b>605,152</b>	<b>2,705,152</b>

1 The benefits refer to share appreciation rights and the MEP and are granted by the main shareholder or its own majority shareholder

Benefits received for the reporting year (1 January 2020–31 December 2020)	Oliver Steil Chairman of the Management Board (CEO)		Stefan Gaiser Chief Financial Officer (CFO)	
	2019	2020	2019	2020
in EUR				
Fixed remuneration	787,500	900,000	452,500	550,000
Fringe benefits	22,232	22,217	58,767	54,203
<b>Total</b>	<b>809,732</b>	<b>922,217</b>	<b>511,267</b>	<b>604,203</b>
Third-party benefits <sup>2</sup>	39,734,345 <sup>3</sup>	70,162,028 <sup>4</sup>	19,907,507 <sup>5</sup>	35,152,230 <sup>6</sup>
One-year variable remuneration <sup>7</sup>	748,214	601,500	425,625	298,244
Multi-year variable remuneration	n/a	–	n/a	–
<b>Total</b>	<b>40,482,559</b>	<b>70,763,528</b>	<b>20,333,132</b>	<b>35,450,474</b>
Pension expense	–	–	–	–
<b>Total remuneration</b>	<b>41,292,291</b>	<b>71,685,745</b>	<b>20,844,399</b>	<b>36,054,676</b>

2..Paid by the main shareholder or its majority shareholder; in 2020, this payment was made in the form of share transfers

3..Resulting from the sale of an indirect shareholding (MEP) in TeamViewer AG (EUR 7,597,201) and from participation commitments for sharing in the appreciation of the Company (EUR 32,137,144)

4..1,765,971 shares at the weighted average price on 1 December 2020 of EUR 39.73 per share; after deduction of all taxes and other costs, the shares are essentially still held

5..Resulting from the sale of an indirect investment (MEP) in TeamViewer AG (EUR 3,933,049) and from participation commitments to share in the appreciation of the Company (EUR 15,974,458)

6..884,778 shares at the weighted average price on 1 December 2020 of EUR 39.73 per share; after deduction of all taxes and other costs, the shares are essentially still held

7..Granted in the 2019 fiscal year by Regit Eins GmbH under managing director employment contract

**Total remuneration according to GAS 17 (1 January 2020–31 December 2020)**

in EUR	Oliver Steil		Stefan Gaiser		Gesamt	
	2019	2020	2019	2020	2019	2020
Fixed remuneration	787,500	900,000	452,500	550,000	1,240,000	1,450,000
Fringe benefits	21,732	21,912	56,142	55,153	77,874	77,065
<b>Total</b>	<b>809,232</b>	<b>921,912</b>	<b>508,642</b>	<b>605,152</b>	<b>1,317,874</b>	<b>1,527,064</b>
Third-party benefits	24,128,000	n/a	12,064,000	n/a	36,192,000	n/a
One-year variable remuneration	601,500	1,800,000	298,244	1,000,000	899,744	2,800,000
Multi-year variable remuneration <sup>1</sup>	n/a	983,000	n/a	540,700	–	1,523,700
<b>Subtotal variable remuneration</b>	<b>24,729,500</b>	<b>2,783,000</b>	<b>12,362,244</b>	<b>1,540,700</b>	<b>37,091,744</b>	<b>4,323,700</b>
Pension expense	–	–	–	–	–	–
<b>Total remuneration</b>	<b>25,538,732</b>	<b>3,704,912</b>	<b>12,870,886</b>	<b>2,145,852</b>	<b>38,409,618</b>	<b>5,850,764</b>

<sup>1</sup> Share-based remuneration components

**Benefits granted for the previous year – TeamViewer AG, previously Regit Beteiligungs-GmbH (1 August 2019–31 December 2019)**

Benefits granted in EUR	Oliver Steil Chairman of the Management Board (CEO) Member since 19 August 2019				Stefan Gaiser Chief Financial Officer (CFO) Member since 19 August 2019			
	2018	2019	2019 min.	2019 max.	2018	2019	2019 min.	2019 max.
Fixed remuneration	n/a	350,000	350,000	350,000	n/a	207,500	207,500	207,500
Fringe benefits	n/a	9,055	9,055	9,055	n/a	23,206	23,206	23,206
<b>Total</b>	<b>n/a</b>	<b>359,055</b>	<b>359,055</b>	<b>359,055</b>	<b>n/a</b>	<b>230,706</b>	<b>230,706</b>	<b>230,706</b>
Third-party benefits <sup>2</sup>	n/a	24,128,000	–	n/a	n/a	12,064,000	–	n/a
One-year variable remuneration	n/a	309,104	–	n/a	n/a	163,742	–	n/a
Multi-year variable remuneration	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Total</b>	<b>n/a</b>	<b>24,437,104</b>	<b>–</b>	<b>n/a</b>	<b>n/a</b>	<b>12,227,742</b>	<b>–</b>	<b>n/a</b>
Pension expense	n/a	–	–	–	n/a	–	–	–
<b>Total remuneration</b>	<b>n/a</b>	<b>24,796,159</b>	<b>359,055</b>	<b>n/a</b>	<b>n/a</b>	<b>12,458,447</b>	<b>230,706</b>	<b>n/a</b>

<sup>2</sup> The benefits refer to share appreciation rights and the MEP and are granted by the main shareholder or its own majority shareholder

**Benefits received for the previous year – TeamViewer AG, previously Regit Beteiligungs-GmbH (1 August 2019–31 December 2019)**

in EUR	Oliver Steil Chairman of the Management Board (CEO) Member since 19 August 2019		Stefan Gaiser Chief Financial Officer (CFO) Member since 19 August 2019	
	2018	2019	2018	2019
Fixed remuneration	n/a	350,000	n/a	207,500
Fringe benefits	n/a	9,055	n/a	25,806
<b>Total</b>	<b>n/a</b>	<b>359,055</b>	<b>n/a</b>	<b>233,306</b>
Third-party benefits <sup>1</sup>	n/a	39,734,345 <sup>2</sup>	n/a	19,907,507 <sup>3</sup>
One-year variable remuneration	n/a	–	n/a	–
Multi-year variable remuneration	n/a	n/a	n/a	n/a
<b>Total</b>	<b>n/a</b>	<b>39,734,345</b>	<b>n/a</b>	<b>19,907,507</b>
Pension expense	n/a	–	n/a	–
<b>Total remuneration</b>	<b>n/a</b>	<b>40,093,400</b>	<b>n/a</b>	<b>20,140,813</b>

1..Paid by the main shareholder or their own majority shareholder

2..Resulting from the sale of an indirect participation (MEP)

in TeamViewer AG (EUR 7,597,201) and rights to participate in the Company's share appreciation (EUR 32,137,144)

3..Resulting from the sale of an indirect participation (MEP)

in TeamViewer AG (EUR 3,933,049) and rights to participate in the Company's share appreciation (EUR 15,974,458)

**Total remuneration according to GAS 17 – TeamViewer AG, previously Regit Beteiligungs-GmbH (1 August 2019–31 December 2019)**

in EUR	Oliver Steil		Stefan Gaiser		Total	
	2018	2019	2018	2019	2018	2019
Fixed remuneration	n/a	350,000	n/a	207,500	n/a	557,500
Fringe benefits	n/a	9,055	n/a	23,206	n/a	32,260
<b>Total</b>	<b>n/a</b>	<b>359,055</b>	<b>n/a</b>	<b>230,706</b>	<b>n/a</b>	<b>589,760</b>
Third-party benefits	n/a	24,128,000	n/a	12,064,000	n/a	36,192,000
One-year variable remuneration	n/a	309,104	n/a	163,742	n/a	472,846
Multi-year variable remuneration	n/a	n/a	n/a	n/a	n/a	n/a
<b>Subtotal variable remuneration</b>	<b>n/a</b>	<b>24,437,104</b>	<b>n/a</b>	<b>12,227,742</b>	<b>n/a</b>	<b>36,664,846</b>
Pension expense	n/a	–	n/a	–	n/a	–
<b>Total remuneration</b>	<b>n/a</b>	<b>24,796,159</b>	<b>n/a</b>	<b>12,458,447</b>	<b>n/a</b>	<b>37,254,606</b>

## REMUNERATION OF THE SUPERVISORY BOARD

The remuneration of the Supervisory Board members is determined in alignment with the Company's Articles of Association. The members of the Supervisory Board receive a fixed salary of EUR 75,000. The chairman of the Supervisory Board receives a fixed salary of EUR 187,500 and his deputy a fixed salary of EUR 165,000. Furthermore, the Supervisory Board members who are also members of the Audit Committee receive an additional fixed salary of EUR 30,000. The Supervisory Board members receive an additional fixed annual salary of EUR 25,000 for their activities in the other committees of the Supervisory Board, per committee, provided that the committee in question meets at least once annually to perform its tasks. The chairmen of the committees receive twice the amount of the committee remuneration mentioned above. Activities in a maximum of two committees are considered for remuneration purposes. If this number is exceeded, the two functions with the highest remuneration are relevant. The above-mentioned remuneration is due and payable in four equal instalments at the end of the quarter for which the remuneration is paid. Supervisory Board members who exercise their mandate on the Supervisory Board, or as chairman or deputy chairman, for only part of the fiscal year receive their remuneration on a pro rata basis. In addition, the Company reimburses members of the Supervisory Board for appropriate expenses incurred in the exercise of their activities as Supervisory Board member and for the VAT on their remuneration and expenses.

The members of the Supervisory Board are covered by the Company's D&O insurance with competitive cover.

Permira partners and employees who serve as members of the Company's Supervisory Board do not receive any additional remuneration for their services as these are deemed to be covered by their contractual remuneration with Permira. They are generally obliged to waive any compensation due to them in connection with such positions.

### Remuneration of members of the Supervisory Board

	Fixed remuneration		Activity in committees		Other		Total	
	2019	2020	2019	2020	2019	2020	2019	2020
in EUR								
Dr. Abraham Peled	46,875	187,500	13,750	55,000	11,254	0	71,879	242,500
Jacob Fannesbech Aqraou	60,766	165,000	20,255	55,000	399	0	81,420	220,000
Stefan Dziarski <sup>1</sup>	0	0	0	0	0	0	0	0
Holger Felgner	27,261	75,000	0	0	5,248	0	32,869	75,000
Dr. Jörg Rockenhäuser <sup>1</sup>	0	0	0	0	0	0	0	0
Axel Salzmann	27,621	75,000	40,511	110,000	14,672	0	82,804	185,000

<sup>1</sup> Stefan Dziarski and Dr Jörg Rockenhäuser did not receive any remuneration in the fiscal year 2020 due to their association with Permira

# 09 Takeover-related disclosures

## COMPOSITION OF THE SUBSCRIBED CAPITAL

TeamViewer AG's share capital as of 31 December 2020 was EUR 201,070,931.00, divided into 201,070,931 ordinary bearer shares with no par value. It was provided in the amount of EUR 200,000,000 by the change in legal form of Regit Beteiligungs-GmbH into a stock corporation (AG) on 3 September 2019 (date of entry in the commercial register) pursuant to §§ 190 et seqq. of the German Transformation Act (UmwG) and increased by EUR 1,070,931.00 to EUR 201,070,931.00 as part of a capital increase against non-cash contributions, effective 16 September 2020. The subscription rights of the existing shareholders were excluded. All shares have equal rights, and each share has a pro rata interest of EUR 1.00 in the Company's share capital. Each no-par value share grants one vote at the Company's Annual General Meeting. As of 31 December 2020, the Company held no treasury shares.

## VOTING RIGHT AND TRANSFER-RELATED RESTRICTIONS

No restrictions exist in relation to voting rights or the transfer of shares. To the best of the Management Board's knowledge, only the following contractual agreement existed in the 2020 fiscal year: Majority shareholder TigerLuxOne S.à r.l. (TLO) subjected itself to a lock-up for a period 90 days starting on the date of the transaction as part of the sale of 22 million shares on 20 October 2020.

## Addendum:

Permira Holdings Limited informed TeamViewer AG on 18 February 2021 that on 16 February 2021, TLO reduced its shareholding in the capital of TeamViewer AG to 19.97%. TLO agreed to a lock-up period of 90 days in the course of the share placement.

## MATERIAL HOLDINGS OF SHAREHOLDERS

As of 31 December 2020, Permira Holdings Limited held a 27.9%<sup>1</sup> share in the capital of TeamViewer AG through TLO.

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

## Addendum:

Permira Holdings Limited informed TeamViewer AG on 18 February 2021 that on 16 February 2021, TLO reduced its shareholding in the capital of TeamViewer AG to 19.97%.

## 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 § 315a (4) and § 289 (4) HGB. No capital interests are held by employees pursuant to § 315 (5) and § 289 (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 § 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 § 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.

<sup>1</sup> Share of Permira Holdings Limited refers to last voting rights notification



## **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 their 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 balance 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 de-

termined 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 pro rata amount of 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 the 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 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). The 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 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 of 31 December 2020, the Company utilised the Authorised Capital 2019 of EUR 1,070,931.00 as part of a capital increase against a non-cash contribution. The Contingent Capital 2019 has so far not been utilised. Accordingly, as of 31 December 2020 the Authorised Capital 2019 was EUR 98,929,069.00 and the Contingent Capital 2019 was EUR 60,000,000.00.

The Management Board was moreover authorised to acquire, until 2 September 2024, own shares for any permitted purpose up to a total of 10% of the share capital as of the date the resolution is passed or – if this figure 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 acquisition takes place at the Management Board's choice via the stock exchange, 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 concluded between TeamViewer AG and its lenders is a material agreement which contains provisions applicable in the event of a change of control. These provisions grant the lenders the right to termination and early settlement of the repayment in the event of a change of control.

## **COMPENSATION AGREEMENT 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

## BASIC APPROACH

As a globally operating Group, TeamViewer attaches great importance to good corporate governance. Transparent and responsible corporate governance, a collaboration between the Management Board and Supervisory Board in a 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 the TeamViewer AG submit the following corporate governance statement pursuant to § 315 d and § 289 et seq. HGB, which is part of the combined management report. In it, they report jointly on TeamViewer's corporate governance in accordance with Principle 22 of the GCGC. This statement and the documents mentioned in § 289 et seq. (2) (1a) HGB are also available to the public on the investor relations website of TeamViewer.

## MANAGEMENT BOARD

### Composition

The Management Board of the TeamViewer AG consisted of two members as of 31 December 2020. According to the Articles of Association of the TeamViewer AG, the Management Board is appointed and dismissed by the Supervisory Board.

As of 31 December 2020, the Company's Management Board consisted of the following two members:

- Oliver Steil is appointed member of the Management Board of the TeamViewer AG until 2022 and designated chairman of the Management Board.
- Stefan Gaiser is appointed member of the Management Board of the TeamViewer AG until 2022 and, since November 2017, as Managing Director of the TeamViewer Germany GmbH and CFO of the Group.

### Profile of requirements 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 is therefore seeking 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 background. All of which will enable the Management Board, in its entirety, to call on as wide as possible a range of experience, knowledge and abilities.

Diversity within the Management Board is reflected in the members' individual educational and professional careers 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 to possess several years of management experience. In view of the Company's business model, at least one member of the Management Board should have knowledge of 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 Target figures for female representation in executive positions on page 56. To achieve the defined target figures and to promote diversity in general, the Supervisory Board has elaborated a comprehensive and detailed diversity concept which it uses as a guideline for appointments and long-term succession planning.

Appointments for members of the Management Board generally end once they reach the age of 65. An extension for a maximum of three further years is possible. A heterogeneous age structure is aimed for, 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 growth of its sustained 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 basic principles guiding business management, the collaboration between the Management Board members and the supply of information to 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 a spirit of collegiality and trust, for the benefit of the Company.

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

The Management Board collaborates closely with the Supervisory Board. It is their joint task 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 stipulates the reasons for them. Documents of relevance 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-competition 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 remuneration or other benefits for themselves or other persons from third parties or grant unjustifiable benefits to third parties. 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, especially Supervisory Board mandates outside the Company, by members of the Management Board 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 above-mentioned 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 considers long-term succession planning. In addition to contingency planning, this is designed to ensure that the Company can approach suitable candidates early on.

## SUPERVISORY BOARD

### Composition

In accordance with the Articles of Association, the Supervisory Board of the TeamViewer AG consists of six members elected by the Annual General Meeting. The current Supervisory Board members were appointed as part of the Company's transformation and change in legal form for the period ending with the Annual General Meeting in 2023.

As of 31 December 2020, 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, Supervisory Board member
- Holger Felgner, Supervisory Board member
- Dr Jörg Rockenhäuser, Supervisory Board member
- Axel Salzmann, Supervisory Board member

The current Supervisory Board members are appointed until the Annual General Meeting in 2023.

The Supervisory Board of the TeamViewer AG has set its targets regarding its composition and has drafted a profile of skills and expertise and a diversity concept for the entire board. 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 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 more than ten years.

Regarding the composition of the full body, the Supervisory Board attaches particular attention to diversity. The members must complement each other in terms of their personal and professional background, their experience and expertise so that the board as a whole can draw on the widest possible range of different experiences and specialised knowledge. The Supervisory Board must, at all times, be composed in such way that its members combined possess the knowledge, abilities and professional experience required to properly perform the duties of the 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 selects from among its members a chairman who coordinates the work in the Supervisory Board and represents the affairs of the Supervisory Board to the outside. In this process, they hold discussions with investors about supervisory board-specific issues to an appropriate extent. The Supervisory Board chairman is in regular contact with the chairman of the Management Board in between meetings and discusses the strategy, business development, risk position, risk management and compliance of the Company.

### Profile of skills and expertise

The Supervisory Board members combined 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 full compliance with the relevant recommendations of the GCGC on the independence of Supervisory Board members. The Supervisory Board shall take due account of the ownership structure and is of the opinion that the Supervisory Board should include at least two shareholder representatives who are independent of the Company, of its Management Board and of a controlling shareholder within the meaning of recommendation C.6 of the GCGC. In the opinion of the Supervisory Board, Mr Salzmann, Mr Aqraou and Mr Felgner are independent members within the meaning of this recommendation. All members are considered independent of the Company and of the Management Board within the meaning of recommendation C.7 GCGC.

## Diversity

The Company attaches particular importance to the diversity of its workforce at all levels. The Supervisory Board should also reflect a balanced degree of diversity, especially with consideration of the international background of its members, their professional experience, expertise and female representation. To take into account the Company's international character, the Supervisory Board should, as a general rule, include at least two non-German nationals with global management or entrepreneurial experience. The target figures for female representation on the Supervisory Board and the status of their implementation is discussed in the chapter Target figures for female representation in executive positions on page 56.

The Supervisory Board is convinced that this kind of composition ensures independent and efficient advice, monitoring and supervision of the Management Board. Future nomination proposals by the Supervisory Board to the Annual General Meeting should therefore consider the stated goals about its composition while at the same time contributing to the fulfillment of the profile of skills and expertise and to the achievement of the targets of the diversity concept.

## Tasks

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

In a decision dated 19 August 2019, 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 investor relations website of TeamViewer. The Supervisory Board conducts its business pursuant to statutory provisions, the Articles of Association and the rules of procedure. It collaborates closely and in a spirit of trust with the Company's other bodies, especially 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 every calendar year. Further meetings are to be called if such are required in the Company's interest or if a Supervisory Board or Management Board member applies for a meeting to be convened, stating the purpose and reasons for such a meeting. The Supervisory Board meets on a regular basis, also without the Management Board.

## Conflicts of interest

The Supervisory Board members are solely committed to the best interests of the Company. They must not pursue personal interests in their decision-making, nor must they use business opportunities which are offered to the Company or one of its subsidiaries for themselves or third parties. Every Supervisory Board member must 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 for services and work concluded by a Supervisory Board member with the Company 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 tasked, especially, with the following matters: It prepares the Supervisory Board's decision on the approval of the annual financial statements and consolidated financial statements and monitors the financial reporting, the financial reporting process and the effectiveness of the internal control system, the risk management system and the internal audit system and deals with compliance issues. Accounting includes the consolidated financial statements and the Group management report (including ESG reporting), financial information published during the year and the financial statements pursuant to HGB.

The Audit Committee furthermore prepares the Supervisory Board's decision regarding the recommendation for the selection of the independent auditors and monitors the independence of the auditors of the financial statements. It also reviews the additional services provided by the independent auditors, determines the focus of audits, agrees to the auditor's fees, and issues the audit mandate to the independent auditors. It assesses the quality of the audit of the financial statements on a regular basis. The Audit Committee moreover discusses the half-year and quarterly statements with the Management Board prior to their publication. The chairman of the Audit Committee, Axel Salzmann, is independent within the meaning of recommendation C.10 GCGC, has special knowledge and experience in applying accounting principles and internal control procedures as well as audits of financial statements.

As of 31 December 2020, the Audit Committee had the following members: Axel Salzmann (chairman), Jacob Fønnesbech Aqraou, Stefan Dziarski and Dr Abraham (Abe) Peled.

### 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 signing of amendments to and termination of employment contracts for this group of employees. If required, it will commission its own 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 2020, the Nomination and Remuneration Committee had the following members: Axel Salzmann (chairman), Jacob Fønnesbech 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.

### Self-assessment

In accordance with recommendation D.13 of the GCGC, the Supervisory Board assesses at regular intervals, at least every two years, how effectively the Supervisory Board as a whole and its committees fulfil their tasks. In addition to qualitative criteria – to be determined by the Supervisory Board – the self-assessment looks particularly at the procedures used within the Supervisory Board and its committees, the flow of information between the committees and the full Board and the timely and the content-wise adequate supply of information to the Supervisory Board and its committees. Most recently, the Supervisory Board, at its meeting on 5 November 2020, has determined areas for the self-assessment and carried out a detailed evaluation of the different areas.

### Additional supervisory board mandates of members of the Supervisory Board

The table below sets out the additional mandates on supervisory boards and comparable supervisory bodies currently held by the Supervisory Board members of TeamViewer AG.

Supervisory Board member	Mandates in accordance with § 125 (1) fifth sentence AktG
Dr. Abraham Peled	<ul style="list-style-type: none"> <li>Chairman of the board of directors of CyberArmor Ltd.</li> <li>Chairman of the board of directors of Synamedia Ltd.</li> </ul>
Jacob Fønnesbech Aqraou	<ul style="list-style-type: none"> <li>Member of the board of directors of Telenor ASA</li> <li>Chairman of the board of directors of Loopia Group</li> <li>Member of the board of directors of Wallapop SL</li> <li>Member of the board of directors of Denmark Bridge</li> <li>Chairman of the board of directors of Aqraou Invest ApS</li> <li>Chairman of the board of directors of PhaseOne ApS</li> </ul>
Stefan Dziarski	<ul style="list-style-type: none"> <li>Member of the supervisory board of P&amp;I Personal &amp; Informatik AG</li> <li>Member of the advisory board of FlixMobility GmbH</li> </ul>
Holger Felgner	<ul style="list-style-type: none"> <li>Member of the advisory board of MPN Marketplace Networks GmbH</li> </ul>
Dr. Jörg Rockenhäuser	<ul style="list-style-type: none"> <li>Member of the advisory board of Schustermann &amp; Borenstein GmbH</li> </ul>
Axel Salzmann	<ul style="list-style-type: none"> <li>None</li> </ul>

## TARGET FIGURES FOR FEMALE REPRESENTATION IN EXECUTIVE POSITIONS

The Company's Supervisory Board and Management Board are conscious of the particular importance of diversity in general, and more notably of ensuring appropriate female representation in monitoring and executive positions. Accordingly, the Supervisory Board and the Management Board attach particular importance to diversity when filling executive positions. Over the medium term, they plan to increase the percentage of women on the Supervisory Board, the Management Board and the two executive levels below the Management Board<sup>1</sup>. The following table contains an overview of the targets set for female representation on the Supervisory Board, Management Board and the two executive levels below the Management Board together with details on the status of implementation.

	Target figure (as a percentage of the total number of members at the respective reporting date)	Target period	Status of implementation as of 31 December 2020
Supervisory Board	33 %	Until 31 December 2023	0 %
Management Board	25 %	Until 31 December 2023	0 %
First executive level below the Management Board	33 %	Until 31 December 2023	43 %

<sup>1</sup> A second management level below the Management Board does not exist at TeamViewer AG



**STATEMENT BY THE MANAGEMENT BOARD AND SUPERVISORY BOARD OF THE TEAMVIEWER AG ON THE RECOMMENDATIONS OF THE “GOVERNMENT COMMISSION GERMAN CORPORATE GOVERNANCE CODE” PURSUANT TO § 161 AKTG**

The Management Board and Supervisory Board of the TeamViewer AG declare that the TeamViewer AG has complied with all recommendations of the German Corporate Governance Code as amended on 16 December 2019, published by the German Federal Ministry of Justice and Consumer Protection in the official section of the German Federal Gazette (Bundesanzeiger) on 20 March 2020 (the “2020 Code”) since its publication without exception and intends to continue to comply with the recommendations of the 2020 Code in the future without exception.

The Management Board and Supervisory Board of TeamViewer AG also declare that the TeamViewer AG has complied with the recommendations of the German Corporate Governance Code applicable prior to the Code 2020 coming into force, as amended on 7 February 2017, published by the Federal Ministry of Justice and Consumer Protection in the official section of the German Federal Gazette (Bundesanzeiger) on 24 April 2017 (the “Code 2017”) since issuing its last declaration of compliance in December 2019, with the exception of the following deviation:

Section 3.8 para.3 of the Code 2017 recommended that a D&O insurance policy for the members of the Supervisory Board should include a deductible in the amount of 10% of the damage up to at least 150% of the fixed annual compensation of the respective Supervisory Board member. The current D&O insurance policy of the TeamViewer AG for the members of the Supervisory Board does not provide a deductible. The Management Board and Supervisory Board are of the opinion that a deductible would have no influence on the sense of responsibility and loyalty of the members of the Supervisory Board regarding their duties and functions. Moreover, this would impair the TeamViewer AG's competitiveness for competent and qualified members of the Supervisory Board.

Goppingen, December 2020

The Management Board

Oliver Steil      Stefan Gaiser

For the Supervisory Board

Dr Abraham Peled

## FINANCIAL REPORTING AND AUDIT OF FINANCIAL STATEMENTS

The 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 HGB. The annual financial statements of the TeamViewer AG are prepared in accordance with the principles of the HGB. The annual financial statements of the TeamViewer AG, the consolidated financial statements and the Group management report, which is 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 the fiscal year 2020 are Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft (EY), Stuttgart.

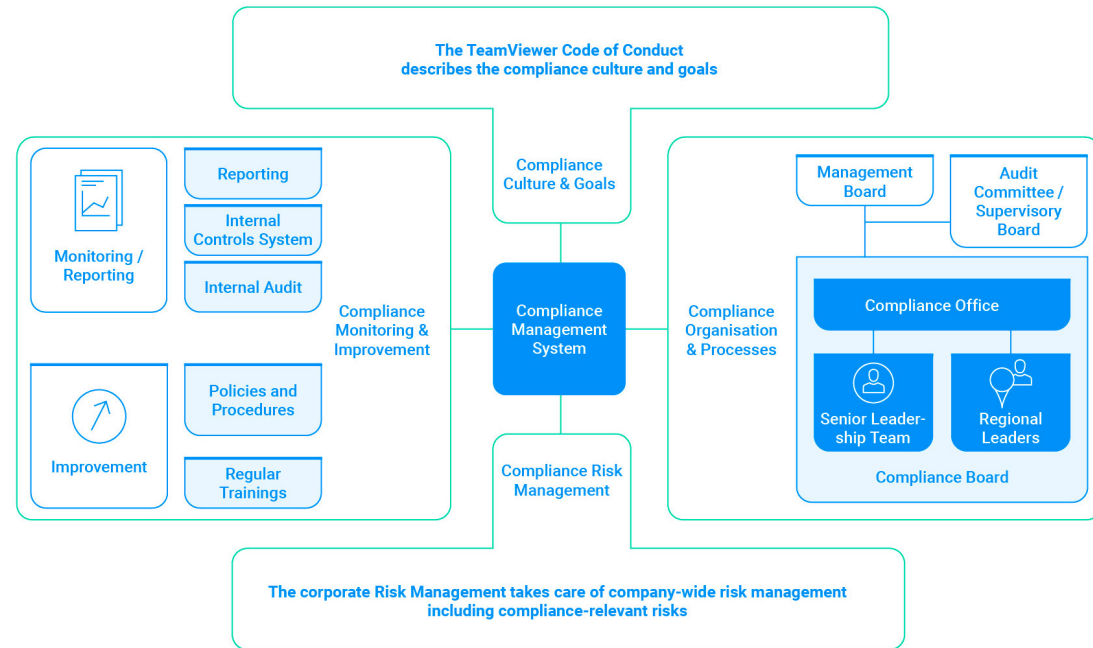
## COMPLIANCE

Compliance means that all business processes comply with all applicable laws and the Company's internal rules and regulations. Trust, integrity and the fair and open dealings with employees, customers, business partners and shareholders make a crucial contribution to the corporate success of the TeamViewer Group.

### Compliance culture

Compliance is firmly embedded in TeamViewer's corporate culture and is further deepened by an internal training programme. The Company seeks to create awareness throughout the organisation to ensure that all actions are based on the relevant laws, domestic and international standards and internal policies.

## Compliance Organisation



### Compliance Management System

To ensure that all applicable laws and internal rules and regulations are complied with, the TeamViewer Group has established a Compliance Management System. The Compliance Management System (CMS) forms a central part of the Group and is geared to its risk situation. The CMS includes all necessary measures and processes to ensure that laws and internal rules and regulations are observed. It is based 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.

### Code of Conduct

TeamViewer is aware of the economic and social responsibility it has towards its business partners, investors and employees. Accordingly, 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.

Accordingly, the Code of Conduct is based on these applicable international standards and provisions. It includes rules mainly on internal dealings with each other, dealings with business partners, the fight against corruption and the 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 in the areas of the fight against corruption, of data security and IT security.

TeamViewer is very proud of the diversity of its own employees. People of different ages and genders work at the Company. They differ in terms of their nationality, family status, social and ethnic background, sexual orientation, and physical and mental state. 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 investor relations website of TeamViewer.

### **Further compliance documents and policies**

TeamViewer also expects its business partners to act in accordance with ethical laws and 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, which include:

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

All policies are reviewed and, where necessary, adjusted on a regular basis. Training events for all employees, information emails and Group-wide meetings ensure the issues are kept up-to-date and the policies 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. In order to promote employee health, health and safety policies and the associated training have been implemented.

TeamViewer also supports standards designed to protect human rights. Together with the Code of Conduct, all recent provisions of the following standards have been included.

### **Compliance reporting channels**

Employees have various channels at their disposal to report compliance violations or anomalies. The first contact partner is the line manager. In addition, employees can notify the Compliance Office via a separate, dedicated email account. Employees can also use the whistle-blower 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.

### **DIRECTORS' DEALINGS**

The TeamViewer AG provides information on the managers' transactions of the Management Board and Supervisory Board and natural and legal persons strongly associated with them in accordance with Art. 19 of the EU Market Abuse Regulation (MAR). These transactions can be viewed on the Company's website within the periods stipulated by law.

In the 2020 fiscal year, five transactions were reported to TeamViewer AG pursuant to Art. 19 MAR. They are listed on the investor relations website of TeamViewer.

# 11 Nonfinancial statement

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

# 12 Closing statement on the dependency report

The Management Board of the TeamViewer AG has created a dependency report pursuant to § 312 (1) AktG which contains the following concluding statement: "In summary, we hereby declare that TeamViewer AG, Goppingen, and its subsidiaries received appropriate consideration for the legal transactions listed in the report on relationships with affiliated companies according to the circumstances known to us at the time the legal transactions were carried out and were not disadvantaged in any way."

# 13 Management report of TeamViewer AG (Condensed, in accordance with the German Commercial Code)

In addition to reporting on the TeamViewer Group, the development of TeamViewer AG in the fiscal year 2020 is set out below.

TeamViewer AG is the parent company of the TeamViewer Group and based in Goppingen. The Company has been registered with the district court (Amtsgericht) of Ulm under register number HRB 738852.

The annual financial statements of TeamViewer AG are prepared in accordance with the provisions of the HGB. The consolidated financial statements of TeamViewer are prepared in accordance with the IFRS 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.

## 13\_01 EARNINGS POSITION OF THE TEAMVIEWER AG

The fiscal year of TeamViewer AG is the calendar year 2020. The fiscal year 2019 was a short fiscal year comprising the period from the Company's establishment on 3 July 2019 up to 31 December 2019. This means that the figures for the reporting year can be compared with the prior-year figures to only a limited extent. By contrast, both the fiscal year 2020 and the previous fiscal year of the TeamViewer Group run from 1 January to 31 December because TeamViewer AG continues the group of Regit Eins GmbH as a new parent company.

The profit or loss statement of TeamViewer AG for the fiscal year 2020 is as follows:

### Profit or loss statement

In EUR million	Fiscal year from 1 January to 31 December 2020	Short fiscal year from 3 July to 31 December 2019
<b>Revenue</b>	<b>11.8</b>	<b>2.9</b>
Other operating income	–	0.4
Personnel expense	(14.3)	(3.2)
Other operating expense	(4.1)	(1.8)
Interest and similar expenses	(0.2)	(0.1)
<b>Net loss for the year</b>	<b>(6.8)</b>	<b>(1.8)</b>

Revenue of TeamViewer AG resulted primarily from the provision of management services to affiliated companies and amounted to EUR 11.8 million in the fiscal year 2020 (2019: EUR 2.9 million).

The Company's personnel expenses in the fiscal year were EUR 14.3 million (2019: EUR 3.2 million). The main reasons for the increase are that, in the previous year, due to the short fiscal year, employees were only employed from August 1, the performance-related multi-year variable compensation of executives granted for the first time in fiscal 2020, and the increase in short-term variable compensation for all employees. During the fiscal year, TeamViewer AG employed an average of 64 employees (2019: 67).

Other operating expenses of EUR 4.1 million (2019: EUR 1.8 million) comprise primarily legal and advisory charges, closing and audit costs and the expense incurred for the Supervisory Board's remuneration.

Interest expenses amounted to EUR 0.2 million in the fiscal year 2020 (2019: EUR 0.1 million). TeamViewer AG's net loss for the year was EUR 6.8 million (2019: EUR 1.8 million).

## 13\_02 ASSETS AND FINANCIAL POSITION OF TEAMVIEWER AG

The assets and financial position of TeamViewer AG as of 31 December 2020 and at the prior-year's reference date were as follows:

### Assets and financial position

In EUR million	31/12/2020	31/12/2019
<b>Financial assets</b>	<b>4,048.7</b>	<b>3,999.7</b>
Non-current assets	4,048.7	3,999.7
Receivables and other assets	0.1	0.5
Cash at banks	1.3	5.7
<b>Current assets</b>	<b>1.4</b>	<b>6.2</b>
<b>Prepaid expenses</b>	<b>0.2</b>	<b>–</b>
<b>Total assets</b>	<b>4,050.3</b>	<b>4,005.9</b>
Equity	4,038.5	3,997.9
Provisions	7.2	2.0
Trade payables, amounts payable to affiliated companies and other payables	4.6	5.9
<b>Total equity and liabilities</b>	<b>4,050.3</b>	<b>4,005.9</b>

Total assets of the TeamViewer AG as of 31 December 2020 amounted to EUR 4,050.3 million (31 December 2019: EUR 4,005.9 million).

As of 31 December 2020, EUR 4,048.7 million (31 December 2019: 3,999.7 million) were accounted for by investments in non-current assets. The increase resulted from the acquisition of part of the shares in the Ubimax GmbH.

Current assets as of 31 December 2020 primarily comprised EUR 1.3 million in bank balances (31 December 2019: EUR 5.7 million).

With the purchase of 37.56% of shares in Ubimax GmbH, 1,070,931 new shares were issued to the founders of Ubimax GmbH that were issued from 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 the Ubimax GmbH were contributed to the capital reserve of the Regit Eins GmbH, increasing the latter's investment book value.

Considering a net loss for the year of EUR 6.8 million (31 December 2019: EUR 1.8 million), TeamViewer AG's equity as of 31 December 2020 rose to EUR 4,038.5 million (31 December 2019: EUR 3,997.9 million). The provisions of EUR 7.2 million as of 31 December 2020 (31 December 2019: EUR 2.0 million) primarily included personnel-related provisions and provisions for closing and audit costs for the year 2020. The main reasons for the increase are the performance-related multi-year variable remuneration of managers and an increase in the short-term variable remuneration of all employees.

The Company's liabilities totalled EUR 4.6 million (31 December 2019: EUR 5.9 million), of which EUR 2.3 million (31 December 2019: EUR 3.1 million) was attributed to affiliated companies.

## 13\_03 OPPORTUNITIES AND RISKS

As a holding company, the business development of TeamViewer AG is certainly 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 the full amount. The opportunities and risks and the Group's risk management system are presented in the Opportunity and Risk Report. Adverse influences on the direct and indirect subsidiaries of TeamViewer AG may result in an impairment of participation in the Regit Eins GmbH in the annual financial statements of TeamViewer AG and reduce the Company's net result for the year.

## 13\_04 OUTLOOK

TeamViewer AG's net result for the year is dependent on the profit distributions of the Regit Eins GmbH. In the fiscal year 2020 and in the short fiscal year 2019, there were no dividend payments. There are also no dividend payments planned for the fiscal year 2021.

The Company projects a modest increase in costs as well as a moderate increase in revenue for TeamViewer AG in fiscal year 2021 when compared with the previous year, together with a net loss for the year at the prior-year level. For a detailed presentation of the expected future development of the TeamViewer Group, please see the Outlook.

# ANNUAL FINANCIAL STATEMENTS

## 01 Balance Sheet

for the fiscal year ended December 31, 2020 of TeamViewer AG, Göppingen

ASSETS	31 Dec. 2020	31 Dec. 2019	EQUITY AND LIABILITIES	31 Dec. 2020	31 Dec. 2019
	EUR thsd	EUR thsd		EUR thsd	EUR thsd
<b>A. Fixed assets</b>			<b>A. Equity</b>		
I. Intangible fixed assets			I. Subscribed capital	201,071	200,000
Similar rights and assets, and licences in such rights and assets	5	0	II. Capital reserves	3,846,015	3,799,740
II. Long-term financial assets			III. Net accumulated losses	-8,569	-1,795
Shares in affiliated companies	4,048,732	3,999,715	<b>B. Provisions</b>		
<b>B. Current assets</b>			Other provisions	7,230	2,018
I. Receivables and other assets			<b>C. Liabilities</b>		
1. Receivables from affiliated companies	0	14	1. Trade payables	1	469
2. Other assets	91	488	2. Liabilities to affiliated companies	2,312	3,075
	<b>91</b>	<b>502</b>	3. Other liabilities	2,255	2,375
II. Bank balances	1,318	5,660		<b>4,568</b>	<b>5,919</b>
<b>C. Prepaid expenses</b>	169	5	- of which taxes EUR 1,742 thousand (PY: EUR 1,857 thousand)		
			- of which social security EUR 13 thousand (PY: EUR 473 thousand)		
	<b>4,050,315</b>	<b>4,005,882</b>		<b>4,050,315</b>	<b>4,005,882</b>

# 02 Income Statement

for the fiscal year ended December 31, 2020 of TeamViewer AG, Göppingen

	Fiscal year	Previous year
	EUR thsd	EUR thsd
1. Sales	11,847	2,927
<b>2. Gross revenue</b>	<b>11,847</b>	<b>2,927</b>
3. Other operating income	53	439
- of which gains on currency translation EUR 1 thsd (EUR 0 thsd)		
4. Personnel expenses		
a) Wages and salaries	-13,558	-2,864
b) Social security, post-employment and other employee benefit costs	-807	-344
	<b>-14,365</b>	<b>-3,208</b>
- of which in respect of old-age pensions EUR 7 thsd (EUR 1 thsd)		
5. Amortisation of intangible fixed assets	-88	0
6. Other operating expenses	-4,007	-1,811
- of which losses on currency translation EUR 1 thsd (EUR 0 thsd)		
7. Interest and similar expenses	-214	-142
- of which to affiliated companies EUR 212 thsd (EUR 142 thsd)		
8. Taxes on income	0	0
<b>9. Profit after tax</b>	<b>-6,774</b>	<b>-1,795</b>
10. Other taxes	0	0
<b>11. Net loss for the year</b>	<b>-6,774</b>	<b>-1,795</b>
12. Loss brought forward from previous year	-1,795	0,00
<b>13. Net accumulated losses</b>	<b>-8,569</b>	<b>0,00</b>



# 03 Notes to the financial statements

## **TeamViewer AG, Göppingen NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2020**

### **APPLICATION OF ACCOUNTING REGULATIONS**

TeamViewer AG is a listed company which has its registered office at Bahnhofplatz 2, 73033 Göppingen, Germany. The Company has been registered with the district court (Amtsgericht) of Ulm under register number HRB 738852.

The year under review covers the period from 1 January 2020 to 31 December 2020; the previous year was a short fiscal year, covering the period from the establishment of the Company on 3 July 2019 to the reporting date, 31 December 2019.

The annual financial statements as at 31 December 2020 were prepared pursuant to sections 242 ff. and sections 264 ff. of the German Commercial Code (Handelsgesetzbuch, HGB) and pursuant to the applicable requirements of the German Stock Corporation Act (Aktengesetz, AktG) and the Articles of Association. The requirements for large corporations apply. The balance sheet items specified in section 266 of the HGB are reported in the required order.

The income statement has been prepared using the total cost (nature of expense) method (section 275 (2) of the HGB).

The annual financial statements as at 31 December 2020 are presented in thousands of euro.

### **ACCOUNTING POLICIES**

The previous year's accounting policies have been retained.

The annual financial statements contain all assets, liabilities, prepaid expenses, deferred income, expenses and income, unless the law specifies otherwise. The prohibition on offsetting set out in section 246 (2) of the HGB has been observed. Measurements are performed on the assumption that the Company will continue as a going concern.

Carrying amounts are determined prudently, i.e. all foreseeable risks and losses that arose prior to the balance sheet date have been taken into account, even if they became known only between the balance sheet date and the date on which the annual financial statements were prepared. Profits have only been recognised, if they were realised as at the balance sheet date.

Expenses and income attributable to the fiscal year are recognised in that year, regardless of the timing of the related payments.

Purchased intangible fixed assets are recognised at cost and, if they are subject to amortisation, reduced by amortisation in accordance with their useful lives.

Long-term financial assets are recognised at the lower of cost and fair value.

Impairment losses are recognised where necessary. For shares in affiliated companies and equity investments, any impairment losses required to be recognised are determined on the basis of annual impairment tests. They are conducted using the German income approach, based on the medium-term planning of the company in question and assuming sustainable results after the last planning period ("infinite annuity"). Impairment losses are recognised if the capitalised gross in-

come calculated in this way is lower than the carrying amount.

If the reasons for recognising impairment losses no longer apply, the impairment losses are reversed, up to a maximum of amortised cost.

Receivables and other assets are recognised at their principal amounts.

Bank balances are recognised at their principal amounts.

Prepaid expenses and deferred income are recognised subject to the requirements of section 250 of the HGB.

Other provisions are recognised in accordance with section 249 of the HGB for all uncertain liabilities and expected losses from executory contracts. They are recognised in the settlement amount dictated by prudent business judgement. Provisions with a remaining maturity of more than one year have been discounted at the average market interest rate for the past seven fiscal years appropriate for their remaining maturity.

Liabilities are recognised at their settlement amounts.

Assets and liabilities denominated in foreign currency are in all cases translated using the middle spot rate at the reporting date.

Deferred taxes are determined on the basis of temporary differences between the carrying amounts of assets, liabilities, prepaid expenses and deferred income recognised in the financial statements and their tax bases. If an overall tax burden were to arise, it would be recognised as a deferred tax liability in the balance sheet. If there is tax relief, the corresponding option to recognise an asset provided for in section 274 (1) sentence 2 of the HGB is not applied and no deferred tax asset is recognised. Income from management services provided to affiliated companies is reported as sales.

## Balance sheet disclosures

### Assets

Information on shareholdings:

Name and registered office	Equity	Interest held	Profit or loss for fiscal year 2020
	EUR thsd	in %	EUR thsd
1. Regit Eins GmbH, Göppingen, Germany	268,930	100	127,606
2. TeamViewer Germany GmbH, Göppingen, Germany*,**	102,175	100	0
3. TeamViewer Greece EPE, Ioannina, Greece*	275	100	56
4. TeamViewer India Private Ltd, Mumbai, India*	197	100	72
5. TeamViewer Japan KK, Tokyo, Japan*	426	100	122
6. TeamViewer Information Technology (Shanghai) Co., Ltd, Shanghai, China*	551	100	203
7. TeamViewer Singapore PTE, Ltd., Singapore*	89	100	72
8. TeamViewer UK Limited, Woking, United Kingdom*	-51	100	65
9. TeamViewer Pty Limited, Adelaide, Australia*	1,736	100	270
10. TeamViewer US Inc, Largo, United States of America*	10,007	100	1,940
11. TeamViewer Armenia CJSC, Yerevan, Armenia*	2,577	100	331
12. Ubimax Inc, Atlanta, United States of America	1057	100	1,525
Ubimax S.A. de C.V.	-36	100	1

\* Indirectly held interest

\*\* Net income for the year after profit transfer

### Receivables and other assets

Receivables from affiliated companies reported in the previous year relate to trade receivables. All receivables and other assets are due within one year.

### Deferred taxes

The calculation of deferred taxes gave rise to a net deferred tax asset, which was not recognised, exercising the option provided for in section 274 (1) sentence 2 of the HGB. A tax rate of 28.8% was applied in the calculation of deferred taxes. The taxable temporary differences arose from a loss brought forward and different tax bases for provisions.

## Statement of changes in fixed assets

for the fiscal year ended December 31, 2020 of TeamViewer AG, Göppingen

	Cost				Accumulated amortization and impairment losses				Carrying amounts
	As at	Additions	Disposals	As at	As at	Additions	Disposals	As at	As at
	01/01/2020			31/12/2020	31/12/2020			31/12/2020	31/12/2020
	EUR thsd	EUR thsd	EUR thsd	EUR thsd	EUR thsd	EUR thsd	EUR thsd	EUR thsd	EUR thsd
<b>A. FIXED ASSETS</b>									
<b>I. Intangible Assets</b>									
<b>Similar rights and assets and licences in such rights and assets</b>	0	93	0	93	0	88	0	88	5
<b>II. Financial Assets</b>									
<b>Shares in affiliated companies</b>	3,999,715	49,017	0	4,048,732	0	0	0	0	4,048,732
	3,999,715	49,110	0	4,048,825	0	88	0	88	4,048,737

## Equity and liabilities

### Equity

In thousands of euro	1 Jan. 2020	Capital increase	Net loss for the year	31 Dec. 2020
Subscribed capital	200,000	1,071	0	201,071
Capital reserves	3,799,740	46,275	0	3,846,015
Loss brought forward	-1,795	0	0	-1,795
Net loss for the year	0	0	-6,774	-6,774
<b>Equity</b>	<b>3,997,945</b>	<b>47,346</b>	<b>-6,774</b>	<b>4,038,517</b>

As at 31 December 2020, the subscribed capital comprised the share capital of EUR 201,070,931, divided into 201,070,931 ordinary bearer shares with no par value. A total of 1,070,931 shares are pledged to the Company.

As at 31 December 2019, the subscribed capital comprised the share capital of EUR 200,000 thousand. This share capital was created following the transformation of Regit Eins Beteiligungs-GmbH into a stock corporation by way of shareholder resolution dated 19 August 2019, which also led to the change in the name of the Company from Regit Eins Beteiligungs-GmbH to TeamViewer AG. As at the transformation date, 19 August 2019, the share capital of Regit Eins Beteiligungs-GmbH also amounted to EUR 200,000 thousand. After the Company was established on 3 July 2019 with a share capital of EUR 25 thousand, the share capital of Regit Eins Beteiligungs-GmbH was increased by EUR 199,975 thousand to EUR 200,000 thousand upon the contribution of all the shares in Regit Eins GmbH on 1 August 2019.

In August 2020, TeamViewer AG acquired 37.56% of the shares in Ubimax GmbH, Bremen, by way of contributing the shares as a non-cash contribution against the granting of new shares and payment of additional cash consideration of EUR 1.5 million for the non-cash contribution (mixed non-cash contribution). For this purpose, TeamViewer AG, utilising

ordinary bearer shares with no par value at the lowest issue amount within the meaning of section 9 (1) of the AktG, i.e. at an issue amount that corresponds to the notional value per no-par value share, which is EUR 1.00 for each new no-par value share, excluding premium. The difference between the value of the non-cash contribution (less the payment mentioned above) and the aggregate value of the new shares issued, which amounts to EUR 46.3 million, is reported as an additional capital contribution in capital reserves pursuant to section 272 (2) no 4 of the HGB.

In November 2020, the shares in Ubimax GmbH were contributed to Regit Eins GmbH, Göppingen, at their market value, thus increasing the carrying amount of this investment.

By way of 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 thousand during the period up to 2 September 2024 (Authorised Capital 2019). Of this amount, EUR 1,070,931 was used in 2020 in the acquisition of Ubimax GmbH. This means that, following the partial utilisation, the Authorised Capital 2019 now amounts to EUR 98,929,069. 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 balance fractional amounts;
- To grant holders or creditors of convertible or warrant-linked bonds issued by the Company and/or its direct or indirect majority investees and convertible profit participation rights a right to subscribe to new shares in the extent to which they would be entitled upon exercise of the conversion or warrant rights or settlement 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 substantially 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% of the share capital, 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, equity interests 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 thousand, 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 pro rata amount of the share capital totalling up to EUR 60,000 thousand 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 interest. 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 the 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 increased by up to TEUR 60,000 thousand through the issue of up to 60,000,000 new ordinary bearer shares with no-par value (Contingent Capital 2019). The conditional 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. The Contingent Capital 2019 amounted to EUR 60,000 thousand as at 31 December 2020.

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

## Provisions

In thousands of euro	31 Dec. 2020	31 Dec. 2019
Personnel-related provisions	6,293	1,643
Other	937	375
	<b>7,230</b>	<b>2,018</b>

Personnel-related provisions include provisions for bonuses, holiday entitlements and service anniversaries.

## Liabilities

The liabilities to affiliated companies relate to trade payables. As in the previous year, the liabilities are due within one year.

## Income statement disclosures

### Sales

Sales arise primarily from income from management services provided to affiliated companies in an amount of EUR 11,516 thousand (EUR 2,927 thousand).

### Other operating income

Other operating income includes mainly income from the reversal of provisions in an amount of EUR 52 thousand (EUR 0 thousand).

## OTHER DISCLOSURES

### 1. Headcount

Average number of employees during the reporting period:

	2020	Previous year
Employees	65	67

### 2. Disclosures on governing bodies

#### 2.1 Management Board

- Oliver Steil was appointed as a member of the TeamViewer AG Management Board for three years and nominated as its Chairman on 19 August 2019.
- Stefan Gaiser was appointed as a member of the TeamViewer Management Board for three years on 19 August 2019.

The members of the Company's Management Board have no appointments in management or supervisory bodies of other companies.

### Total remuneration of the members of the Management Board:

Total remuneration of the members of the Management Board in 2020:

In thousands of euro	Oliver Steil Chairman of the Management Board (CEO)	Stefan Gaiser Chief Financial Officer (CFO)
Fixed remuneration	900	550
Fringe benefits	22	55
One-year variable remuneration	1,800	1,000
Multi-year variable remuneration	983	541
<b>Total remuneration</b>	<b>2,807</b>	<b>1,647</b>

Total remuneration of the members of the Management Board in 2019:

In thousands of euro	Oliver Steil Chairman of the Management Board (CEO)	Stefan Gaiser Chief Financial Officer (CFO)
Fixed remuneration	350	208
Fringe benefits	9	23
Third-party benefits	24,128	12,064
One-year variable remuneration	308	163
<b>Total remuneration</b>	<b>24,795</b>	<b>12,458</b>

## 2.2 Supervisory Board

The following individuals were appointed as members of the Supervisory Board:

Name	Year of birth	Member since*	Appointed until	Position	Occupation
Dr. Abraham Peled	1945	2019	2023	Chairman of the Supervisory Board	Partner at Peled Ventures LLC
Jacob Fannesbach Aqraou	1972	2019	2023	Deputy Chairman of the Supervisory Board	Entrepreneur and investor
Stefan Dziarski	1980	2019	2023	Board Member	Partner at Permira
Holger Felgner	1971	2019	2023	Board Member	Co-Chief Executive Officer at Chrono24 GmbH
Dr. Jörg Rockenhäuser	1966	2019	2023	Board Member	Partner and Head of DACH at Permira
Axel Salzmann	1958	2019	2023	Board Member	Member of the Management Board and Chief Financial Officer at Hensoldt AG

\* Appointed in August 2019

The members of the Company's Supervisory Board are also members of a Supervisory Board committee or members of similar domestic and foreign supervisory bodies of the following companies (disclosure pursuant to section 125 (1) sentence 5 of the AktG):

Members not listed here do not have any appointments in other companies.

### Dr. Abraham Peled

- Chairman of the Board of Directors of CyberArmor Ltd.
- Chairman of the Board of Directors of Synamedia Ltd.

### Jacob Fannesbech 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
- Member of the Board of Directors of Denmark Bridge
- Chairman of the Board of Directors of Aqraou Invest ApS
- Chairman of the Board of Directors of PhaseOne Group

### Stefan Dziarski

- Member of the Supervisory Board of P&I Personal & Informatik AG
- Member of the Advisory Board of FlixBus GmbH

### Holger Felgner

- Member of the Advisory Board of MPN Marketplace Networks GmbH

### Dr. Jörg Rockenhäuser

- Member of the Advisory Board of Schustermann & Borenstein GmbH

### Axel Salzmann

- Member of the Supervisory Board of HUGO BOSS AG

## Remuneration of the members of the Supervisory Board

Remuneration of the members of the Supervisory Board in 2020

In thousands of euro	Fixed remuneration	Activity in committees	Total in 2020
Dr. Abraham Peled	188	55	243
Jacob Fannesbach Aqraou	165	55	220
Holger Felgner	75	0	75
Axel Salzmann	75	110	185

Supervisory Board members not listed here did not receive any remuneration in fiscal year 2020.

Remuneration of the members of the Supervisory Board in 2019

in TEUR	Fixed remuneration	Activity in committees	Other	Total in 2019
Dr. Abraham Peled	47	14	11	72
Jacob Fannesbach Aqraou	61	20	0	81
Holger Felgner	28	0	5	33
Axel Salzmann	28	40	15	83

Supervisory Board members not listed here did not receive any remuneration in fiscal year 2019.

## 3. Declaration of conformity with the German Corporate Governance Code

In December 2020 the Management Board and the Supervisory Board of TeamViewer AG made the declaration required by section 161 of the German Stock Corporation Act (Aktiengesetz, AktG) and published it on the Company's website at: [https://ir.teamviewer.com/download/companies/teamviewer/CorporateGovernance/Entsprechenserklaerung\\_Dec\\_2020\\_EN.pdf](https://ir.teamviewer.com/download/companies/teamviewer/CorporateGovernance/Entsprechenserklaerung_Dec_2020_EN.pdf).

## 4. Independent auditor's fees

This disclosure is not made pursuant to section 285 no 17 of the HGB, since the disclosure is made in the consolidated financial Statements of TeamViewer AG.

## 5. Disclosures pursuant to section 160 (1) no 8 of the AktG

As at the balance sheet date, 31 December 2020, shareholdings in the company existed that had been notified pursuant to section 33 (1) or (2) of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG) and published as follows pursuant to section 40 (1) of the WpHG:

Entity subject to reporting requirement	Registered office	Date of crossing threshold	Direction of crossing threshold	Notification threshold in %	Attribution pursuant to WpHG	Share of voting rights in %
The Capital Group Companies, Inc.	Los Angeles, California, United States of America	10 March 2020	up	5	Section 34	5.0
Blackrock Inc.	Wilmington, United States of America	30 November 2020	down	5	Section 34	4.7*
DWS Investment GmbH	Frankfurt am Main, Germany	21 January 2021	down	3	Section 34	2.94
Euro Pacific Growth Fund	Boston, United States of America	21 January 2021	up	3	Section 34	3.02
Permira Holdings Limited	St Peter Port, Guernsey	16 February 2021	down	20	Section 34	19.97
T. Rowe Price Group, Inc.	Baltimore, Maryland, United States of America	26 February 2021	up	3	Section 34	3.05

\*Additionally relevant pursuant to section 38 (1) no 1 of the WpHG: 424,628 (0.21%) loaned securities, and pursuant to section 38 (1) no 2 of the WpHG: 37,325 (0.02%) contracts for difference

Entity subject to reporting requirement	Absolute number of voting rights	Publication date
The Capital Group Companies, Inc.	10,053,140	10 March 2020
Blackrock Inc.	9,386,210	3 December 2020
DWS Investment GmbH	5,915,646	26 January 2021
Euro Pacific Growth Fund	6,080,741	26 January 2021
Permira Holdings Limited	40,149,251	18 February 2021
T. Rowe Price Group, Inc.	6,129,499	3 March 2021



## 6. Group membership

TeamViewer AG prepares the consolidated financial statements for the smallest group of consolidated companies in which it is included. The consolidated financial statements are published in the electronic Federal Gazette.

In the previous year, TigerLuxOne S. à. r. l., Luxembourg, in its capacity as ultimate group parent (largest group of consolidated companies) prepared consolidated financial statements as at 31 December 2019 in which TeamViewer AG was included. The consolidated financial statements were published in the Luxembourg commercial register ([www.lbr.lu](http://www.lbr.lu)). Due to the reduction in the interest held, this has not been done for 2020.

## 7. Disclosure

The annual and consolidated Financial Statements of TeamViewer AG are published in the German Federal Gazette.

Göppingen, 17 March 2021

Oliver Steil

Stefan Gaiser

# FURTHER INFORMATION

## 01 Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of TeamViewer AG, and the management report, which is combined with the group management report, includes a fair review of the development and performance of the business and the position of TeamViewer AG, together with a description of the principal opportunities and risks associated with the expected development of TeamViewer AG.

Goppingen, 17 March 2021

Oliver Steil

Stefan Gaiser

# 02 Independent auditor's report<sup>1</sup>

The auditor's report reproduced below also includes a "Report on the audit of the electronic reproductions of the financial statements and management report prepared for disclosure purposes in accordance with Section 317 (3b) HGB" ("ESEF Report"). The subject matter underlying the ESEF Note (ESEF documents to be audited) is not attached. The audited ESEF documents can be viewed in or downloaded from the Federal Gazette.

## Independent auditor's report

To TeamViewer AG

## Report on the audit of the annual financial statements and of the combined management report

### Opinions

We have audited the annual financial statements of TeamViewer AG, Göppingen, which comprise the balance sheet as of 31 December 2020, and the income statement for the fiscal year from 1 January to 31 December 2020 and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of TeamViewer AG, which has been combined with the group management report, for the financial year from 1 January to 31 December 2020. In accordance with the German legal requirements, we have not audited the content of the statement on corporate governance contained in the management report pursuant to Sec. 289f HGB ["Handelsgesetzbuch": German Commercial Code].

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

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2020 and of its financial performance for the fiscal year from 1 January to

31 December 2020 in compliance with German legally required accounting principles, and

1. the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the management report does not cover the content of the statement on corporate governance referred to above.
2. Pursuant to Sec. 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

### Basis for the opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Sec. 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 annual financial statements and of the management report" section of our auditor's report. We are independent of the Company 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 Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropri-

ate to provide a basis for our opinions on the annual financial statements and on the management report.

### Key audit matters in the audit of the annual financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the fiscal year from 1 January to 31 December 2020. These matters were addressed in the context of our audit of the annual 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 matter:

### Recoverability of the shares in Regit Eins GmbH

#### Reasons why the matter was determined to be a key audit matter:

For the purpose of impairment testing, the Company's executive directors determine the fair value for shares in affiliates, which exclusively relate to the shares in Regit Eins GmbH, on an annual basis using a discounted cash flow method.

The result of the valuation depends highly on the estimation of the future cash inflows by the Company's executive directors, also taking the effects of the COVID-19 pandemic, as well as the discount rate used and is thus subject to judgment. Due to the materiality of the shares in Regit Eins GmbH as well as the fact that the calculation involves a large degree of judgment and uncertainties, we determined the recoverability of shares in Regit Eins GmbH to be a key audit matter.

<sup>1</sup> The assurance engagement performed by Ernst & Young (EY) relates exclusively to the German version of the annual financial statements and the combined management report of TeamViewer AG. The following text is a translation of the original German Independent Auditor's Report.

## Auditor's response

We assessed the clerical accuracy as well as the methodology of the valuation model used and the derivation of the discount rate and its individual components with the assistance of our internal measurement specialists. For the discount rate, we particularly analyzed the peer group, compared the parameters used with market data and checked the clerical accuracy of the calculation.

We analyzed the planning used for the impairment test using the adherence to the budget in the past, compared it with the prior-year forecast and with estimates by analysts, discussed it with the Company's executive directors and obtained evidence substantiating the individual assumptions of the forecasts.

In addition, we examined the growth rates for income and expenses used to roll forward the planning by comparing them with market data and performing sensitivity analyses in order to estimate any potential impairment risk associated with a change in one of the significant assumptions used in the valuation.

Our audit procedures regarding the recoverability of shares in affiliates did not lead to any reservations.

## Reference to related disclosures

The executive directors' disclosures on the recoverability of the shares in affiliates, the accounting policies applied as well as the associated judgment are contained in the notes to the financial statements in the sections "Accounting policies" and "Equity".

## Other information

The executive directors and the Supervisory Board are responsible for the declaration pursuant to Sec. 161 AktG ["Aktiengesetz": German Stock Corporation Act] on the German Corporate Governance Code, which is part of the statement on corporate governance. In all other respects, the executive directors are responsible for the other information. Other information comprises the statement on corporate governance included in the management report and the separate combined non-financial report.

Our opinions on the annual financial statements and on the 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 information

1. is materially inconsistent with the annual financial statements, with the management report or our knowledge obtained in the audit, or
2. otherwise appears to be materially misstated.

## Responsibilities of the executive directors and the supervisory board for the annual financial statements and the management report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of annual financial statements that are

free from material misstatement, whether due to fraud or error. In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that, as a whole, provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a 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 management report.

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

## Auditor's responsibilities for the audit of the annual financial statements and of the management report

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 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 annual financial statements and this management report.

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

1. Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the 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 of the Company.

3. Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

4. Conclude on the appropriateness of the executive directors' 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 Company'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 annual financial statements and in the 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 Company to cease to be able to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles.

6. Evaluate the consistency of the management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.

7. Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

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

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

### **Other legal and regulatory requirements**

Report on the assurance in accordance with Sec. 317 (3b) HGB on the electronic reproduction of the annual financial statements and the management report prepared for publication purposes

### **Opinion**

We have performed assurance work in accordance with Sec. 317 (3b) HGB to obtain reasonable assurance about whether the reproduction of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in the attached electronic file "Teamviewer\_AG\_JA+LB\_ESEF-2020-12-31.zip" and prepared for publication purposes complies in all material respects with the requirements of Sec. 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 annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained in this reproduction nor to any other information contained in the abovementioned electronic file.

In our opinion, the reproduction of the annual financial statements and the management report contained in the abovementioned attached electronic file and prepared for publication purposes complies in all material respects with the requirements of Sec. 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

annual financial statements and the accompanying management report for the fiscal year from 1 January to 31 December 2020 contained in the "Report on the audit of the annual financial statements and of the management report" above.

### **Basis for the opinion**

We conducted our assurance work on the reproduction of the annual financial statements and the management report contained in the abovementioned attached electronic file in accordance with Sec. 317 (3b) HGB and Exposure Draft of IDW Assurance Standard: Assurance in Accordance with Sec. 317 (3b) HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes (ED IDW AsS 410). Our responsibilities under that standard are further described in the "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).

### **Responsibilities of the executive directors and the Supervisory Board for the ESEF documents**

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic reproduction of the annual financial statements and the management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB.

In addition, the executive directors of the Company 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 Sec. 328 (1) HGB for the electronic reporting format, whether due to fraud or error.

The executive directors of the Company are also responsible for the submission of the ESEF documents together with the auditor's report and the attached audited annual finan-

cial statements and the audited management report as well as other documents to be published to the operator of the Bundesanzeiger [German Federal Gazette].

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

### **Auditor's responsibilities for the assurance work on the ESEF documents**

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of Sec. 328 (1) HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

1. Identify and assess the risks of material non-compliance with the requirements of Sec. 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.
2. 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.
3. 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.
4. Evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited annual financial statements and to the audited management report.

**Further information pursuant to  
Art. 10 of the EU Audit Regulation**

We were elected as auditor by the annual general meeting on 29 May 2020. We were engaged by the Supervisory Board on 21 July 2020. We have been the auditor of TeamViewer AG without interruption since the abbreviated fiscal year 2019.

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

In addition to the financial statement audit, we have provided to the Company or entities controlled by it the following services that are not disclosed in the annual financial statements or in the management report:

In addition to the audit, we performed a review of the interim financial statements and rendered permissible tax consulting services.

**German Public Auditor  
responsible for the engagement**

The German Public Auditor responsible for the engagement is Mr. Steffen Maurer.

Stuttgart, 17 March 2021  
Ernst & Young GmbH  
Wirtschaftsprüfungsgesellschaft

Koch	Maurer
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]



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