Annual Report 2022

TeamViewer

Creating a world that works better

TeamViewer at a glance

	FY 22	FY 21	Δ YoY
Sales			
Billings[1] (in EUR m)	634.8	547.6	+16 %/ 11 % cc[2]
Revenue[1] (in EUR m)	565.9	501.1	+13 %
Number of subscribers[3] (end of period) (in thousands)	626	617	+1 %
Net retention rate (NRR LTM)	107 %	98 %	+9 pp
Profits and Margins			
Adjusted (Billings) EBITDA[1] (in EUR m)	298.7	257.0	+16 %
Adjusted (Billings) EBITDA[1] margin	47 %	47 %	+0 pp
Adjusted (Revenue) EBITDA[1] (in EUR m)	229.8	210.5	+9 %
Adjusted (Revenue) EBITDA[1] margin	41 %	42 %	-1pp
EBITDA (in EUR m)	197.5	168.3	+17 %
EBITDA margin (in % of revenue)	35 %	34 %	+1 pp
EBIT (in EUR m)	143.7	117.4	+22 %
EBIT (in % of revenue)	25 %	23 %	+2 pp
Cash Flow			
Cash flows from operating activities (in EUR m)	204.3	194.0	+5 %
Cash flows from investing activities (in EUR m)	(10.8)	(38.9)	-72 %
Levered free cash flow (FCFE)	171.8	157.8	+9 %
Cash conversion (FCFE/Adjusted (Revenue) EBITDA)	75 %	75 %	-0 pp
Cash and cash equivalents (in EUR m)	161.0	550.5	-71 %
Other			
R&D expenses (in EUR m)	(69.5)	(62.1)	+12 %
Employees full-time equivalents (end of period)	1,386	1,477	-6 %
Basic earnings per share (in EUR)	0.37	0.25	+46 %
Diluted earnings per share (in EUR)	0.37	0.25	+46 %

[1] Starting in 2023, TeamViewer's financial performance will be reflected in an updated KPI framework, whereby Billings change from a primary into a secondary KPI, and Revenue (IFRS) move more into focus. On the back of this, the definition of the Adjusted EBITDA will change from a Billings to a Revenue perspective. The focus of the full year 2023 guidance also shifts towards Revenue (IFRS) and the corresponding Adjusted (Revenue) EBITDA margin.

[2] cc = constant currency.

[3] Adjusted for Russia and Belarus.

Important notice

This report is a non-binding English translation of the German Annual Report 2022.

Interactive PDF

This PDF document is optimised for use on screen.

- Clicking the house icon at the top right will take you to the table of contents.
- Information included in the table of contents is linked and leads to the respective chapter.

Rounding

Percentage changes and totals presented in tables throughout this report are generally calculated on unrounded numbers. Therefore, numbers in tables may not add up precisely to the totals indicated and percentage change data may not precisely reflect the change data of the rounded figures for the same reason.

Alternative performance measures

This report contains alternative performance measures (APM) that are not defined under IFRS. The APMs are defined in Section E (Further Information) as part of a KPI Glossary (E_6).

Gender-related spelling

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

Table of contents

A_ To our Shareholders

1 Letter to the Shareholders

Peter Turner, Oliver Steil and Michael Wilkens (l. t. r.)

Dear Shareholders,

In 2022, TeamViewer demonstrated its resilience in a challenging year full of macroeconomic uncertainties. We met our financial targets and thereby delivered on our promise to the capital markets. This was one of the most important goals for us in the past year and an essential milestone in reinforcing your confidence in the strength of our strategy execution as well as in our future potential.

Customers worldwide digitize processes with TeamViewer

In an environment marked by global crises, TeamViewer's products have proven to be a real source of added value for our more than 626,000 customers worldwide. With our remote connectivity and workflow solutions, companies can make their processes more efficient, deploy staff more economically and thereby counter the skills shortage, minimise errors, reduce downtime in production and avoid expensive and time-consuming travel. Therefore, our products also enable significant CO_2 savings and contribute to achieving the sustainability goals of our customers worldwide. These are all strong arguments for our solutions in times of war, energy and climate crises, inflation and recession. Against this backdrop, we have been able to successfully win well-known companies such as ABB, Böhringer Ingelheim, Cimbali, Coca-Cola, DHL, Ford, GlobalFoundries, Henkel, Hyundai Motors and Specsavers as customers or significantly expand the existing customer relationships.

Leading provider of remote connectivity

In order to drive our growth strategy forward, we initiated and implemented strategic projects in pivotal areas in 2022. On the product side, for example, with integrations into the messaging service Slack or into the wearables from RealWear, we have proven once again that we are leaders in the field of remote access and support. With TeamViewer, people can connect to numerous devices and remotely control, configure, operate, maintain and repair them – regardless of whether they are classic IT devices such as PCs or tablets, or others such as coffee machines, medical devices or industrial equipment.

Added value for the Industrial Metaverse

Over the past year, TeamViewer has also increasingly become a major player in what is referred to as the Industrial Metaverse. Our augmented reality (AR)-based workflow platform TeamViewer Frontline, which according to well-known market research institutes, is already the leading solution in Europe and ranks second worldwide, has been continuously enhanced with new functions, such as 3D holograms/mixed reality or self-learning algorithms and artificial intelligence. The Industrial Metaverse is already a reality today and represents significant added value for companies. It is about digitally enriching and thereby significantly improving industrial work processes using AR solutions such as the Frontline platform. It is also about documenting knowledge and better deploying personnel – which are essential in an environment of increasing shortages of skilled workers. For us, the Frontline platform has been the driver in a number of collaborations and integrations with global tech players such as SAP, Siemens and Google Cloud. Within these relationships, we focus on the digital transformation of processes in the areas of logistics, manufacturing and after-sales, as well as on the intelligent interaction of processes with our customers' back-end systems.

Strong leadership for the next phase of development

Beyond the product portfolio, we have expanded our management team and broadened our geographic footprint. Within our new three-part Management Board, we are confident to be well positioned for the next phase of the Company's development. In Asia-Pacific, Sojung Lee, who has been in charge of the region for the past year, has brought in new country leaders for Korea, India and Japan, providing significant momentum to accelerate growth in the region. With our new regional headquarters in Singapore and other new offices in Korea and Australia, we have strengthened our presence in Asia-Pacific. In Europe, as well, we continued to develop our existing offices and established a new research and development centre in Porto, Portugal.

We take sustainability seriously

With the *c-a-r-e* sustainability programme, TeamViewer shows that we take our social and ecological responsibility seriously. It is our goal as a company to become climate neutral no later than 2025. We are working with the utmost commitment to realise this goal. We have set up work groups with our employees to go even deeper into the issues that affect us as a society. This also includes taking a stand against Russia's unlawful war in Ukraine. We have immediately stopped all new business in Russia and Belarus and are not renewing any contracts with customers from these countries. On the one hand, we have blocked all non-commercial connections to and from Russia and Belarus, on the other hand, we have made our software available to local organisations in Ukraine free of charge. In addition, TeamViewer has donated around EUR 750,000 to Red Cross organisations for humanitarian aid.

Every employee participates in the Company's success

We also did a lot for our more than 1,400 employees worldwide in 2022. The Company has taken advantage of opportunities to appropriately reward its employees and support them in the best possible way with special tax-free coronavirus and energy compensation bonus payments. In addition, TeamViewer set up an attractive share participation programme for all employees to give them a share in the Company's future success and to build their loyalty to the Company for the long term. With this, we want to say 'thank you' for their outstanding performance, their tireless motivation, and their tremendous commitment of the past few years. With the introduction of our new corporate values (Courage, Family, Impact, Quality), we are also strengthening TeamViewer's unique corporate culture.

Annual guidance 2022 achieved and earnings per share increased

From a financial perspective, we closed 2022 very successfully and in line with our guidance. We achieved billings of EUR 634.8 million, which corresponds to an increase of 16 % compared to the previous year. Revenue reached EUR 565.9 million. This is an increase of 13 % compared to 2021. With an adjusted EBITDA margin of 47 % based on billings, we were again able to demonstrate our strong profitability. Our shareholders have benefited from our strong cash flow generation through the EUR 300 million of capital we used to buy back our own shares, contributing to a 46 % increase in earnings per share. We continued to optimise our balance sheet structure by reducing financial liabilities. This places TeamViewer in the best position possible: a financially strong and healthy company operating with relevant software solutions in an attractive market.

Amendment to Manchester United Partnership

Our partnerships with Manchester United Football Club and the Mercedes-AMG Petronas Formula 1 Team, which have been in place since 2021, have led to more visibility worldwide in 2022. At numerous events on the sidelines of football matches and F1 races, our sales colleagues were able to successfully present our solutions and engage in sales talks with representatives of customers and partners. Despite this, we made the decision to amend the partnership with Manchester United and agreed on an option for the club to buy back the rights to its shirt front sponsorship. This allowed Manchester United to start a focused sales process for a new long-term shirt front partner with the expectation for TeamViewer to transition out of this role as soon as practicably possible. TeamViewer would then remain part of Manchester United's partner ecosystem until the end of the five-year contract period with a substantially reduced, single-digit million US dollar amount per year. This would then have a significant positive effect on our profitability. This, however, will enable us to continuously benefit from the strong brand-building effect, while at the same time reflecting a changed macroeconomic environment in our cost base.

Relaunch of the remote connectivity software planned

For 2023, we have a lot in the pipeline: With a major upgrade of our core remote access and support product in the first half of the year, we want to further expand our leading position in this area with a modern user interface and additional functionalities. Besides, we will supplement this solution with relevant features from the remote monitoring and management space, making it even more attractive for larger SMB customers and managed service providers. We will also further develop TeamViewer's ability to connect to complex equipment and machinery in an industrial context, as well as smart home devices. We are convinced this will contribute strongly to our success in the future. We will also continue to develop our Frontline workflow platform, with a focus on apps for mobile phones and tablets. This will create an easy entry point into the Industrial Metaverse for our customers – independent of smart glasses and other hardware.

Double-digit percentage growth in revenue, stable margin and renewed share buyback in 2023

We expect TeamViewer to continue to benefit from global megatrends and the demand for our connectivity and workflow solutions in 2023, despite ongoing macroeconomic uncertainties. Financially, our 2023 target is to grow our revenue between 10 % to 14 % to a range of EUR 620 to 645 million. Our adjusted EBITDA margin on a revenue basis is expected to remain strong and stable at around 40 %. We have also reaffirmed our capital allocation strategy, which targets a sustainable leverage ratio of approximately 1.5x net debt to adjusted EBITDA on a billings basis, with a new share buyback of up to EUR 150 million.

We are all working hard to achieve our goals. We look forward to a successful 2023, to a continued constructive exchange with you, our shareholders, and to a good cooperation with our employees, our customers and partners.

Yours sincerely,

Oliver Steil	Michael Wilkens	Peter Turner
CEO	CFO	CCO

2 Report of the Supervisory Board

Dear Shareholders,

The 2022 fiscal year was marked by major geopolitical and economic challenges. Although global economic output was still growing strongly at the end of 2021, the recovery stalled in the first quarter of 2022. This was triggered by the outbreak of the war in Ukraine, the resulting threat of energy supply shortages and related price increases. The global economy was also affected by the after-effects of the COVID-19 pandemic. Despite the difficult economic conditions, TeamViewer's operations proved to be resilient, and the Company was able to successfully implement its growth strategy. The Supervisory Board firmly believes that TeamViewer was able to make significant progress in key areas during the past year. To ensure the Company is well positioned for the future, TeamViewer successfully executed a number of organisational and operational measures. These included completing the group-wide ReMax programme and reorganising and expanding the management team. In addition to CEO Oliver Steil, we have appointed Michael Wilkens as new CFO and Peter Turner as new CCO with responsibility for Commercial Operations and Marketing to the Management Board. The previous CFO, Stefan Gaiser, left the Company by mutual agreement when his contract expired in the summer of 2022.

The Company's financial profile also continued to strengthen due to a further decline in financial liabilities and the completion of the share buyback programme. The Company cancelled a portion of the repurchased shares, resulting in a corresponding reduction in the share capital. Through the share buyback, TeamViewer is giving shareholders a greater share in the Company's success. At the same time, it is a sign of the Management and Supervisory Board's confidence in TeamViewer's strategic position and execution. Regaining the trust of the capital market still remains one of the most important goals that we, as the Supervisory Board, will continue to pursue with TeamViewer's Management Board.

In 2022 the Company increased its efforts to educate the capital markets on its strategy and provided additional data to provide transparency on the results of its strategy. On the growth side, TeamViewer focused on expanding its use cases, broadening existing customer relationships and expanding geographically in important growth markets. On the product side, TeamViewer was able to advance the development of its existing solutions portfolio, especially in the enterprise segment. Also in the fiscal year, TeamViewer intensified its cooperation with strategic technology partners significantly.

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

In the following report, we would like to inform you about the work undertaken by the Supervisory Board and its committees during the 2022 fiscal year.

Collaboration between the Management and Supervisory Boards

The Company's Supervisory Board fulfilled the tasks and responsibilities assigned to it in the 2022 fiscal year and, in particular, focused on TeamViewer AG's and the Group's position and performance.

During the year, the Supervisory Board always had a constructive, open and trust-based working relationship with the Management Board. As part of regular and in-depth dialogue, the Supervisory Board routinely advised the Management Board on the management of the Company and monitored how it conducted business. The Supervisory Board was always involved in decisions of fundamental importance for the Company. The monitoring and advising activities addressed sustainability issues in particular. The Supervisory Board made sure that it was always satisfied that the work of the Management Board was legal, appropriate and orderly. The Management Board also always fulfilled its duty to provide information.

The Management Board regularly, promptly, and comprehensively briefed the Supervisory Board in and outside of meetings about strategy development and implementation, planning and business performance, the Company's risk position and risk management, as well as about compliance, HR planning, sustainability strategy and investor communication as well as current events. All business transactions requiring the approval of the Supervisory Board due to legal or statutory provisions were submitted to the Supervisory Board for discussion and resolution. In addition to the aforementioned share buyback programme, of particular note in the 2022 fiscal year were the adjustments made to the loan agreement as well as the agreement reached with Manchester United regarding the main jersey sponsorship.

The members of the Management Board and Supervisory Board did not have any conflicts of interest during the fiscal year that were required to be promptly disclosed to the Supervisory Board or brought to the attention of the Annual General Meeting.

Throughout the fiscal year, the Chairman of the Supervisory Board was prepared to an appropriate extent to hold discussions with investors on topics specific to the Supervisory Board.

Supervisory Board meetings and priorities

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

During the 2022 fiscal year, the Supervisory Board discussed the following main topics:

At its meeting on 25 January 2022, the Supervisory Board decided, among others, on the budget for 2022. It also discussed the possible benefits of a share-based remuneration programme for employees, under which a portion of the Company's repurchased treasury shares would be issued to employees of the Company as of January 2023. The remuneration of the Management Board was also discussed.

The meeting on 18 February 2022 dealt with the Company's capital market strategy and the share buyback programme.

At the meeting on 11 March 2022, the Supervisory Board addressed the Ukraine conflict and the measures taken by the Company in Russia, Belarus and Ukraine, the annual report due for publication, and the proposal to the Annual General Meeting for the election of a new auditor. The Supervisory Board also analysed the proposed conversion of the Company into a Societas Europaea (SE) and decided to approve the initiation of the conversion of TeamViewer AG into an SE.

The meeting on 28 April 2022 discussed the general business development, the Ukraine conflict, the status of the share buyback programme and the Company's strategy, particularly with regard to product and marketing initiatives, key competitive trends and brand building.

The main topics discussed at the meeting on 29 July 2022 were the 2022 personal STI targets (MBOs) for the new Management Board members Michael Wilkens and Peter Turner, the Company's strategic partnerships and the expected business development in the short and medium term.

In its meeting on 26 October 2022, the Supervisory Board addressed the Company's marketing strategy, with a focus on pricing and distribution strategies, sports partnerships and the business development in the third quarter of 2022.

On 9 November 2022, the discussion focused again on the Company's product and distribution strategy, the market environment and various product and market-related aspects of the Company's strategy. In its meeting on 1 December 2022, the Supervisory Board addressed budget planning and the subsequent approval of the 2023 budget, as well as the sponsorship agreement with Manchester United and corporate governance issues.

On 1 December 2022, the constituent meeting of the Supervisory Board of TeamViewer SE was held in which the last technical resolutions required before registering the conversion in the commercial register were passed. The conversion of TeamViewer AG into a European company (SE) was repeatedly discussed at the meetings of the Supervisory Board throughout the year. The Supervisory Board discussed in detail with the Management Board the preparation for the conversion and its implementation, as well as the current status.

With the registration of the conversion in the commercial register, which is expected shortly after the publication of the Annual Report, all members of the Supervisory Board will automatically become members of the Supervisory Board of TeamViewer SE, in accordance with the Company's conversion plan.

In addition to the eight meetings of the Supervisory Board, various resolutions were also passed by way of circulation. In the 2022 fiscal year, these included mainly technical implementation resolutions on the topics previously discussed at Supervisory Board meetings and described above.

Attendance of Supervisory Board meetings 2022

	Full Supervisory Board (virtual meetings via video/teleconference 25 Jan, 18 Feb, 11 Nov, 29 Jul, 26 Oct) (In-person meetings: 28 Apr, 9 Nov, 1 Dec)	Audit Committee (virtual meetings via video/teleconference 25 Jan, 21 Feb, 11 Mar, 29 Jul) (In-person meetings: 28 Apr, 26 Oct, 1 Dec)	Nomination and Remuneration Committee (virtual meetings via video/teleconference 25 Jan, 17 Feb, 11 Mar, 29 Jul) (In-person meetings: 28 Apr, 1 Dec)
Dr Abraham Peled	8 (8)	7 (7)	6 (6)
Jacob Fonnesbech Aqraou	3 (5)	4 (5)	3 (5)
Stefan Dziarski	8 (8)	7 (7)	–
Dr Jörg Rockenhäuser	8 (8)	–	6 (6)
Axel Salzmann	6 (8)	6 (7)	5 (6)
Hera Kitwan Siu	8 (8)	6 (7)	–
Ralf W. Dieter	2 (2)	1 (1)	1 (1)

Number of meetings attended by Supervisory Board members in 2022 (in brackets: total number of meetings held during the member's period of office).

With the exception of Messrs Salzmann and Fonnesbech Aqraou, who were each unable to attend two meetings, all members of the Supervisory Board participated in all meetings of the Supervisory Board in person or virtually via video or teleconference. Further details on the attendance at meetings of the Supervisory Board and its committees can be found in the table above.

Committees

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

The Audit Committee, which also serves as the Company's Sustainability Committee, monitors accounting processes, risk management, the effectiveness of the internal control system and the internal audit system. It also focuses on compliance issues and environmental, social and governance (ESG) topics. Furthermore, it verifies the independence of the external auditor and deals with any other services to be provided by the external auditor, awarding the audit engagement, specifying audit priorities and agreeing on the auditor's fees. The Audit Committee discusses the half-year financial reports and quarterly statements with the Management Board. It also drafts the resolutions for the full Supervisory Board and prepares the preceding discussion regarding the adoption of the financial statements, profit appropriation and appointing the external auditor. In the fiscal year, the Audit Committee discussed the assessment of the audit risk, the audit strategy and audit planning as well as the audit results with the auditor. The Chair of the Audit Committee regularly discussed the progress of the audit with the auditor and reported to the Committee. The Audit Committee regularly consults with the auditor without the Management Board.

During the reporting period, the Audit Committee convened seven meetings and dealt, among others, with the following main issues:

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

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

During the reporting period, the Nomination and Remuneration Committee held six meetings. The focus of the meetings was on the appointment of two new members to the Management Board and the proposal to appoint Ralf W. Dieter as a new member of the Company's Supervisory Board. When making recommendations for appointment, the Nomination and Remuneration Committee takes into account legally prescribed gender participation minimums and the targets set by the Company for the proportion of women on the Management Board and Supervisory Board. In the fiscal year, the Committee also addressed the remuneration of the Management Board, the set targets for the variable remuneration components, as well as the short- and long-term succession planning for both the Management Board and the Supervisory Board.

Training and further education

The members of the Supervisory Board are responsible for the training and further education that is required of them for carrying out their tasks. The Company provided sufficient support for them to accomplish this in the 2022 fiscal year. In the 2022 fiscal year, the training measures offered centred on measures that addressed the duties of supervisory board members of a company listed on the stock exchange in Germany, particularly a European stock corporation (SE). Other focal points of the ongoing training measures in 2022 were in the areas of corporate governance and compliance, as well as strategy-relevant business fields. A comprehensive introduction was offered to Ralf W. Dieter, as a new member of the Supervisory Board, in order to familiarise him with the Company's business model, structures, strategy and risk-relevant aspects.

Audit of the annual and consolidated financial statements

TeamViewer AG's annual financial statements, which were compiled by the Management Board in accordance with German accounting regulations (German Commercial Code, Handelsgesetzbuch, HGB); the consolidated financial statements, prepared in accordance with § 315e (1) HGB on the basis of the International Financial Reporting Standards (IFRSs); and the combined management report of TeamViewer AG and the Group for the 2022 fiscal year were audited and each given an unqualified audit opinion by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PWC), Stuttgart.

PWC has acted as the Company's auditor since 2022, replacing the former auditor, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart. The PWC audit partner responsible for the 2022 fiscal year audit as defined by § 319 a (1) sentence 4 HGB was Jürgen Schwehr.

The audit reports, the above-mentioned financial statement documents, and the Management Board's profit appropriation proposal were submitted to the Supervisory Board well in advance of the meeting to approve the financial statements on 8 March 2023, thus providing sufficient opportunity for scrutiny. The audit reports were explained in person by the auditor in charge of the audit to both the Audit Committee and the Management Board. In this process, the auditor reported the key findings of the audit and provided the Audit Committee and the full Supervisory Board with additional information. Following its own examination, the Supervisory Board concluded that no objections needed to be raised and concurred with the auditor's audit findings. Accordingly, at its meeting on 8 March 2023, the Supervisory Board adopted the TeamViewer AG annual financial statements and approved the consolidated financial statements along with the combined management report.

Furthermore, the Supervisory Board examined the contents of the Non-Financial Report in accordance with § 171 (1) AktG. No objections needed to be raised following the outcome of this scrutiny.

Corporate governance

The Supervisory Board attaches foremost importance to ensuring good corporate governance and is guided by the recommendations detailed in the German Corporate Governance Code (GCGC). In December 2022, the Supervisory Board, together with the Management Board, issued a Declaration of Compliance for the reporting period in accordance with § 161 AktG. The Declaration is permanently available under the Investor Relations/Corporate Governance section of the Company's website. TeamViewer AG complies with the recommendations of the GCGC Commission without exception. Further information, including the Declaration of Compliance, can be found in the Corporate Governance Statement.

The Supervisory Board would like to thank the Management Board and all employees of TeamViewer Group for their strong personal commitment during the 2022 fiscal year.

Göppingen, 8 March 2023

On behalf of the Supervisory Board

Dr Abraham Peled

3 TeamViewer on the Capital Market

Since its IPO, TeamViewer has maintained a policy of communicating openly and transparently with the capital market, and this continued in the 2022 fiscal year. In the first half of the year, TeamViewer was able to build on its DNA as a remote company and hold the majority of its interactions virtually. In the second half of the year, the management made it a point to take part in face-to-face events to cultivate a stronger personal dialogue with the capital market.

TeamViewer's Investor Relations (IR) website provides a wide range of up-to-date information on the TeamViewer share, all capital markets publications and legal disclosures, as well as recordings of capital market events. For inquiries, the IR team can be reached by email at ir@teamviewer.com.

Communication with the capital markets

As at 31 December 2022, the TeamViewer share was covered by a total of 15 German and international financial analysts who regularly publish reports and analyses on the Company. Based on analyst publications, TeamViewer determined an analyst consensus, consisting of the average estimates of billings, revenue and adjusted EBITDA figures. The current overview of the estimates is published on TeamViewer's Investor Relations website.

With the publication of the financial results in the 2022 fiscal year, TeamViewer held one analyst conference call per quarter in which the CEO and CFO reported on the past quarter and were available to answer questions.

Analyst events

Date	Event
2 February 2022	Q4/Fiscal Year 2021 Preliminary Results
4 May 2022	Q1 2022 Results
3 August 2022	Q2/H1 2022 Results
2 November 2022	Q3 Results

In addition to regular exchanges with financial analysts, TeamViewer held various investor meetings in the 2022 fiscal year. These included roadshows and conferences, where the Management Board and the IR team met with existing and potential investors, as well as virtual discussions (individual appointments and group events). The main focus of the discussions was the Company's business development in the SMB and Enterprise business and on a regional level, and the related growth drivers. The progress made in achieving the set financial targets was also a topic of discussion. In the fourth quarter, Michael Wilkens introduced himself to the capital market as the Company's new CFO.

TeamViewer share

The TeamViewer share has been listed in the Prime Standard market segment of the Frankfurt Stock Exchange since September 2019.

Reference data & key figures for TeamViewer shares as at 31 December 2022

ISIN/WKN	DE000A2YN900/A2YN90
Ticker symbol/Stock exchange listing:	TMV/Frankfurt Stock Exchange
Stock market segment:	Regulated market (Prime Standard)
Index membership:	MDAX, TecDAX
Designated Sponsors:	Goldman Sachs & Morgan Stanley
Number of shares/Share capital in EUR:	186,515,856/186,515,856.00
Share class:	No-par ordinary bearer shares
Year high on Xetra in EUR:	16.16 (8 Feb 2022)
Year low on Xetra in EUR:	7.76 (29 Sept 2022)
Year-end closing price on Xetra in EUR:	12.05 (30 Dec 2022)
Average daily turnover (Xetra):	1,205,402 shares/14,506,167 euros
Market capitalisation in EUR million:	2,247 (30 Dec 2022)
Free float in %:	74.8 %

Share buyback programme in 2022

In February 2022, following the publication of the preliminary annual results for the 2021 fiscal year, TeamViewer launched a share buyback programme with a volume of EUR 300 million, which was successfully completed in September 2022. The programme was in line with the previously communicated leverage target of 1.5x adjusted EBITDA on a billings basis. The Company acquired 24,093,675 shares as part of the programme, of which a total of 14,555,075 shares were cancelled, resulting in a reduction in the Company's share capital.

Shareholder structure

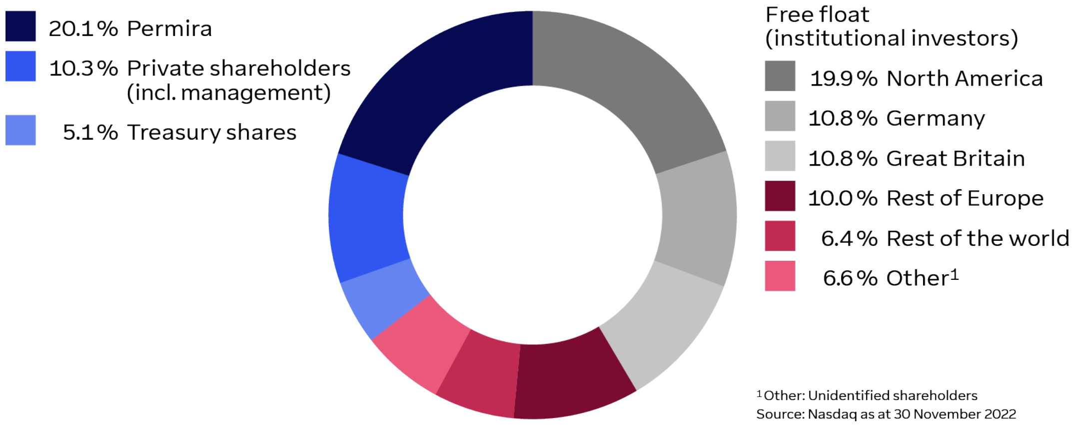
Against the background of the share buyback programme and capital reduction, TeamViewer's shareholder structure as at 31 December 2022 was as follows:

Shareholder	No. of shares held	Shareholding in %
Permira/TigerLuxOne S.à r.l.	37,498,502	20.1
Treasury shares	9,538,600	5.1
Free float	139,478,754	74.8
Total	**186,515,856**	**100. 0**

TigerLuxOne S.à r.l. (TLO), a subsidiary controlled by Permira Holdings Limited, continued to be the largest shareholder of TeamViewer with 37.5 million shares, equalling a holding of 20.1 % of the share capital. Taking into account the shares held as treasury shares, the free float based on the total shares outstanding amounted to 74.8 % as at 31 December 2022.

Based on an analysis of the share register, TeamViewer has identified the owners of approximately 93 % of the outstanding shares. The free float is held mainly by institutional investors. The shareholdings are distributed as follows:

Shareholder structure



[1] Other: Unidentified shareholders
Source: Nasdaq as at 30 November 2022

Share performance in the 2022 fiscal year

The global capital market environment in 2022 was dominated by the Russian war of aggression in Ukraine and the resulting energy crisis, which triggered concerns, especially in Germany, about a massive slump in the domestic economy. At the beginning of the year, the German stock market was still close to an all-time high but could not maintain this level after the war began.

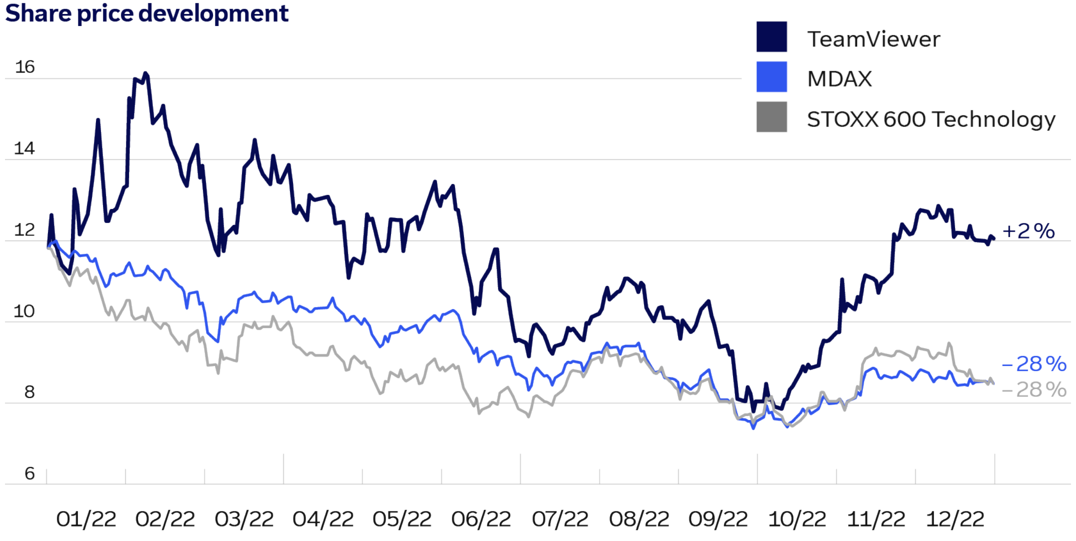
Over the course of the year, inflation in the euro area rose sharply, reaching an interim peak of 10.6 %. In response, the European Central Bank raised key interest rates by 0.50 % in July for the first time since 2011. As the year progressed, further increases of 0.75 % and 0.50 % followed. The interest rate decisions of the US Federal Reserve also had a significant influence on developments in the international financial markets and subsequently led to a massive depreciation of the euro against the US dollar.

The TeamViewer share closed the 2021 trading year at EUR 11.82 and trended higher at the beginning of 2022, driven, among others, by the publication of the preliminary results for the fourth quarter and the 2021 fiscal year. The stock price high for the year of EUR 16.16 per share was reached on 8 February 2022.

In the months that followed, the share price declined. The war in Ukraine and the turmoil on the international financial markets also led to an adjustment in TeamViewer's capital market guidance. The share price continued to decline until September and reached its low for the year on 29 September 2022 at a price of EUR 7.76. Driven by the solid results for the third quarter and a generally less volatile market environment, the share's performance was significantly better in the fourth quarter.

The year-end share price was EUR 12.05 per share, amounting to an increase of around 2 % and clearly outperforming the relevant MDAX (-28 %) and Stoxx 600 Technology (-28 %) benchmark indices.

Share price development



B_ Combined Management Report

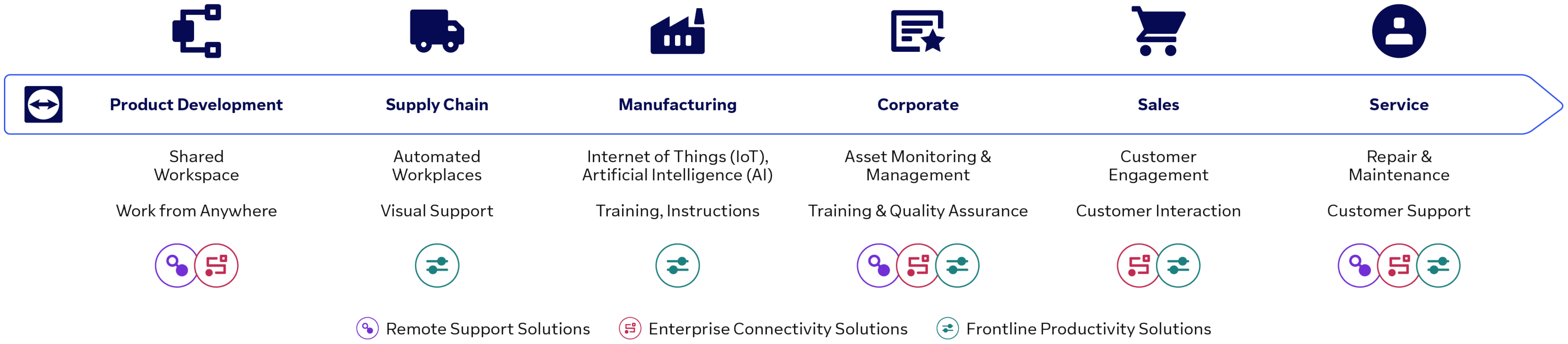
1 Group Fundamentals

The continuous evolution of digital technologies is changing the way people interact and work. For companies, the growing necessity to connect both employees and a wide range of electronic devices, chip-controlled machines, and applications – anytime and anywhere – is driving the digital transformation of business processes. This is resulting in steadily increasing demand for connectivity solutions, such as those offered by TeamViewer.

1.1 Business model

As a global technology company, TeamViewer offers a cloud-based platform to connect computers, machines and industrial equipment and digitally supports work processes along the entire value chain in both the industrial and service sectors. Through its products and services, TeamViewer's goal is to increase productivity and efficiency for the user and, at the same time, make a positive contribution to the environment. Next to a significant number of private users, who can use selected products for non-commercial applications free of charge, TeamViewer's worldwide user base consists of more than 626,000 corporate customers of various sizes and from a wide range of industries, who use the products and solutions under a subscription model.

Selected TeamViewer use cases along the entire value chain of an industrial company



Products and customers

TeamViewer's product portfolio focuses at a wide range of customers, from private users and small to medium-sized businesses (SMB) to large corporations (Enterprise)[1]. The product portfolio can be divided into the following areas:

Remote Support Solutions

These tools offer solutions to private households and small business users based on fast, secure and device-independent connectivity. Remote access to another device via the software is the most common use case.

Enterprise Connectivity Solutions

With these specially tailored remote access solutions, corporate customers can use the TeamViewer Enterprise product *Tensor* to manage their IT and OT (operational technology) systems across the Company. This area is specifically focused on the security of network connections and access management.

Frontline Productivity Solutions

TeamViewer *Frontline* facilitates the optimisation of business processes in companies by means of augmented reality (AR) and mixed reality (MR) workflows. Step-by-step instructions for work processes in logistics, quality assurance and industrial production are displayed for the user on smart glasses or a mobile device. It is also possible to connect to a variety of IT systems, making it easy to integrate into existing company processes. The application offers complete, digital end-to-end process documentation of all work steps directly and automatically during the entire work process.

[1] For TeamViewer, the definition SMB/Enterprise is based on ≤/> EUR 10,000 for subscription fees (billings) invoiced for a 12 months period.

Strategy

TeamViewer's strategic orientation is aligned with its overriding goal of achieving sustainable growth and a continuous increase in the Group's value. The following megatrends surrounding digitalisation, connectivity and sustainability are important drivers of the long-term growth strategy:

- Increasing demand for hybrid work models, especially remote work.
- Continuously growing number of internet-enabled endpoints and devices.
- Necessity for sustainable management alongside significant CO_2 and energy savings.
- Progressive automation of workflows.
- Rising industrial use of robots and technological innovations.
- Growing acceptance of AR and MR solutions and the Industrial Metaverse.

TeamViewer's strategy focuses in the short to medium term on the following three growth dimensions:

1. New and extended use cases

Digital transformation holds considerable potential for TeamViewer's software in terms of new uses and expansion, especially in the industrial environment. TeamViewer is therefore placing a special emphasis on developing new use cases and continuously expanding existing ones. The further evolution of the product range will focus on addressing the problems and challenges faced by customers and the continuous feedback received on TeamViewer's product solutions.

2. Broadening existing customer relationships (cross- and upselling)

In its existing business (SMB and Enterprise), TeamViewer is concentrating on broadening its customer relationships through cross- and upselling opportunities across all three product areas (Remote Support Solutions, Enterprise Connectivity Solutions and Frontline Productivity Solutions). Priorities are the sale of additional product features in new areas of use, an expansion in the scopes of application and security measures, as well as a switch to higher-value products (buckets). TeamViewer also continuously analyses private user behaviour. In the event an end-user licence agreement is violated, TeamViewer offers commercial solutions or exclude users from using the TeamViewer software.

3. Geographic expansion
To strengthen its global sales activities, TeamViewer opened new offices in Canada and in the APAC region in the 2022 fiscal year, adding to its long-established central sales hubs in Germany, the US and Australia. Opening a sales hub in Singapore, establishing a presence in Korea and opening a new office in Adelaide, Australia, further strengthened TeamViewer's footprint in the strategically important APAC region. In the North American market, sales and marketing activities were expanded by establishing a presence in Toronto, Canada. TeamViewer also intends to build and expand local sales activities and the accompanying teams in the future. By aligning itself more closely to local circumstances, TeamViewer plans to better seize the potential available, especially in its key growth markets.

To expand in these three strategic dimensions, TeamViewer will broadly rely on organic growth. In specific cases, growth may be supported through strategic tuck-in acquisitions to achieve a targeted expansion in the solutions portfolio and/or technological know-how.

1.2 Group structure and organisation

Legal structure

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

At its meeting on 11 March 2022, the Supervisory Board approved the proposal of the Management Board to prepare for the conversion of the Company from a German stock corporation into a European stock corporation (Societas Europaea, or "SE") under the name TeamViewer SE. At the Annual General Meeting on 17 May 2022, the shareholders approved this conversion. The conversion of the Company is expected to become legally effective in the second quarter of 2023 and therefore does not affect the reporting for the 2022 fiscal year.

The graphical overview as shown on the next page provides an overview of the Group structure of TeamViewer AG as at 31 December 2022.

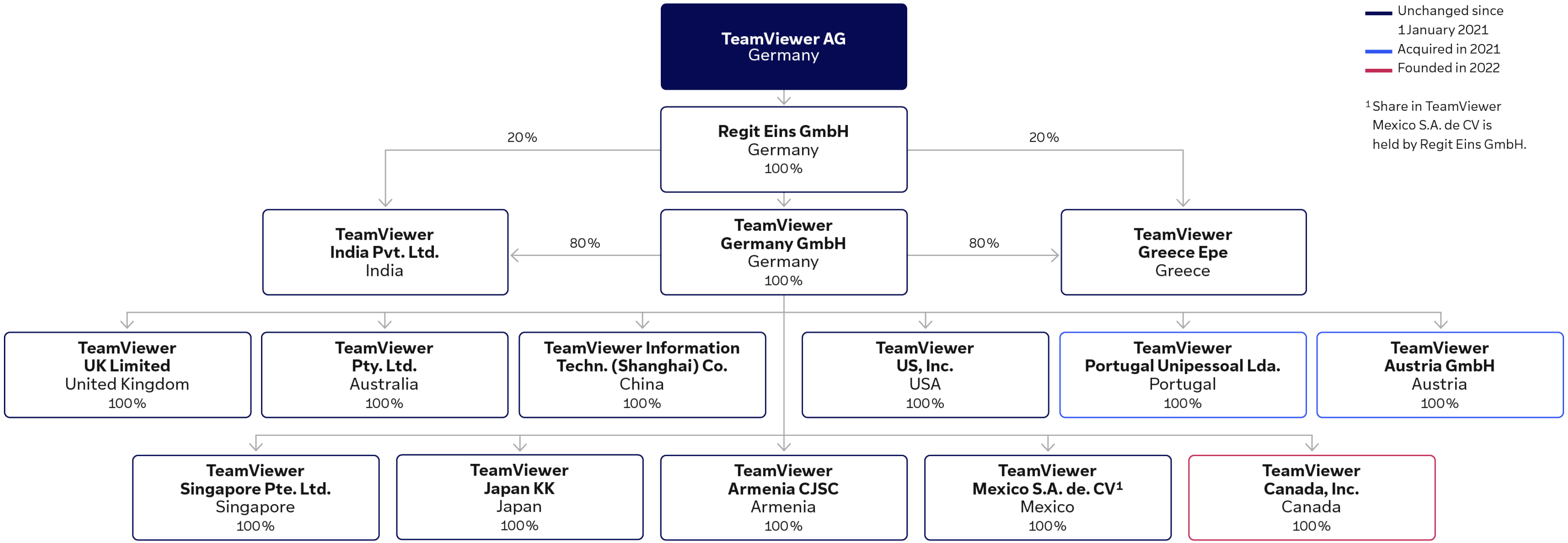
Locations

TeamViewer has locations in fourteen countries. The Group's headquarters are located in Göppingen, Germany, which is also the central development location and the sales centre for the EMEA region. Other central sales hubs are located in Largo, Florida (USA) for the AMERICAS region, and Singapore and Adelaide (Australia) for the APAC region. TeamViewer also maintains local sales offices in e.g. Tokyo (Japan), Mumbai (India), Shanghai (China) and Toronto (Canada), as well as further research and development sites in Bremen (Germany), Yerevan (Armenia), Ioannina (Greece), Porto (Portugal), and Linz (Austria).

Segments

TeamViewer Group is managed as a single segment, with TeamViewer's RaaS platform serving as the foundation. Reporting on the platform is based on the geographic regions EMEA, AMERICAS and APAC as the reporting units, as well as on the level of billings and revenue of the SMB and Enterprise customers.

Structure of the Group



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

1.3 Management system

TeamViewer uses financial and non-financial performance indicators (KPI), which can be divided into “primary” and “secondary” KPIs, to control and monitor the Group’s development. In some cases, indicators are chosen on a customer- or region-specific basis. The target levels for management KPIs are defined during the annual planning process and monitored on a monthly basis during the year. The actual values are compared with the planned and previous year’s values, and corrective measures are initiated if necessary.

Primary performance indicators in the 2022 fiscal year

TeamViewer continued to apply the following primary performance indicators to manage the Group in the 2022 fiscal year:

- Billings (non-IFRS)
- Adjusted EBITDA (non-IFRS)

Billings represent the (net) value of goods and services invoiced to customers within a specific period and which constitute a contract as defined by IFRS 15. Billings arise directly from customer contracts and are not affected by deferred revenue recognition.

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

Change in the primary performance indicators in the 2023 fiscal year

Since the beginning of the 2023 fiscal year, TeamViewer has used revenue as the primary performance indicator instead of billings, as revenue is more common and less volatile as a planning parameter. Billings will therefore become a secondary performance indicator starting with the 2023 fiscal year. Revenue, according to IFRS, is derived from the billings by adjusting for the change in deferred revenue recognised in profit or loss.

TeamViewer has also changed its definition of adjusted EBITDA (non-IFRS) in order to exclude the adjustment for the change in deferred revenue recognised in profit or loss. There is now a direct relationship between adjusted EBITDA (non-IFRS) and the revenue KPI.

Secondary performance indicators in the 2022 fiscal year

In addition to the primary performance indicators, the following secondary KPIs continued to be used in the 2022 fiscal year as important information for the Group’s management:

- Net retention rate (NRR LTM)
- Number of paying subscribers and customers
- Number of employees (full-time equivalents, FTEs)

The net retention rate (NRR LTM), which is used to assess customer retention, is determined based on billings categorised as follows:

Retained billings: Recurring billings (subscription renewals, cross- and upselling activities) with existing subscribers who were already subscribers in the previous twelve-month period (LTM-1).

New billings: Recurring billings attributable to new subscribers.

Non-recurring billings: Billings that were non-recurring, such as those for services and hardware sales.

The net retention rate (NRR LTM) is calculated as retained billings of the last twelve months (LTM) divided by the total recurring billings (retained billings + new billings) of the previous twelve-month period (LTM-1). In this calculation, the total recurring billings of the LTM-1 period are adjusted for multi-year contracts (MYD).

Expansion of the secondary performance indicators in the 2023 fiscal year

At the beginning of the 2023 fiscal year, TeamViewer defined annual recurring revenue (ARR) as an additional secondary performance indicator alongside billings (non-IFRS). ARR is presented as an annualised number representing billings in the year that recur annually for several years.

1.4 Markets and distribution

Markets

TeamViewer distributes its products and solutions in almost every country worldwide. The Company's products and solutions can essentially be used in all economic sectors as well as for non-commercial purposes. In the 2022 fiscal year, in response to Russia's war of aggression against Ukraine, TeamViewer ceased all business and distribution activities in Russia and Belarus.

Geographically, TeamViewer divides its sales markets into the regions EMEA (Europe, Middle East and Africa), AMERICAS (North, Central and South America) and APAC (Asia, Australia and Oceania). In the 2022 fiscal year, the EMEA region represented the largest regional sales market, followed by the AMERICAS and APAC. At a country level, TeamViewer's highest billings were recorded in the USA, followed by its home market Germany. More information on regional business development in the 2022 fiscal year can be found in the economic report and in the notes to the consolidated financial statements.

Distribution

TeamViewer's distribution channels focus on different customer groups and use cases. The products are sold directly via the Company's own web shop and internal sales team (Inside Sales), as well as by specialist sales representatives (Enterprise Account Executives) for large corporate customers. TeamViewer also works together with external distribution partners (Channel Sales). TeamViewer's sales activities are organised regionally and combined into sales hubs. As part of the ReMax programme, the structure of the sales organisation was changed in the 2022 fiscal year, with the aim of aligning the management of the sales units more closely to regional market conditions and increase their efficiency.

The success of TeamViewer's sales efforts is measured not only by the sum of billings achieved but also by the level of customer loyalty and satisfaction. As a measure of customer experience, TeamViewer uses what is referred to as the Net Promoter Score (NPS).

Non-commercial use

For non-commercial product use, TeamViewer offers a free, functionally limited software version for remote access. The software, available free of charge via TeamViewer's website, is an essential element of the sales strategy and ensures a high level of brand recognition and awareness of the product expertise of remote connectivity. Non-commercial product use is also accompanied by a large user base, which is particularly beneficial for sales of the standardised commercial product solutions and the further ongoing development of the TeamViewer software platform.

SMB sales

For commercial use, TeamViewer sells a standardised product offering under a subscription model via its own web shop and inside sales department. In addition to acquiring new customers, the inside sales teams focus on existing users from the non-commercial sector who need an expanded range of functions or who want to use the software on a commercial scale. The additional functionalities of the commercial product offering compared to the non-commercial versions provide users with more extensive remote device management and professional IT support. The products work according to the “plug & play” principle and can be put into operation independently by the customer.

Enterprise sales

TeamViewer has a sales organisation dedicated to enterprise customers, which sells customised solutions in the enterprise business. Next to the TeamViewer *Tensor* product range, which focuses on remote support and remote management and is specifically tailored to the needs of large customers, of central importance are the solutions from the *Frontline* product range for applications in the area of digital workflow optimisation. As part of its sales efforts, the enterprise account sales team works closely with the internal product engineers (solution engineers) responsible for product design and subsequent implementation, particularly of AR and MR solutions.

Distribution and technology partnerships

TeamViewer's sales model is complemented by cooperation with various sales partners, including regional and global IT service providers, who provide support in selling standardised products and developing and implementing complex solutions in the enterprise business.

In addition, the TeamViewer software is distributed through integration into the applications of various strategic technology partners. With the addition of Siemens, RealWear and Slack, further renowned partners were acquired in the 2022 fiscal year, into whose technology platforms the enterprise products can be integrated. The technology partnerships are a core part of the enterprise sales strategy and illustrate TeamViewer's growing global presence and the added value of its product portfolio for different sales markets and industries. These partnerships also serve to strengthen TeamViewer's pioneering role in technology innovations such as the Industrial Metaverse. TeamViewer expects these partnerships to result in both greater brand awareness and increased revenue potential.

In the 2022 fiscal year, TeamViewer continued to expand its strategically important partnerships with SAP, Google and other companies. TeamViewer presented its solutions alongside SAP at various industry events. These solutions are also installed for demonstration purposes at SAP innovation centres worldwide and accessible to potential customers. TeamViewer's AR platform is available on the Google Cloud Marketplace as part of its partnership with Google and simplifies the purchasing process for Google Cloud customers.

1.5 Research and development

The ability of software providers to develop new products and quickly bring them to market, in addition to continuously adapting existing products and services, are key factors for success. This makes research and development (R&D) work of central importance for the future success of TeamViewer.

R&D organisation

At the end of the 2022 fiscal year, 404 FTEs (full-time equivalents) were employed in R&D across the Group (previous year: 460), representing a year-on-year decline of 12 %. The decline largely reflects the adjustment in the global personnel structure carried out as part of the ReMax programme to stabilise TeamViewer's cost base. After successfully completing this programme, TeamViewer has selectively hired new talent, including for the R&D area. This was done specifically to support the steadily growing relevance of the enterprise business and the related expansion in the Group's R&D capacities.

The majority of R&D employees work in Germany at the Group's headquarters in Göppingen, as well as in Stuttgart, Karlsruhe and Bremen (former Ubimax development site). TeamViewer also maintains R&D locations in Armenia, Greece, Austria and Portugal. The locations in Austria, Portugal and the USA were brought into the TeamViewer Group through the acquisitions of Chatvisor, Hapibot Studio and Upskill. These national and international locations provide the Group additional access to skilled employees in the area of R&D.

R&D expenses

Research and development expenses amounted to EUR 69.5 million in the 2022 fiscal year (2021: EUR 62.1 million). They include personnel costs, costs for work and services rendered by service providers and cooperation partners, and depreciation and amortisation. TeamViewer's R&D expenses, excluding depreciation and amortisation and including adjustments made according to the definition of adjusted EBITDA, amounted to EUR 54.4 million in the 2022 fiscal year (2021: EUR 46.0 million), corresponding to a share of billings of 8.6 % (2021: 8.4 %).

Continued evolution of existing software platform

During the 2022 fiscal year, TeamViewer concentrated on the continued strategic development of its core remote connectivity product to more closely link its product solutions, offer a simplified, more modern user interface and easier navigation (user experience), and generate development synergies. As part of this process, products are becoming standardised across the board using a common technology platform. Based on this new platform, future products, functionalities, and innovations can be brought to market maturity more quickly and made accessible to the user groups. Through ongoing development, TeamViewer has also been able to realise significant improvements in the areas of latency and dynamic load distribution. These improvements were also accompanied by simpler end-user licensing and the harmonisation of existing price offers.

Enterprise solutions in focus

In the enterprise product (*Tensor*), TeamViewer developed new solutions for better user management in large organisations. In addition, there was a focus on the further development of security functionalities, particularly in the area of access control and rights management.

The development also concentrated on TeamViewer's *Frontline* product. TeamViewer closely cooperates with customers to develop solutions by identifying real challenges faced by customers and developing practical solutions. Special emphasis was placed on improving the low and no-code tools for creating AR workflows, enabling customers to create AR-based instructions for workflows and integrate them into the software without possessing any particular IT knowledge. TeamViewer continued to position itself as the number two globally for companies' workflow-based AR solutions in the 2022 fiscal year.[2] In the European region, TeamViewer is considered the leading company in this field.[3]

Developments in the area of artificial intelligence

In the 2022 fiscal year, TeamViewer introduced AiStudio to the market, an artificial intelligence (AI)-based solution that enables all business customers to integrate intelligent image recognition into their AR workflows. The software can automatically recognise warnings, such as the need for special protective clothing in a particular area, and alert the wearers of the smart glasses. AiStudio can also take over other tasks, such as checking product quantity and quality, for example, by automatically comparing whether the product's actual condition viewed through the smart glasses corresponds to the target condition.

The further development of AI expertise and existing AI-based solutions will continue to be one of TeamViewer's R&D priorities in the years to come. AI and AR are also two future megatrends can be combined profitably. Together, they have the potential to support users with intelligently processed data and display it directly in the field of vision.

[2] PAC Radar Ranking 2022: https://www.pac-radar.com/teamviewer2022 (retrieved 31 December 2022).

1.6 Security and data protection

For TeamViewer's business, it is of central importance to ensure the best possible data protection, IT and product security at all times. To meet these requirements, the Group consistently invests in developing internal guidelines and preventive measures, expanding its security applications, and ensuring its compliance with legal regulations.

Security

TeamViewer has implemented a Group-wide IT and product security strategy that serves to protect its own infrastructure as well as its offered software products. IT and Product Security is organised into two departments that operate under the uniform leadership of the Chief Information Security Officer (CISO). The departments are supported by external consultants and providers of recognised security solutions.

Raising employee awareness

To ensure the highest possible level of IT security and cyber hygiene, TeamViewer places particular importance on ensuring the continuous sensitisation of all employees. Periodic queries on the contents of internal guidelines and frameworks give employees practical experience and ensure a strong security culture. In addition, mandatory training provides sophisticated knowledge of the patterns of possible attack attempts and the corresponding defensive measures. Targeted campaigns regularly assess the organisation for the identification of possible threat patterns.

Infrastructure and product safety

TeamViewer's Group-wide IT security strategy follows a "best-of-breed" approach. For each security application, TeamViewer employs the best security software available on the market. This allows the world's leading solutions to be integrated into a comprehensive protection concept. TeamViewer regularly checks the security applications in use and calibrates them to the prevailing threat situation.

In the 2022 fiscal year, the Company strengthened its infrastructure and product security by taking various actions. Among these was TeamViewer's focus on the secure management of its mobile end devices in operation. In addition to extending the protection of the end devices against possible malware, such as ransomware, TeamViewer added further to its internal

[3] ABI Research: https://www.teamviewer.com/de/unternehmen/presse/abi-research-teamviewers-augmented-reality-plattform-frontline-ist-beste-europaeische-ar-loesung-fuer-unternehmen/ (retrieved 31 December 2022).

resources within the incident response team and improved its processes in the area of vulnerability management. New investments were also made in security measures as part of the multi-cloud strategy, and further mechanisms were implemented to protect against brute force attack scenarios and attempts at fraud and abuse.

TeamViewer also reinforced its software development security concept. It strives for maximum product security in all phases of software development by means of a Secure Software Development Life Cycle (S-SDLC). Various security tests have already been integrated into the development phase to identify possible weaknesses and close any existing security gaps. TeamViewer follows the Responsible Disclosure principle and works closely with independent security researchers via a company-wide Vulnerability Disclosure Policy (VDP), as well as within the framework of a “bug bounty” programme. Security vulnerabilities for software that has already been released and in operation are published in accordance with internal guidelines as a security report (security bulletin) in the TrustCenter of the corresponding software application, as well as in the official Common Vulnerabilities and Exposures (CVE) register.

TeamViewer monitors its IT systems and applications on a permanent basis. The Company employs a Computer Security Incident Response Team (CSIRT) and Product Security Incident Response Team (PSIRT) for this purpose, whose constant readiness is based on a regularly updated Security Incident Response Plan and other security playbooks. The work of these teams is supported by an external 24/7 Security Operations Centre (SOC) that monitors TeamViewer’s system landscape.

With regard to the “TeamViewer” brand, the Company also invested in further protective mechanisms for proactive cyber threat detection in fiscal year 2022. By monitoring the external attack surface, brand imitations in the form of fake websites, social media scams and other malicious applications are detected. Fraudulent websites, apps and social media accounts were identified and shut down, preventing potential damage to users and TeamViewer’s public reputation.

Audits and certifications

TeamViewer's IT infrastructure, the entire product and solution portfolio, as well as relevant suppliers, are all routinely subjected to detailed audits and stress tests by specialised and internationally leading security service providers with the intention of further improving product and IT security. The results and potential improvements are discussed by the internal IT security and product security experts at the Security Steering Board meetings, which take place every 14 days. The entire Management Board is also kept informed of current developments in IT and product security and reports regularly to the Supervisory Board on cyber security issues of strategic importance.

The Group's security architecture is audited in accordance with the HIPAA/HITECH, SOC 2, SOC 3 and TISAX requirements, and the data centres processing TeamViewer data are ISO 27001 certified. The Cyber Security Rating from BitSight, a leading global independent cybersecurity risk assessment and security management measurement company, rates TeamViewer’s security architecture in the highest category. This places TeamViewer among the top 1 % of companies in the global technology industry in a competitive comparison.[4]

Physical security concept

In addition to IT and product security, the TeamViewer Group’s security concept encompasses the physical security of all of the Group’s offices worldwide. TeamViewer reviews the security of its corporate locations annually and in detail in order to meet the respective protection requirements at all times. This is required not only for existing properties but also when opening new locations. A standardised audit procedure enables a comparable, routine compliance review with the specified protection definitions and security objectives along defined audit areas.

Memberships and partnerships

As a certified member of the internationally renowned Forum of Incident Response and Security Teams (FIRST), TeamViewer actively participates in the global exchange of information and experience regarding worldwide threat situations. In addition, TeamViewer continues to be a partner of the weekday briefing “Tagesspiegel Background Cybersecurity”, sponsored by the daily newspaper “Der Tagesspiegel”, which is available nationwide in Germany. In 2022, through this media partnership, TeamViewer supported the creation of a platform to host informed debates on cybersecurity in Germany.

[4] https://www.teamviewer.com/en-us/trust-center/industry-leading-security/#:~:text=BitSight%20Security%20Ratings%20ranks%20TeamViewer%20as%20Top%201%25%20in%20the%20Tech%20Industry (retrieved 31 December 2022).

Data protection

The protection of personal data is a key priority for TeamViewer. The Group's Compliance Policy places particular emphasis on complying with the fundamental principles for processing personal data in accordance with Article 5 of the European Data Protection Regulation (GDPR). TeamViewer and all of its affiliated companies fully acknowledge their resulting obligations as data controllers and processors.

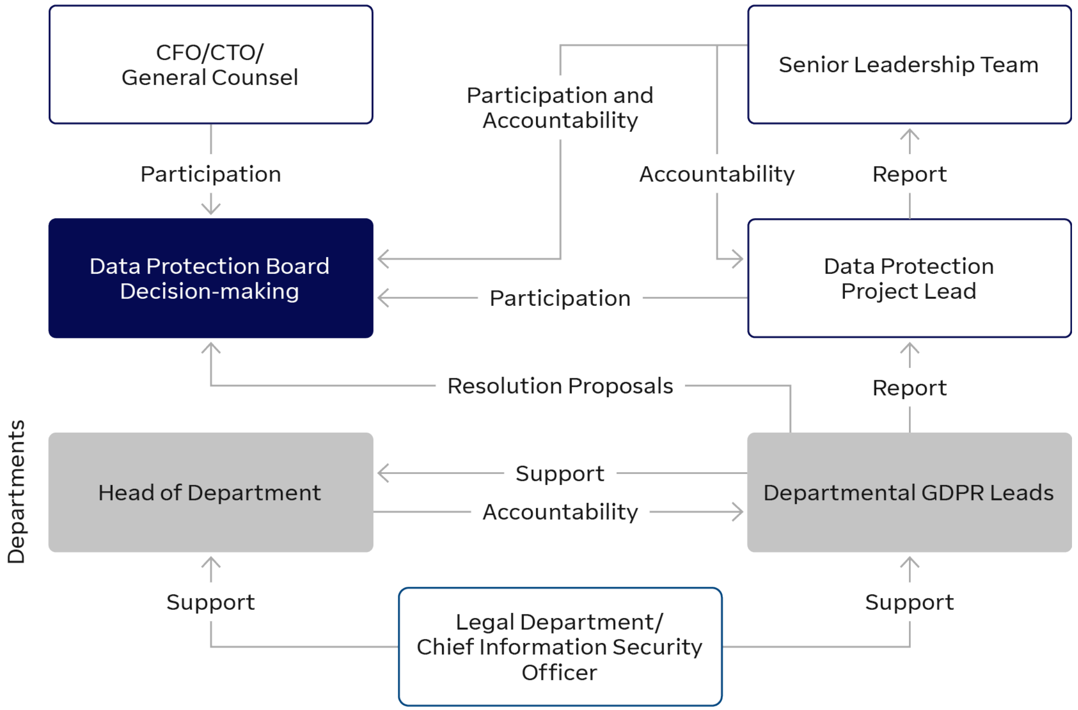
Data protection organisation

The Company-wide data protection organisation, introduced in 2017, has been continuously expanded and is bundled in the TeamViewer Privacy Management Framework, which encompasses all of the Group's data protection-related regulations, policies and procedures.

Data protection at TeamViewer is organised on a decentralised basis. Each department of the Company has at least one qualified employee, the so-called GDPR lead, who is responsible for compliance with the principles of the GDPR in the respective area of the Company. Experts from the TeamViewer Legal department provide the Company's data protection organisation with ongoing support. TeamViewer has also appointed an external, independent data protection officer in accordance with Article 37 GDPR, who supports TeamViewer in an advisory and auditing capacity and represents TeamViewer vis-à-vis the regulatory authorities.

The GDPR Lead's tasks include maintaining a complete list of processing activities, reviewing and concluding order processing contracts with contractors, and handling data protection impact assessments. In addition, suitable technical and organisational measures (TOMs) are implemented to ensure the security of entrusted personal data. The TOMs implemented in this context are reviewed regularly, at least once annually, to ensure they are up to date. The latest update of the TOMs was carried out in March 2022. To implement the data protection requirements for new and continued product development, TeamViewer has committed to complying with the GDPR provisions "data protection through technical design" and "data protection through data protection-friendly default settings".

TeamViewer's data protection organisation



Training and certification

All employees working for TeamViewer on a permanent or freelance basis regularly receive mandatory training on data protection and GDPR-relevant topics, both in person and via TeamViewer's internal training platform. Training includes both externally and internally created content and is held regularly, at least bi-monthly, and as needed to all employees working in certain at-risk departments.

During the 2022 fiscal year, the following data protection training courses were held as part of the Company-wide education programme:

- Data protection training sessions for each employee. These included a refresher on data protection fundamentals, policies and processes (e.g. handling data breaches, deletion of unstructured data).
- Department-specific training and on-site training at the Bremen, Berlin and Porto office locations. Additional in-person training is scheduled to take place in the 2023 fiscal year to ensure coverage of all employees and all offices.

In addition, TeamViewer offers a qualification programme that gives interested employees – especially those whose work involves personal data protection or the processing of GDPR-relevant data – the opportunity to complete further data protection-related training or earn certifications, such as Certified Information Privacy Professional/Europe (CIPP/E), or become re-certified. Certification is awarded by the International Association of Privacy Professionals (IAPP), of which TeamViewer is a gold member.

2 Employees

TeamViewer Group employed 1,386 people worldwide (full-time equivalents, FTEs) as at 31 December 2022 (31 December 2021: 1,477 FTEs). Consequently, the number of employees was approximately 6 % lower than the prior year's year-end reporting date. The decrease was related to the Group-wide ReMax programme, which was completed in the first half of 2022. In the second half of 2022, TeamViewer strengthened the Group's growth areas with new talent through selective hiring, making a targeted and sustainable investment in the Company's future capabilities. New hires were made in the APAC and AMERICAS regions, in particular, as well as in the sales organisation.

As the employer of choice for employees from 79 nations, TeamViewer promotes a corporate culture characterised by social, economic and political inclusion, and equal treatment regardless of age, gender, ability, ethnicity, origin, religion, economic, social or other background. Diversity is held as one of the Group's core values.

Employees by function

Function	**2022**	2021	YoY % change
Sales	572	605	-5 %
Research & Development	404	460	-12 %
Administration	243	239	+1 %
Marketing	98	86	+13 %
Technical Support	69	86	-20 %
FTEs total	**1,386**	**1,477**	**-6 %**

As at 31 December 2022 (2021); measured in full-time equivalents (FTEs)

Employees by region

Region	**2022**	2021	YoY % change
EMEA	947	1.061	-11 %
AMERICAS	260	245	+6 %
APAC	179	171	+5 %
FTEs total	**1,386**	**1,477**	**-6 %**

As at 31 December 2022 (2021); measured in full-time equivalents (FTEs)

3 Corporate Responsibility

TeamViewer is committed to making a positive contribution to society and the environment as a company, employer, and product and solution provider. Thereby, the company aims to act as a local, national and international role model working in a sustainable and resource-conserving manner, guided by the principles of proper corporate governance.

As part of its global sustainability programme **c-a-r-e** (**c**limate neutrality, **a**ccess to technology, **r**educed emissions, **e**quality), TeamViewer has set specific targets and measures that contribute to the Group's sustainability efforts.

TeamViewer divides its corporate responsibility and sustainability efforts into three levels of responsibility: **E** – Environmental, **S** – Social (social issues), **G** – Governance

Environmental

TeamViewer is aware of its corporate responsibility and intends to continue to make a decisive contribution to overcoming the climate crisis. As part of its climate strategy, the Company is pursuing its goal of becoming climate neutral as early as 2025. Additional internally defined measures are also intended to contribute to cutting CO_2 emissions by 50 % by 2030 in relation to the Group's revenue. On the way to achieving this, TeamViewer has transitioned to renewable energy for all of its operations and product infrastructure. As such, TeamViewer's customers have been receiving the Company's services from 100 % "green" servers. Further measures include increasing product efficiency by reducing data intensity, emission-efficient business travel through rail travel and use of public transportation, and a hybrid work model to reduce work-related commuting. TeamViewer underlines its sustainability ambitions by recognising the Sustainable Development Goals (SDGs) and joining the Science-based Targets Initiative (SBTi).

Social issues

By providing a free version of its software, TeamViewer enables millions of non-commercial users to access its product solutions to help people quickly and easily. This is a reflection of the Group's social commitment. TeamViewer's product solutions also make it possible to reduce global business travel and the associated CO_2 emissions. TeamViewer is also committed to society at a regional and national level and supports the education and training of young people, particularly in STEM subject areas (mathematics, information technology, natural sciences and technology). In addition, TeamViewer respects international standards for the protection of human rights in the workplace and specifically supports the following standards:

- Universal Declaration of Human Rights (UDHR) of the United Nations (UN)
- European Convention for the Protection of Human Rights and Fundamental Freedoms of the European Court of Human Rights
- International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work

Corporate governance

TeamViewer is committed to complying with global standards of responsible corporate governance. In addition to the recommendations of the German Corporate Governance Code (GCGC), this commitment includes the UN Global Compact. TeamViewer places a special focus on diversity and equal opportunities, as well as on the promotion of women in executive positions. For this reason, and as an extension of its previous UN commitments, TeamViewer joined the UN Women Empowerment Principles (WEPs) programme in 2021.

External rankings

During the past fiscal year, TeamViewer's sustainability performance, initiatives and ambitions were evaluated by two leading independent rating agencies, MSCI and Sustainalytics. TeamViewer was able to improve its MSCI ESG rating compared to the prior year, receiving a sustainability rating of AAA for the 2022 fiscal year (2021: AA) and moving it up to the highest rating in this category. With this rating, TeamViewer is now among the top 8 % of companies in the software and services industry worldwide.[5] TeamViewer also received a ranking from Morningstar Sustainalytics, placing the Company as one of the top 3 out of the total of 419 companies assessed in the area of "Enterprise & Infrastructure Software".[6]

[5] https://www.teamviewer.com/de/unternehmen/presse/teamviewer-erhaelt-aaa-bewertung-im-msci-esg-rating-2/ (retrieved 31 December 2022).

[6] https://ir.teamviewer.com/websites/teamviewer/German/3480/news-detail.html?newsID=2356293 (retrieved 31 December 2022).

4 Economic Report

4.1 Macroeconomic environment

The 2022 fiscal year was marked by major geopolitical challenges and economic turmoil. Global economic output still rose sharply in 2021, only to see the recovery stall at the beginning of 2022. The war in Ukraine, rising rates of inflation, looming energy supply shortages, ongoing disruptions in global supply chains, as well as local COVID-19 lockdown restrictions (especially in China) had a significant negative impact on global economic development. The tense economic environment brought down private consumption and especially the willingness of companies to invest.[7] According to the Kiel Institute for the World Economy (IfW), global economic output is expected to have grown by an average of 3.2 % in 2022, after recording growth of around 5.9 % in the previous year.[8] For Germany and the USA, TeamViewer's primary sales markets, the forecasts for gross domestic product (GDP) growth are significantly lower, with both countries expected to report year-on-year GDP growth of 1.9 % for 2022.[9]

Sector environment

In 2022, global IT spending decreased to about USD 4.4 trillion, corresponding to a year-on-year decline of around 0.2 %. The decline can be attributed, among others, to the generally weak economic environment, higher rates of inflation, and a low willingness of companies and consumers to invest. The continuing shortage of IT specialists also affects the willingness to spend on IT, particularly on the part of large corporations.[10]

Sub-segments relevant to TeamViewer, such as software solutions and IT services, grew at rates of 7.1 % and 3.0 %, respectively, in 2022.[11] The higher-than-average growth of the relevant sub-segments in comparison to the general economic environment – albeit compared to previous periods with slower growth momentum – resulted mainly from the increasing demand and expansion of digital, efficiency-enhancing software solutions, especially in economically challenging phases.[12]

4.2 Business development

Against this backdrop, TeamViewer continued to successfully execute its growth strategy and grew profitably in the fiscal year. Financially, billings increased 16 % to EUR 634.8 million, meeting TeamViewer's revised guidance of August 2022 of "around EUR 630 million". Revenue of EUR 565.9 million was also in line with the guidance of "EUR 565 to 580 million". The adjusted EBITDA margin of 47 % was at the upper end of the guidance range of 45 % to 47 %.

Original guidance for 2022 and revision in the course of 2022

In EUR million, unless otherwise stated	**Fiscal year 2022**	Revised 2022 guidance	Original 2022 guidance
Billings	634.8	around 630	630 to 650
Revenue	565.9	565 to 580	565 to 580
Adjusted EBITDA margin	47 %	45 % to 47 %	45 % to 47 %

[7] IfW Kiel - Kiel Economic Reports 2022-Q3: https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/-ifw/Konjunktur/Prognosetexte/deutsch/2022/KKB_93_2022-Q3_Welt_DE.pdf (retrieved 31 December 2022).
[8] IfW Kiel - Kiel Economic Reports 2022-Q4: https://www.ifw-kiel.de/de/publikationen/kieler-konjunkturberichte/2022/weltwirtschaft-im-winter-2022-wenig-auftrieb-viel-gegenwind-17875/ (retrieved 31 December 2022).
[9] IfW Kiel - Kiel Economic Reports 2022-Q4: https://www.ifw-kiel.de/de/publikationen/kieler-konjunkturberichte/2022/weltwirtschaft-im-winter-2022-wenig-auftrieb-viel-gegenwind-17875/ (retrieved 31 December 2022).
[10] Gartner, Inc. – Global IT Spending 2023: https://www.gartner.com/en/newsroom/press-releases/2023-01-18-gartner-forecasts-worldwide-it-spending-to-grow-2-percent-in-2023 (retrieved 31 January 2023).
[11] Gartner, Inc. – Global IT Spending 2023: https://www.gartner.com/en/newsroom/press-releases/2023-01-18-gartner-forecasts-worldwide-it-spending-to-grow-2-percent-in-2023 (retrieved 31 January 2023).
[12] Gartner, Inc. – Global IT Spending 2023: https://www.gartner.com/en/newsroom/press-releases/2023-01-18-gartner-forecasts-worldwide-it-spending-to-grow-2-percent-in-2023 (retrieved 31 January 2023).

The guidance for billings was revised in August 2022 due to TeamViewer's withdrawal from Russia and Belarus and the generally challenging business environment in the first half of 2022.

At an organisational level, the focus was on completing the ReMax programme and expanding the management team with the addition of Michael Wilkens as the Chief Financial Officer (CFO) and Peter Turner as the Chief Commercial Officer (CCO). In addition, a share buyback programme and the subsequent reduction in TeamViewer's share capital were important events.

Operationally, TeamViewer's attention in the 2022 fiscal year was centred on its three defined growth dimensions: new and expanded use cases, broadening existing customer relationships, and geographic expansion. The events and initiatives that had a particular impact on TeamViewer's business development are described below.

New and expanded use cases

In the context of existing and new customer relationships, TeamViewer was able to roll out various new use cases in the 2022 fiscal year and further develop its existing solutions portfolio. This was particularly true in the enterprise business where TeamViewer gained new customers in the hi-tech, food, infrastructure and retail sectors, such as Global Foundries, Wendy's, DB Netz AG and Specsaver. The sales and development pipeline within the scope of strategic partnerships with Google, SAP, Siemens and Microsoft also made advances in the 2022 fiscal year.

Broadening existing customer relationships

Growth during the fiscal year was primarily driven by the enterprise business, which accounted for nearly 21 % of billings at the end of the fiscal year (previous year: 17 %). The trend was increasingly towards concluding multi-year contracts. Other growth drivers included various cross-selling and upselling campaigns, such as the Corporate-to-Tensor campaign, which allows existing customers to migrate to the *Tensor* product, and the Free-to-Paid campaign, in which non-commercial customers purchased a paid product based on their usage behaviour. The Company was also successful in expanding its billings in the fourth quarter as a result of targeted price increases in the SMB. Despite the discontinuation of operations in Russia and Belarus, TeamViewer's adjusted customer base increased year-on-year and reached 626 thousand at the end of Q4 2022 (31 December 2021: 617 thousand; unadjusted: 31 December 2022: 629 thousand; 31 December 2021: 627 thousand). A higher net retention rate over the year (FY: 2022: 107 %; FY 2021: 98 %) continued to testify to the generally high level of customer satisfaction as well as the high quality of TeamViewer's broad portfolio of products and services.

Regional business development

Despite geopolitical and macroeconomic challenges, the EMEA region achieved the strongest billings growth on a currency-adjusted basis in the fiscal year. Growth in the AMERICAS region benefited in particular from a more favourable EUR/USD exchange rate compared to the previous year. Growth in the APAC region reflected the success of the organisational changes under the region's new leadership team.

4.3 Earnings position of the Group

In addition to the most important items of the income statement in accordance with IFRS, the management view (non-IFRS) is also discussed below.

Revenue and billings

TeamViewer Group's revenue under IFRS is derived from billings (the value of goods and services invoiced) and the change in deferred revenue recognised in profit or loss. The Group generally invoices a lump sum payable in advance for its software products at the beginning of the contract. This amount is recognised in revenue over the contract duration, which usually spans 12 months, although the trend is increasingly towards multi-year contracts.

Reconciliation and development of revenue and billings

In EUR million, unless otherwise stated	**2022**	2021	Δ YoY	Δ currency-adjusted
Revenue (IFRS)	565.9	501.1	+13 %	+10 %
Change in deferred revenue recognised in profit or loss	68.9	46.5	+48 %	n/a
Billings (non-IFRS)	634.8	547.6	+16 %	+11 %

The year-on-year increase in billings in the 2022 fiscal year resulted, among others, from the following factors (see also the sub-chapters entitled “Business model” and “Business development”):

- Strong growth in the enterprise business
- New customer acquisitions (SMB and enterprise)
- Effective cross- and upselling campaigns
- Free-to-paid conversion
- Strong fourth quarter sales with positive pricing effects
- Increase in multi-year contracts

Positive effects from changes in exchange rates, driven mainly by the EUR/USD-movement, also contributed. For more information on currency translation effects, please refer to the chapter on foreign currencies in the consolidated financial statements.

Revenue increased less than billings in the reporting period, mainly due to the composition of billings, which had a higher share of upfront paid multi-year contracts (2022: EUR 45.6 million; 2021: EUR 11.8 million) and a strong fourth quarter. The latter resulted in strong billings in the fourth quarter of 2022, the majority of which will be recognised as revenue in the following years.

Revenue and billings by region

In EUR million, unless otherwise stated	**2022**	2021	Δ YoY (currency-adjusted)	**Total share in 2022**	Total share in 2021
EMEA					
Revenue	301.0	267.7	+12 %	53 %	53 %
Billings	340.1	296.0	+15 % (+14 %)	54 %	54 %
AMERICAS					
Revenue	198.8	172.4	+15 %	35 %	34 %
Billings	222.9	188.4	+18 % (+6 %)	35 %	34 %
APAC					
Revenue	66.0	61.0	+8 %	12 %	12 %
Billings	71.8	63.1	+14 % (+11 %)	11 %	12 %
Total revenue	**565.9**	**501.1**	**+13 %**	**100 %**	**100 %**
Total billings	**634.8**	**547.6**	**+16 % (+ 11 %)**	**100 %**	**100 %**

Despite ceasing business operations in Belarus and Russia, revenue and billings increased across all regions in the fiscal year, with the EMEA region showing the highest growth rates on a currency-adjusted basis. Currency effects had a positive effect on billings growth, especially in the AMERICAS and APAC regions. In line with the billings development, the EMEA region also accounted for the largest share of revenue (53 % of revenue; 54 % of billings). AMERICAS accounted for 35 % of revenue and 35 % of billings and APAC for 12 % of revenue and 11 % of billings in 2022.

Revenue and billings by customer classification

In EUR million	2022	2021	Δ YoY (currency-adjusted)	Total share 2022	Total share 2021
SMB					
Revenue	457.9	432.3	+6 %	81 %	86 %
Billings	502.8	454.6	+11 % (+6 %)	79 %	83 %
Enterprise					
Revenue	108.0	68.8	+57 %	19 %	14 %
Billings	132.0	93.0	+42 % (+36 %)	21 %	17 %
Total revenue	**565.9**	**501.1**	**+13 %**	**100 %**	**100 %**
Total billings	**634.8**	**547.6**	**+16 % (+11 %)**	**100 %**	**100 %**

TeamViewer's strategy to expand its product portfolio in the enterprise environment continued to be carried out successfully during the 2022 fiscal year, as in the previous year. Growth rates (billings and revenue) in the enterprise business were significantly higher than those in the SMB business, with the enterprise business accounting for 19 % of revenue (YoY: +5pp) and 21 % of billings (YoY: +4pp). The SMB business experienced comparatively lower growth due to the maturity of the business. The SMB business had an overall share of revenue of 81 % (YoY: -5pp) and 79 % in billings (YoY: -4pp) for the 2022 fiscal year.

Operating profit/EBIT (IFRS)

TeamViewer Group's EBIT (IFRS) is derived from revenue (IFRS) less cost of sales and operating costs (including other income and expenses), as shown in the table below. EBIT equalled EUR 143.7 million for the 2022 fiscal year, corresponding to a year-on-year increase of 22 %. The revenue growth was offset mainly due to a disproportionate increase in marketing costs (driven by the first-time full-year cost reflection of the sports partnerships). Most of these costs, however, could be compensated for by improvements in other areas. As a result, the EBIT margin (the ratio of operating costs to revenue) also increased from 23 % to 25 %.

Total costs and other income/expenses

In EUR million	2022	2021	Δ YoY
Cost of sales	-81.3	-70.9	+15 %
R&D costs	-69.5	-62.1	+12 %
Marketing costs	-128.4	-96.1	+34 %
Sales expenses	-99.1	-89.2	+11 %
General and administrative costs	-53.5	-51.5	+4 %
Expenses for impairments on trade receivables	-12.4	-16.0	-22 %
Other income	23.3	5.0	>+300 %
Other expenses	-1.3	-2.9	-55 %
Total	**-422.2**	**-383.7**	**+10 %**

The Group's cost of sales consists primarily of router and server costs, payment fees, sales commissions, hosting services, litigation costs and impairment of intangible assets from business combinations. The absolute increase was mainly due to costs in the amount of EUR 6 million in connection with a legal dispute concerning patent infringement.

Gross profit, defined as revenue less cost of sales, increased by 13 % to EUR 484.6 million (2021: EUR 430.2 million). The corresponding gross margin in the fiscal year was 86 % (2021: 86 %).

The increase in R&D costs was mainly the result of higher personnel costs and higher depreciation and amortisation.

The main driver for the higher marketing costs was the higher costs related to sports partnerships. In the previous year, most of the costs related to sports partnerships were not recognised until the end of the second quarter. These additional expenses were partially offset by improvements in other areas.

Sales expenses in the 2022 fiscal year increased year-on-year, primarily as a result of higher personnel and travel costs.

General and administrative expenses compared to the prior year increased by 4 %, primarily due to higher personnel costs.

Impairment losses on trade receivables decreased, among others, due to a higher share of the enterprise business, which has a lower level of bad debt expenses than the SMB business.

Other income increased significantly largely due to income from forward exchange hedging contracts.

Other expenses decreased mainly due to the discontinuation of expenses from forward exchange hedging contracts incurred in the previous fiscal year.

EBITDA/adjusted EBITDA (non-IFRS)

Reconciliation of EBIT (IFRS) to adjusted EBITDA (non-IFRS)

In EUR million	**2022**	2021	Δ YoY
EBIT (IFRS)	**143.7**	**117.4**	**+22 %**
Depreciation and amortisation	53.7	50.9	+6 %
EBITDA	**197.5**	**168.3**	**+17 %**
EBITDA margin in % of revenue	*35 %*	*34 %*	*+1 pp*
Change in deferred revenue recognised in profit or loss	68.9	46.5	+48 %
Expenses for share-based compensation	28.4	26.4	+8 %
Other items to be adjusted	3.9	15.7	-75 %
Adjusted EBITDA (non-IFRS)	**298.7**	**257.0**	**+16 %**
Adjusted EBITDA margin in % of billings	*47 %*	*47 %*	*+0 pp*

Depreciation and amortisation of tangible and intangible fixed assets included in total costs increased slightly in the fiscal year. This was mainly due to higher depreciation on capitalised leases and leasehold improvements. Depreciation and amortisation as part of purchase price allocation (PPA depreciation and amortisation), included in total depreciation and amortisation, amounted to EUR 29.8 million in the fiscal year (2021: EUR 29.4 million).

[13] Amount included in “Other income”.

EBITDA increased by 17 % to EUR 197.5 million in the 2022 fiscal year. The EBITDA margin (EBITDA in relation to revenue) increased from 34 % to 35 %.

After adjusting for the change in deferred revenue (explanation above under “revenue and billings”) and the non-operating effects in the reporting period (expenses for share-based compensation and other property, plant and equipment to be adjusted), the adjusted EBITDA (non-IFRS) for the 2022 fiscal year amounted to EUR 298.7 million, corresponding to a year-on-year increase of 16 %. As billings growth was also 16 %, the adjusted EBITDA margin (adjusted EBITDA [non-IFRS] as a percentage of billings) remained essentially unchanged at 47 % (2021: 47 %).

Other items for adjustment

In EUR thousands	**2022**	2021	Δ YoY
Reorganisation expenses	-7,941	-7,243	+10 %
Expenses from special IT projects	-3,602	-3,277	+10 %
Measurement of financial instruments	16,848	-3,029	<-300 %
Expenses for special legal disputes	-9,064	-609	>+300 %
Expenses from financing and M&A	-29	-2,743	-99 %
Adjustments from earn-outs[13]	3,438	2,734	+26 %
Other	-3,588	-1,559	+130 %
Total	**-3,937**	**-15,727**	**-75 %**

Starting with the 2023 fiscal year, TeamViewer changed its definition of adjusted EBITDA (non-IFRS) (see the chapter entitled “Management system”). According to this definition, adjusted EBITDA (non-IFRS) for the 2022 fiscal year amounted to EUR 229.8 million, an increase of 9 % over the previous year.

Reconciliation of EBITDA to adjusted EBITDA (non-IFRS) – New definition as of 2023 fiscal year

In EUR million	2022	2021	Δ YoY
EBITDA	197.5	168.3	+17 %
Expenses for share-based compensation	28.4	26.4	+8 %
Other items to be adjusted	3.9	15.7	-75 %
Adjusted EBITDA (definition 2023) (non-IFRS)	229.8	210.5	+9 %
Adjusted EBITDA margin (2023 definition) in % of revenue	41 %	42 %	-1 pp

Earnings before taxes (EBT)

EBT rose to EUR 116.7 million in the 2022 fiscal year (2021: EUR 85.4 million). In addition to the increase in the operating result/EBIT, this was due to the following items in the finance result:

Finance result line items

In EUR million	2022	2021	ΔYoY
Finance income	4.3	0.6	>+300 %
Finance expenses	-25.8	-19.2	+34 %
Currency income	-41.5	-33.7	+23 %
Currency expenses	36.0	20.3	+78 %

The increase in finance income in the 2022 fiscal year resulted primarily from the sale of an interest rate derivative. Finance expenses increased mainly due to the recognition of capitalised transaction costs from the refinancing in the fiscal year and interest expenses from legal proceedings.

The change in the currency result (balance of currency translation income and expenses) was due mainly to the relationship of the EUR/USD in the fiscal year.

Net income/loss

In the 2022 fiscal year, income taxes consisted of current tax expenses of EUR 44.9 million (2021: EUR 38.4 million) and deferred tax expenses of EUR 4.2 million (2021: deferred tax benefits of EUR 3.1 million). In the 2022 fiscal year, this resulted in a total tax expense of EUR 49.1 million (2021: EUR 35.3 million), corresponding to a tax rate of 42.1 % (2020: 41.4 %). The increase in the current tax expense was largely due to the increase in earnings before taxes. The change in deferred tax expenses resulted mainly from a decline in deferred tax expenses for financial liabilities and financial instruments in the amount of EUR 10.8 million and other changes due to deferred taxes of EUR -3.4 million.

The tax rate in the 2022 fiscal year of 42.1 % (2021: 41.4 %) exceeded the Group tax rate of 28.6 % (2021: 28.8 %). This was mainly due to the non-tax-deductible expenses from share-based compensation and the non-capitalisation of loss carryforwards.

In the 2022 fiscal year, the Group net income/loss was EUR 67.6 million, compared to EUR 50.1 million in the previous year. The resulting earnings per share for the 2022 fiscal year was EUR 0.37 (2021: EUR 0.25).

TeamViewer uses the adjusted Group net income/loss (non-IFRS) to assess the earnings situation. This is defined as the Group net income/loss adjusted for certain income and expenses, namely, expenses for share-based compensation, amortisation in connection with business combinations, other special effects and related income taxes.

The adjusted Group net income/loss amounted to EUR 124.3 million in the 2022 fiscal year (2021: EUR 108.1 million), 15 % above the previous year. The corresponding adjusted earnings per share equalled EUR 0.67 (2021: EUR 0.54).

Reconciliation of net profit to adjusted net profit (non-IFRS)

In EUR million	2022	2021	Δ YoY
Group result	**67.6**	**50.1**	**+35 %**
PPA depreciation and amortisation	29.8	29.4	+1 %
Expenses for share-based compensation	28.4	26.4	+8 %
Other material income and expenses[1]	3.9	15.7	-75 %
Extraordinary effects in finance result	6.7	0.1	>+300 %
Income tax items to be adjusted	-12.2	-13.6	-10 %
Adjusted Group net income/loss (non-IFRS)	**124.3**	**108.1**	**+15 %**

[1] See adjusted EBITDA (non-IFRS)

4.4 Net assets and financial position of the Group

Group net assets

Assets on the balance sheet

	31 December 2022		31 December 2021		Change	
	In EUR m	In %	In EUR m	In %	In EUR m	In %
Non-current assets	963.6	82	970.0	63	-6.4	-1
Current assets	209.1	18	576.7	37	-367.6	-64
Total assets	**1,172.7**	**100**	**1,546.7**	**100**	**-374.0**	**-24**

The Group's total assets decreased as at 31 December 2022 by 24 %. The decline was largely attributable to the decrease in current assets, especially cash and cash equivalents as a result of the share buyback programme. As in the previous year, the majority of assets were non-current assets.

The Group's non-current assets as at 31 December 2022 comprised goodwill, intangible assets, property, plant and equipment, financial assets, other assets and deferred tax assets. The decrease in non-current assets as at 31 December 2022 compared to the previous year resulted mainly from scheduled depreciation and amortisation. These were partly offset by higher financial assets from derivatives and higher capitalised costs from customer contracts.

Goodwill continued to be the largest item within non-current assets (31 December 2022: EUR 667.9 million; 31 December 2021: EUR 667.2 million). The decrease in intangible assets to EUR 212.9 million (31 December 2021: EUR 248.2 million) as at the reporting date resulted mainly from amortisation of EUR 39.1 million (2021: EUR 39.3 million). Additions resulted from investments in software in the amount of EUR 2.5 million (2021: EUR 8.6 million). The increase in property, plant and equipment to EUR 50.3 million (31 December 2021: EUR 45.5 million) was due to investments of EUR 18.7 million (2021: EUR 16.2 million). These were partially offset by depreciation of EUR 14.7 million (2021: EUR 11.6 million).

The Group's current assets as at 31 December 2022 comprised trade receivables, other assets, tax receivables, financial assets and cash and cash equivalents.

The decrease in current assets as at 31 December 2022 resulted mainly from the decrease in cash and cash equivalents due to the share buyback programme in the amount of EUR 300.1 million. At EUR 161.0 million (31 December 2021: EUR 550.5 million), cash and cash equivalents continued to be the largest item within current assets. The increase of EUR 6.4 million in other assets to EUR 19.4 million (31 December 2021: EUR 13.0 million) resulted mainly from higher capitalised costs related to customer contracts. Trade receivables increased to EUR 18.3 million in the fiscal year (31 December 2021: EUR 11.6 million). This resulted mainly from an increase in billings.

Equity and liabilities on the balance sheet

	31 December 2022		31 December 2021		Change	
	In EUR m	In %	In € m	In %	In € m	In %
Equity	115.3	10	320.1	21	-204.8	-64
Non-current liabilities	583.1	50	889.5	58	-306.4	-34
Current liabilities	474.3	40	337.1	22	137.3	41
Total equity and liabilities	**1,172.7**	**100**	**1,546.7**	**100**	**-374.0**	**-24**

The Group's equity decreased by EUR 204.8 million, or 64 %, as at 31 December 2022, resulting mainly from the share buyback programme. The Group's subscribed capital decreased to EUR 186.5 million as at 31 December 2022 and was divided into 186.5 million no-par value bearer shares. As announced previously, the majority of the repurchased shares were cancelled (14.6 million shares). These share cancellations were largely responsible for the reduction in the capital reserve of EUR 157.6 million in the 2022 fiscal year, which was partially offset by an increase in the capital reserve of EUR 27.6 million from the recognition of equity-settled share-based payments. Comprehensive income in the fiscal year of EUR 67.6 million led to an increase in equity, resulting in an equity ratio as at the end of the 2022 fiscal year of 10 % (31 December 2021: 21 %). The decrease in the equity ratio was attributable to the share buyback programme.

The Group's non-current liabilities also decreased as at 31 December 2022, leading to a 50 % decline in their share of total liabilities at the end of the 2022 fiscal year. Within this item, non-current financial liabilities decreased by EUR 323.1 million to EUR 519.3 million at the end of the 2022 fiscal year (31 December 2021: EUR 842.5 million), mainly due to the refinancing undertaken in July 2022. Other financial liabilities of EUR 3.1 million include mainly liabilities from a derivative used to hedge exchange rate changes (previous year: contingent purchase price payments and fixed purchase price liabilities from business combinations). After netting deferred tax assets and liabilities, the deferred tax assets as at 31 December 2022 amounted to EUR 2.1 million (31 December 2021: EUR 0.5 million) and the deferred tax liabilities to EUR 33.9 million (31 December 2021: EUR 29.8 million). Non-current deferred revenue increased to EUR 24.2 million (31 December 2021: EUR 6.1 million). This was attributable to the increase in multi-year contracts with customers.

Current liabilities increased as at 31 December 2022, mainly due to the increase in current financial liabilities of EUR 78.3 million to EUR 113.3 million (31 December 2021: EUR 35.0 million). Current deferred revenue also increased by EUR 43.7 million to EUR 288.1 million (31 December 2021: EUR 244.5 million) due to higher billings in the fiscal year.

Liabilities to credit institutions

31 December 2022 In EUR thousands	Currency	Effective interest rate in %	Year of maturity	Principal amount (EUR)	Carrying amount (EUR)
Loans					
2022 syndicated loan in USD	EUR	3.9	2025	100,000	99,301
2022 syndicated loan in EUR	EUR	3.9	2027	100,000	97,636
2019 syndicated loan in GBP	EUR	1.0	2025	100,000	100,000
Promissory notes					
3-year fixed promissory note	EUR	1.1	2024	27,000	27,054
3-year variable promissory note	EUR	2.4	2024	58,000	58,347
5-year fixed promissory note	EUR	1.3	2026	118,000	118,218
5-year variable promissory note	EUR	2.5	2026	75,000	75,438
7-year fixed promissory note	EUR	1.5	2028	13,000	13,028
10-year fixed promissory note	EUR	1.6	2031	9,000	9,023
Total				**600,000**	**598,044**

31 December 2021 In EUR thousands	Currency	Effective interest rate in %	Year of maturity	Principal amount (EUR)	Carrying amount (EUR)
Loans					
2019 syndicated loan in USD	USD	2.5	2024	270,175	266,051
2019 syndicated loan in EUR	EUR	2.1	2024	112,500	110,722
2019 syndicated loan in GBP	GBP	2.6	2024	71,309	70,216
2019 syndicated loan revolving credit facility	various	1.5–4	2024	–	–
2021 bilateral bank loan in EUR	EUR	1.0	2025	100,000	100,000
Promissory notes					
3-year fixed promissory note	EUR	1.1	2024	27,000	27,025
3-year variable promissory note	EUR	1.1	2024	58,000	58,051
5-year fixed promissory note	EUR	1.3	2026	118,000	118,144
5-year variable promissory note	EUR	1.3	2026	75,000	75,087
7-year fixed promissory note	EUR	1.5	2028	13,000	13,022
10-year fixed promissory note	EUR	1.6	2031	9,000	9,020
Total				**853,984**	**847,338**

The interest payment dates are currently on a rolling three-month basis. The interest payment period can be extended to any period between one and twelve months after each interest payment date. The carrying amounts of the respective loans include directly attributable transaction costs that are amortised over the term of the respective loans using the effective interest method. The Group has the unconditional right to prepay the loans in part or in full at any time. An amount of EUR 100 million will be drawn on the revolving credit facility as at 31 December 2022 (31 December 2021: 0). A drawdown of the facility is possible up to an amount of EUR 450 million (2021: EUR 150 million).

The TeamViewer Group's net financial liabilities, defined as total financial liabilities (excluding other financial liabilities) less cash and cash equivalents, increased to EUR 471.6 million as at 31 December 2022 (2021: EUR 326.9 million).

The net leverage ratio, which compares the Group's net financial liabilities in relation to the adjusted EBITDA of the past twelve months, increased to 1.6x at the end of 2022 (2021: 1.3x).

Development of net leverage ratio

In EUR million	**2022**	2021
Current financial liabilities	113.3	35.0
Non-current financial liabilities	519.3	842.5
Cash and cash equivalents	-161.0	-550.5
Net financial liabilities	**471.6**	**326.9**
Adjusted EBITDA	298.7	257.0
Net leverage ratio	**1.6 x**	**1.3 x**

Basic features of financial management

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

Under the terms of the 2022 credit agreements, the Group is required to comply with certain leverage covenants defined in the respective credit agreements based on the ratio of net financial liabilities to pro forma EBITDA (see also the sub-chapter entitled "Financial liabilities" in the notes to the consolidated financial statements).

Group financial position

Financial position

	2022 in EUR m	2021 in EUR m	Change in EUR m	Change in %
Cash and cash equivalents at the beginning of the period	**550.5**	**83.5**	**467.0**	**>+300**
Cash flow from operating activities	204.3	194.0	10.4	+5
Cash flow from investment activities	-10.8	-38.9	28.1	-72
Cash flow from financing activities	-609.8	301.1	-910.9	<-300
Other changes	26.7	10.8	15.9	147
Cash and cash equivalents at the end of the period	**161.0**	**550.5**	**-389.5**	**-71**

Cash flows from operating activities increased slightly in the fiscal year, primarily due to the rise in billings. This increase was offset by higher payments in connection with sports partnerships.

Payments from investing activities were down in the 2022 fiscal year. Investments in property, plant and equipment and intangible assets fell to EUR 8.8 million (2021: EUR 15.2 million). Payments from business combinations led to a net cash outflow of EUR 2.0 million (2021: EUR 23.4 million).

After generating cash inflows from financing activities in the previous fiscal year, there was a cash outflow in the 2022 fiscal year. The main reason for this was payments in connection with the share buyback programme amounting to EUR 300.1 million (2021: 0). The repayment and assumption of financial liabilities also resulted in a net cash outflow of EUR 286.1 million (2021: cash inflow of EUR 322.1 million). In addition, interest payments and repayments of lease liabilities led to cash outflows in the 2022 fiscal year of EUR 23.7 million (2021: EUR 21.0 million).

Levered free cash flow

	2022 in EUR m	2021 in EUR m	Change in EUR m	Change in %
Cash flow from operating activities (before income taxes)	**250.8**	**237.5**	**13.3**	**+6**
Income taxes paid	-46.4	-43.5	-2.9	+7
Investments in property, plant and intangible assets	-8.8	-15.2	6.4	-42
Payments for the redemption portion of lease liabilities	-9.5	-6.9	-2.6	+37
Interest paid on borrowed funds and leasing liabilities	-14.2	-14.1	-0.1	+1
Levered free cash flow (FCFE)	**171.8**	**157.8**	**14.1**	**+9**
In % of adjusted EBITDA	**57.5**	**61.4**		**-3.9 pp**
In % of adjusted EBITDA (definition 2023)	**74.8**	**75.0**		**-0.2 pp**
In % of EBITDA	**87.0**	**93.7**		**-6.7 pp**

Overall statement on the economic situation

TeamViewer looks back on an eventful 2022 fiscal year marked by major geopolitical challenges and significant economic turmoil.

Despite the macroeconomic developments, in the view of the Management Board, TeamViewer's operating business proved very resilient. This is due, among others, to the fact that the products and solutions offered by TeamViewer help companies realise efficiency gains. As a result, TeamViewer was able to reaffirm and achieve its original annual guidance as well as its revised (August 2022) annual guidance.

During the fiscal year, TeamViewer successfully implemented several different organisational and operational measures to position the Company for the future. This included the completion of the ReMax programme and the new alignment of the management team. TeamViewer's financial profile was also strengthened by a further reduction in financial liabilities and the completion of the share buyback programme. In addition, TeamViewer was able to successfully hedge against future interest rate and currency risks (especially USD) through hedging transactions.

Strategically, TeamViewer also focused in the fiscal year on strengthening its growth strategy along the three defined growth dimensions. Particularly noteworthy has been the success seen in the area of cross-selling and upselling. The continuing momentum underlines the quality of the product and solutions portfolios as well as the high level of customer satisfaction. The Company also significantly expanded its cooperation with strategic technology partners, thereby generating a promising sales and development pipeline. In the area of sustainability, TeamViewer further strengthened its sustainability engagement with its top rankings in the MSCI and Sustainalytics sustainability ratings.

The Management Board assesses the Group's business performance and economic situation in the 2022 fiscal year as positive overall.

5 Events after the Reporting Date

After the end of the 2022 fiscal year, the following events occurred that could have a material effect on the future net assets, financial position and result of operations of TeamViewer:

In January 2023, a total of 237,452 shares in TeamViewer AG were transferred to eligible employees as part of the Group-wide RSU programme. The shares were taken from the pool of treasury shares held by TeamViewer, reducing it accordingly.

On 6 February 2023, the Company's Management Board approved a new share buyback programme with a total volume of up to EUR 150 million. The announced buyback programme is TeamViewer's second share buyback as a listed company following the successful completion of the EUR 300 million buyback in 2022.

The buyback will be carried out in two independent tranches over the stock exchange and is expected to be completed in the course of 2023. The programme's first tranche, with a volume of up to EUR 75 million, but not exceeding 9,112,985 shares, started on 15 February 2023 and will be executed under the existing authorisation of the Annual General Meeting 2022. As a result of the share buyback, the Company exceeded the reportable 5 % threshold level for shares held as treasury shares on 15 February 2023.

There were no other events of material significance after the 31 December 2022 reporting date.

6 Opportunity and Risk Report

The German Corporate Governance Code (GCGC) contains recommendations for disclosures on the internal control and risk management system that go beyond the statutory requirements for the management report and are therefore outside the scope of the audit of the content of the management report performed by the auditor. In this report, they are assigned to the content of the Corporate Governance Statement; moreover, they are contained in separate paragraphs to set them apart from the disclosures to be audited and flagged accordingly.

6.1 Material opportunities

The Management Board of TeamViewer has identified the following opportunities as significant:

Digitalisation of the value chain

The TeamViewer Group sees digitalisation and the associated potential for growth and greater efficiency for companies along the entire value chain as an opportunity. TeamViewer's product portfolio features both horizontal solutions for use in corporate functions as well as vertical solutions in an IT context for the digitalisation of logistics and production in the area of Operational Technology (OT). This gives TeamViewer the ability to offer customers the right products and solutions in nearly every area of the industrial and service-related value chain.

Robotics, automation and Industry 4.0

TeamViewer also sees opportunities in increasing automation and process optimisation in the context of Industry 4.0. TeamViewer's AR platform Frontline is of importance in the context. With the help of AR-supported step-by-step instructions, the speed and efficiency of manual work processes can be increased, while at the same time reducing the susceptibility to errors. The software can be used on conventional mobile devices such as tablets and smartphones or on commercially available smart glasses. Connecting these processes to a variety of customer production and inventory systems facilitates the broad use of the Frontline software. Through targeted acquisitions and technical advancements, TeamViewer has been able to significantly expand its market position and the use cases covered in the past several years. TeamViewer's strength in remote access to embedded devices, i.e. any non-IT devices outside the classic office setup, also plays an important role in this context. TeamViewer supports numerous industrial IoT scenarios, including the connectivity of robots, industrial machines and similar systems.

Omnipresent connectivity

The increasing omnipresence of mobile devices and processor-controlled wearables such as smartphones, tablets and smart glasses, in conjunction with the growing introduction of IoT technology in commercial and industrial use cases is a megatrend from which TeamViewer can continue to strongly benefit. The use of smart, internet-enabled devices and the associated opportunity for use cases in the area of remote access and remote maintenance is also increasing in the non-commercial environment.

Increasing focus on sustainability

Environmental concerns and the reduction of one's own ecological footprint are becoming increasingly important for companies as well as government organisations and private households. TeamViewer's connectivity solutions can contribute to reducing emissions by enabling interactions between people and the remote control and management of internet-enabled devices, thereby significantly reducing travel activities of all kinds as well as daily commuting between home and the office. Here too, the Management Board sees further growth opportunities for the TeamViewer Group.

Mobile first

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

TeamViewer is well positioned in the mobile first segment and will continue to expand its offering for mobile end users. An example of this is the further development of the TeamViewer remote assist solution AssistAR. Among other things, this software technology enables field staff to access AR-based support remotely and makes it possible to establish a connection and communicate with technical experts using a mobile device.

Flexible and location-independent working

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

Artificial intelligence (AI)

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

Partnerships

TeamViewer has significantly expanded various marketing and sales partnerships, including its partnership with international software company SAP. This results in various opportunities to expand distribution and sales channels and extend their coverage, integration and technological development.

6.2 Risk management, internal audit and internal control system

For the assessment of the appropriateness and effectiveness of the risk management system and the internal control system, please refer to the information in the Corporate Governance Statement.

Risk management

TeamViewer Group strives to continually develop its products and adapt them to market and customer needs, while steadily expanding and strengthening its market position. TeamViewer's success rests on its ability to systematically identify and seize opportunities and control risks in a targeted manner. TeamViewer has implemented a risk management and internal control system, which internally monitors the responsible handling of business risks to ensure the early identification, assessment and controlled handling of potential risks. The internal control system and the risk management system also cover processes and systems for recording and processing sustainability-related data. The internal control system and the risk management system also include a compliance management system that is aligned with the Company's risk situation. In addition, employees are given the opportunity to provide protected information on possible legal violations within the Company. The risk and control system is considered one of the key elements of good corporate governance.

Effectiveness of the risk management system

TeamViewer's risk management system was implemented based on the Enterprise Risk Management Standards of the Committee of Sponsoring Organisations of the Treadway Commission (COSO) and the auditing standards PS 340, PS 340 n.F. and PS 981 of the Institute of Public Auditors in Germany (IDW) and comprises the identification and assessment of the Group's risks. A risk management application helps to ensure, among others, a review of the Company's risk-bearing capacity and a fully automated aggregation of risks (Monte Carlo simulation).

Structure and objective

The aim of the risk management system is to provide the Management Board with an overview of risks and to support decision-making process with regard to the handling of the risks identified at both a strategic and operational level. The risk management system is designed to identify potential risks at an early stage, assess them and broadly mitigate them using controls and measures.

TeamViewer's risk management system is based on the following five core elements:

1. Identification
2. Evaluation
3. Steering
4. Surveillance
5. Reporting

The identification of risks is conducted semi-annually by the risk manager in cooperation with the risk officers appointed for each of the Company's internal departments. Risk officers are required to review risks on an ongoing basis in addition to regular reporting. A further ad hoc reporting system is in place to promptly inform the Management Board and the risk manager of current risk events. This also includes the systematic identification and assessment of risks associated with social and environmental factors.

All identified risks are assessed semi-annually based on their probability of occurrence and potential impact on the Company, and particularly with regard to their impact on the Company's achievement of its financial and non-financial objectives, on the Company's reputation and on compliance. The evaluation and classification of the individual risks are carried out using the company-specific risk evaluation matrix:

Risk assessment matrix

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

During the past fiscal year, TeamViewer reviewed the monetary quantification of all risks so that a fully automated aggregation of risks could be carried out using a Monte Carlo simulation. The quantification of the risks of all categories is carried out along defined value limits:

Qualification of risks

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

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

Effectiveness of measures/controls

Risk	Inexistent	Partially effective	Effective
Low	Low	Low	Low
Moderate	Moderate	Moderate	Low
Significant	Significant	Significant	Moderate
High	High	High	Significant

Risk-bearing capacity and risk aggregation

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

When assessing risks, the Management Board takes into account both the probability of occurrence and the possible aggregated effects of various risks. In doing so, the Management Board uses recognised methods for risk aggregation, such as a Monte Carlo simulation. The aggregated risks may at no time be higher than the risk-bearing capacity of the Company.

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

Control

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

Reporting

The Management Board and extended management circle of TeamViewer (Senior Leadership Team) are informed semi-annually about the Group-wide risk situation, in particular about the greatest risks and changes in the risk assessment. Ad hoc reporting is made to the Risk Steering Group, consisting of the Management Board, the risk manager and the risk officer of the division concerned. There were no ad hoc reports in the past fiscal year.

Together with the Management Board, the risk manager reports at regular intervals to the Supervisory Board's Audit Committee on risk management and existing risks.

6.3 Material risks

The TeamViewer Group subdivides its risks into strategic, operational, compliance-related and financial risks. In the explanations of the main risks, mention is made of those risks that could have a significant or high impact on adjusted EBITDA on a gross basis. The remaining risks are summarised in an overview. Risks classified as at least significant or high in the previous year that were given a lower classification in the fiscal year are listed in the following overview for illustrative purposes. The risks were aggregated, and the highest rated risk within each risk group was listed.

Risk assessments

	Group risk assessment (gross risk)	Group risk assessment (net risk)	Trend[1]
Strategic risks			
Macroeconomic risks			
General macroeconomic environment	High	High	→
After-effects of coronavirus pandemic	Significant	Significant	→
Geopolitical environment	High	High	→
Competitive environment	High	High	→
Partnerships	Significant	Significant	→
Operational risks			
Product risks	Significant	Significant	→
Product and IT security	High	High	→
Sales risks	Significant	Significant	→
Personnel risks	Significant	Medium	↗
Compliance-related risks			
General legal and regulatory risks	Significant	Significant	→
Financial risks			
Foreign currency risk	Significant	Significant	↘
Inflation risk[2]	Significant	Significant	↗

[1] Trend: Net risk level compared to previous year

[2] Financial impact, however part of the general macroeconomic environment

Legend:
Decreased net risk ↘
Unchanged net risk →
Increased net risk ↗

Strategic risks

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

Macroeconomic risks

General macroeconomic environment, after-effects of the corona pandemic

TeamViewer's performance is influenced by macroeconomic developments as well as by the general business climate. In 2022, the focus was clearly on the macroeconomic after-effects of the corona pandemic and the macroeconomic impact of high inflation rates worldwide. The resulting consequences, as well as an economic downturn in general may cause a decline in TeamViewer's sales volume and profitability. Small and medium-sized enterprises, which represent the majority of TeamViewer's customers, as well as customers in emerging markets whose economies are sometimes subject to greater fluctuations, particularly those in the Latin American and Asia/Pacific regions, are especially susceptible to macroeconomic changes. To mitigate this risk, the various regional markets are closely monitored and market-specific solutions portfolios are offered that meet the requirements of the respective markets. In addition, TeamViewer's geographical diversification enables it to cushion itself from some of the risks that arise.

Geopolitical environment

As part of its growth strategy, TeamViewer intends to continue expanding its geographic presence, including its sales and marketing activities. Business activity is influenced not only by external market factors, such as economic trends, but also by political, geopolitical and fiscal changes. At the beginning of the 2022 fiscal year, the Russia-Ukraine conflict, in particular, led to a sharp increase in the risks resulting from the geopolitical environment worldwide, the medium- to long-term consequences of which are difficult to foresee. The expansion of business activities in the Asia-Pacific and Latin American regions, for example, may also be accompanied by higher political risk for TeamViewer in the corresponding market.

The regions' political and macroeconomic developments can trigger considerable uncertainty and have a negative impact on the investment decisions of TeamViewer's customers. As a result, TeamViewer rates these risks as high overall.

Competitive environment

The Group sees a significant risk in the competitive environment. A further increase in competition from existing competitors and/or new competitors could lead to a loss in market share, greater price pressure, and reduced profit margins. Increased risk would exist if, for example, one of the large international software providers were to decide to expand its own product and solutions offerings in a manner resulting in an increasing overlap with TeamViewer's solutions portfolio. There is also a risk of increased pricing pressure from competitors, particularly in the low-price segment or in business with SMB customers. TeamViewer closely monitors current market developments and maintains good contact with the leading software companies. In addition, TeamViewer maintains strategic partnerships with several international software groups such as Microsoft, SAP and Google. The Group also invests substantially in the continuous deepening and broadening of the solutions portfolio to set itself apart from competitors on a long-term basis.

Partnerships

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

Operational risks

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

Product risks

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

TeamViewer's software enables endpoint connectivity across a wide range of different operating systems. Updates and further developments of these operating systems as well as the introduction of new operating systems may result in the full or partial malfunction of TeamViewer's software solutions. This could have a negative impact on customer relationships and lead to a loss of TeamViewer's reputation. To mitigate this risk, the Group's development department always monitors updates to the operating systems and is in close contact with TeamViewer's customer support in order to be able to swiftly remedy any malfunctions of TeamViewer software.

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

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

Product and IT security
TeamViewer's business model includes providing solutions that enable end users to securely access devices and networks remotely. Any unauthorised access, network disruptions, denial of service (an attack designed to prevent legitimate users from accessing the services) or similar damaging 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 could also opt for other IT solutions.

Cyberattacks are becoming increasingly complex and are also originating more and more from highly professional parties. Cloud-based platform providers of products and services and remote connectivity product offerings are increasingly attractive targets of such cyberattacks. In addition to traditional cyberattacks, such as computer hacking, malicious code (e.g. viruses or worms), employee theft and abuse and denial-of-service attacks (a multitude of targeted server requests with the intent of blocking or overloading the system) caused service blockage, there are also reports of highly professional, financially powerful or state/politically motivated players carrying out cyberattacks. Attacks can aim to damage TeamViewer as well as its users or be part of external or internal espionage activities or acts of sabotage. It only takes a rumour of unauthorised access or alleged security vulnerabilities to have a significant impact on TeamViewer's reputation and business development.

TeamViewer's security team focuses on making improvements in product security and the underlying infrastructure on an ongoing basis. To this end, various measures have been taken to detect and prevent cyberattacks and attempts to gain unauthorised access to TeamViewer's networks and servers at an early stage. Potential risks are first assessed regularly by means of threat modelling, penetration tests, risk classification, audits and threat profiles. A security operations centre (SOC) monitors the IT and product infrastructure around the clock to immediately detect any possible attacks. In addition, TeamViewer's internal security structures are regularly reviewed by internal as well as external parties and adjusted if necessary. Switching off older product versions that no longer meet today's security standards is another security measure.

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

Sales risks
TeamViewer's success depends to a significant extent on its ability to attract new customers as well as on maintaining and expanding its business relationships with existing customers. There is a risk that customers may not renew or cancel their licences at the end of their subscription period or that they may reduce their scope of services. TeamViewer tries to mitigate these risks through various measures and particularly through region-specific sales strategies and the targeted use of sales partners. Despite these efforts, there is no guarantee that lasting customer loyalty and continuous expanded use of TeamViewer products by existing customers will take place in all cases. The high net retention rate (NRR) and customer satisfaction in recent years are evidence of the high level of customer loyalty, which reflects the success of the sales activities as well as the quality of the Group's product and solutions portfolio.

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

Compliance-related risks
TeamViewer defines compliance-related risks as all legal and regulatory risks as well as corporate governance risks.

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

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

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

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

Foreign currency risk
TeamViewer transacts business in nearly 180 countries and more than 40 currencies. A change in the exchange rate of these currencies against the euro therefore results in a foreign currency risk for the Group. Contracts denominated in US dollars made a particularly significant contribution to the Group's billings, revenue and profit in the 2022 fiscal year.

TeamViewer has used derivative financial instruments to hedge the USD currency risk.

The reporting currency of the TeamViewer Group is the euro. The TeamViewer subsidiary companies report in various currencies, including US dollar, British pound, 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 for the period or at exchange rates fixed by hedging transactions.

Inflation risk
Inflation risk can have direct financial effects, but even more importantly, it can have indirect and macroeconomic effects. We therefore refer to the above comments on macroeconomic risks.

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

Accounting-related internal control system

The objective of the accounting-related internal control system is to identify, assess and manage all risks that may have a material impact on the proper preparation of the annual and consolidated financial statements. The following elements are covered by the control system:

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

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

Internal Audit

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

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

7 Outlook

Expected macroeconomic and sector environment

For 2023, the Kiel Institute for the World Economy (IfW) expects global production to grow by 2.2 %, following an increase of 3.2 % in 2022.[14] This forecast is essentially based on the geopolitical events of 2022 and their impact on the global economy. At the end of 2022, economic momentum weakened again significantly worldwide. Particularly large, advanced economies face a phase of weak economic activity despite considerable fiscal support measures. According to current estimates, the global labour market will continue to face a shortage of skilled workers. [15] Current forecasts for the markets of Germany and the United States, which are important for TeamViewer, are projecting low to negative growth. For Germany, the expectation is slight GDP growth of 0.3 %.[16] For the United States, the forecast is for declining year-on-year GDP growth of -0.4 %.[17] The weak growth outlook is attributable mainly to exhausted catch-up effects following the COVID-19 pandemic, shrinking real incomes, reduced savings, declining company order backlogs, persistent inflationary pressures and higher financing costs.[18]

The market research institute Gartner expects global IT spending to grow by 2.4 % year-on-year in 2023 (2022: -0.2 %) to USD 4.5 trillion.[19] The sub-segments that are important for TeamViewer, such as software solutions and IT services, are expected to show growth rates of around 9.3 % and 5.5 %, respectively.[20] The accelerated growth expected in IT expenditure overall and in the relevant sub-segments, which contrasts with the general economic situation, is expected to stem from continued high demand for IT solutions in the 2023 fiscal year, especially in the area of digital and efficiency-enhancing software solutions.[21]

Future development of the Group

TeamViewer's business development will continue to benefit from global megatrends in 2023. Among these trends are an ongoing shortage of skilled workers and the digital transformation in industrial environments, as well as the ambition of many companies to operate more sustainably. Consequently, TeamViewer expects continued high demand for its remote support, enterprise connectivity and frontline productivity solutions. The Group's large and loyal customer base holds significant cross- and upselling potential. In addition, TeamViewer will increasingly leverage existing use cases in specific industries to win new customers with similar use cases.

Against this backdrop, and despite continued macroeconomic uncertainties, TeamViewer sees continued high demand for its solutions and expects double-digit revenue growth within a range of 10 % to 14 % for the 2023 fiscal year.

TeamViewer is also targeting stable year-on-year profitability with an expected adjusted (revenue) EBITDA margin of approximately 40 % for the 2023 fiscal year. This margin guidance takes into account investments in research and development to further strengthen TeamViewer's leading position in remote connectivity and the industrial metaverse.

[14] IfW Kiel - Kiel Economic Reports 2022-Q4: https://www.ifw-kiel.de/de/publikationen/kieler-konjunkturberichte/2022/weltwirtschaft-im-winter-2022-wenig-auftrieb-viel-gegenwind-17875/ (retrieved 2 January 2023).
[15] World Economic Forum: https://www.weforum.org/agenda/2022/12/labour-shortages-rise-across-oecd-countries/ (retrieved on 31 January 2023).
[16] IfW Kiel – Kieler Konjunkturberichte 2022-Q4 Deutschland: https://www.ifw-kiel.de/de/publikationen/kieler-konjunkturberichte/2022/deutsche-wirtschaft-im-winter-2022-im-kriechgang-durch-die-energiekrise-17876/ (retrieved 2 January 2023).
[17] IfW Kiel - Kiel Economic Reports 2022-Q4: https://www.ifw-kiel.de/de/publikationen/kieler-konjunkturberichte/2022/weltwirtschaft-im-winter-2022-wenig-auftrieb-viel-gegenwind-17875/ (retrieved 2 January 2023).
[18] IfW Kiel - Kiel Economic Reports 2022-Q4: https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/-ifw/Konjunktur/Prognosetexte/deutsch/2022/KKB_97_2022-Q4_Welt.pdf (retrieved 2 January 2023).
[19] Gartner, Inc. – Erwartung Weltweite IT-Ausgaben: https://www.gartner.com/en/newsroom/press-releases/2023-01-18-gartner-forecasts-worldwide-it-spending-to-grow-2-percent-in-2023 (retrieved 18 January 2023).
[20] Gartner, Inc. – Erwartung Weltweite IT-Ausgaben: https://www.gartner.com/en/newsroom/press-releases/2023-01-18-gartner-forecasts-worldwide-it-spending-to-grow-2-percent-in-2023 (retrieved 2 January 2023).
[21] Gartner, Inc. – Erwartung Weltweite IT-Ausgaben: https://www.gartner.com/en/newsroom/press-releases/2023-01-18-gartner-forecasts-worldwide-it-spending-to-grow-2-percent-in-2023 (retrieved 2 January 2023).

Guidance 2023

In EUR million, unless otherwise stated	**Guidance 2023**	Fiscal Year 2022
Revenue (IFRS)	**EUR 620 m to EUR 645 m** +10 % to 14 % YoY	565.9
Adjusted (revenue) EBITDA margin	**Around 40 %**	41 %

As outlined in the chapter entitled “Management System”, since the beginning of the 2023 fiscal year, TeamViewer has been using revenue as its primary key performance indicator, while billings became a secondary KPI. The above-mentioned guidance translates into billings in the range of EUR 675 million to EUR 705 million (2022: EUR 634.8 million) and an adjusted EBITDA margin in relation to billings of approximately 45 %. The billings range for 2023 is based on an average EUR/USD exchange rate for 2022 of 1.05.

TeamViewer is maintaining its existing capital allocation strategy, whereby the Company is targeting a sustainable leverage ratio of approximately 1.5x net debt to adjusted (billings) EBITDA (LTM). This leverage ratio gives the Company the flexibility it needs to drive organic growth and make complementary acquisitions that enhance its existing capabilities.

Based on TeamViewer’s strong cash flow generation and high confidence in its guidance 2023, on 6 February 2023, the Company resolved to distribute excess cash to its shareholders in the form of a share buyback programme. The new share buyback programme, which is planned to be executed in two tranches, amounts to a volume of up to EUR 150 million. The first tranche of up to EUR 75 million, but not exceeding 9,112,985 shares, started on 15 February 2023.

Overall assessment of future development

TeamViewer’s product solutions are highly relevant for customers as they help them to securely manage remote operations. This leads to increased efficiency and improved sustainability profiles. In times of labour shortage, TeamViewer’s product portfolio is gaining increased relevance. The Management Board therefore expects to continue cross- and upselling the existing client base and winning new customers as well as consistently expanding the enterprise business in 2023.

8 Remuneration Report

This chapter has not been audited by the auditor.

The remuneration report describes the basic principles of the remuneration system for members of the Management Board and Supervisory Board as well as the amount of individual remuneration granted or owed to the members of the Management Board and Supervisory Board TeamViewer AG in the 2022 fiscal year. The report complies with the legal requirements of § 162 of the German Stock Corporation Act (AktG) as well as the recommendations of the German Corporate Governance Code (GCGC) both as amended on 28 April 2022 and as amended on 16 December 2019 and applicable in the 2022 fiscal year up to this date. The Management Board and Supervisory Board of TeamViewer AG have prioritised clear, comprehensible and transparent reporting in preparing the remuneration report. The remuneration report was formally audited by the auditor in accordance with § 162 (3) sentences 1 and 2 AktG.

Remuneration for fiscal year 2022 in retrospect

Business development in 2022

In the 2022 fiscal year, TeamViewer consistently delivered on its growth strategy, achieving profitable growth despite major geopolitical and macroeconomic challenges. TeamViewer successfully executed a series of organisational and operational measures during the fiscal year to position the Company for the future. Organisationally, the focus was on completing the ReMax programme, expanding the management team and strengthening the financial profile, which included a share buyback programme, repaying financial liabilities and concluding hedging transactions to protect against future interest rate and currency risks. In the operating business, TeamViewer focused on the continued implementation of its growth strategy along the growth dimensions defined. This included various cross-selling and upselling initiatives, the targeted strengthening of the Company's presence in growth markets and expanding strategic technology partnerships.

As a result, TeamViewer was able to achieve its capital market guidance. Billings increased by 16 % to EUR 634.8 million, which was in line with the revised guidance given in August 2022 of "approximately EUR 630 million". Revenue of EUR 565.9 million also met expectations of "EUR 565 to 580 million". The adjusted EBITDA margin of 47 % was at the upper end of the guidance range of 45–47 %.

The "pay for performance" principle of the remuneration system stating that exceptional performance should be appropriately rewarded and that missed targets should result in a reduction in remuneration is reflected, above all, in the Management Board remuneration for the 2022 fiscal year presented below.

Changes in corporate governance

Changes occurred in both the Management Board and the Supervisory Board of TeamViewer AG in the 2022 fiscal year. Michael Wilkens was appointed as a member of the Management Board and Chief Financial Officer (CFO) of TeamViewer AG as of September 2022. His mandate runs until August 2025. Peter Turner was appointed as a member of the Management Board of TeamViewer AG and Chief Commercial Officer (COO) as of July 2022. His mandate runs until July 2025. In the fiscal year 2022, Stefan Gaiser was a member of the Management Board of TeamViewer AG and its CFO until August 2022. He left the Company by mutual agreement upon the expiry of his contract in August 2022.

Following the pre-term departure of former TeamViewer AG Supervisory Board member Jacob Fonnesbech Aqraou, Ralf W. Dieter has been judicially appointed as a member of the Supervisory Board as of October 2022. The confirmation of his appointment by the Annual General Meeting will be carried out at the 2023 Annual General Meeting (AGM). The 2022 AGM confirmed the appointment of Hera Kitwan Siu for a period of four years. Beyond these, no other changes took place on the Management Board or Supervisory Board of TeamViewer AG.

Vote on the remuneration report at the Annual General Meeting 2022

The remuneration Report 2021, which reports on the compensation granted and owed to members of the Management Board and Supervisory Board of the Company in the 2021 fiscal year, was prepared for the first time in accordance with § 162 AktG, formally reviewed by the auditor in accordance with § 162 (3) sentence 1 and 2 AktG, and approved by a majority of

93.15 % at the Annual General Meeting on 17 May 2022. In view of the high level of approval for the remuneration report, the remuneration report 2022 follows a similar structure. In the interests of even greater transparency, further details and overviews to the chapter on short-term variable compensation/STI bonus have been added.

Principles of Management Board remuneration

Objective of the remuneration system

The current remuneration system for the members of the Management Board of TeamViewer AG was adopted by the Supervisory Board on 17 March 2021 at the recommendation of its Nomination and Remuneration Committee. It was approved by the Company's Annual General Meeting on 15 June 2021 with a 96.23 % majority of the votes cast and has applied to all Management Board members in the 2022 fiscal year. The remuneration system complies with the requirements of the German Stock Corporation Act and the relevant recommendations of the German Corporate Governance Code.

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

Structure of the Management Board remuneration

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

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

The remuneration system for the Management Board applies to new Management Board members, to reappointments of incumbent Management Board members, and to other amendments to existing employment contracts. The remuneration system has been applied to the employment contracts of the current Management Board. Therefore no deviations from the remuneration system of the Management Board in accordance with § 162 (1) sentence 2 no. 5 AktG. In the 2022 fiscal year, the Supervisory Board did not make use of the options anchored in the remuneration system in accordance with the legal requirements to temporarily deviate from the remuneration system.

Further information on the Management Board remuneration system can be found on the Company's Investor Relations website (ir.teamviewer.com/remuneration) in the Governance & ESG chapter.

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

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

The remuneration system adopted by the Supervisory Board was approved by the 2021 Annual General Meeting and applied in the 2022 fiscal year. The Supervisory Board regularly reviews the remuneration system and makes any changes deemed necessary. In accordance with the requirements of § 120a AktG, the remuneration system is resubmitted to the Annual General Meeting for approval no later than every four years and in the event of significant changes. Should the Annual General Meeting reject the remuneration system, a revised remuneration system is submitted to the subsequent Annual General Meeting for approval.

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

Appropriateness of Management Board remuneration

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

The Nomination and Remuneration Committee regularly reviews the appropriateness of the Management Board's remuneration and proposes adjustments to the Supervisory Board when necessary in order to comply with regulatory requirements and ensure the remuneration is commensurate with the market. In doing so, the Committee did not identify any indications of inappropriate development or a need for an adjustment in the 2022 fiscal year.

In order to assess the appropriateness of the remuneration, the Nomination and Remuneration Committee considers the amount of the remuneration in comparison to the remuneration of members of the Management Board of comparable companies (horizontal comparison) as well as the vertical appropriateness in relation to the remuneration and employment conditions of the senior management and the overall workforce of TeamViewer AG (vertical comparison).

For the horizontal comparison, the Supervisory Board selects a group of comparable companies based on the country, company size and sector. To assess the remuneration granted in the 2022 fiscal year, the Board used a group consisting of international technology companies of similar size and the companies listed in the MDAX. This provided an appropriate comparison both in terms of similarly sized companies in Germany and international companies in the same sector. The Supervisory Board's comparison took primarily the following aspects into account:

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

The vertical (internal) comparison encompasses TeamViewer AG's upper management circle and its workforce. The comparison assesses both the current ratio and the change in the ratio of the remuneration of the Management Board to the workforce as a whole. The comparison also took into account the remuneration of the Senior Leadership Team as the upper management circle of the Group.

Overview of remuneration components

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

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

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

The percentage of fixed remuneration as a share of total target remuneration ranges between 30 % and 40 %. The annual base salary accounts for 90 % to 100 % of fixed remuneration and fringe benefits amount to up to 10 %. The percentage of variable remuneration as a share of total target remuneration is between 60 % and 70 %, of which STI ranges from 30 % to 47 % of the total and LTI from 53 % to 70 %. Subsequent changes to the target values or comparison parameters set by the Supervisory Board in each case for the upcoming fiscal year are excluded.

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

Management Board remuneration in the 2022 fiscal year

The following table provides an overview of TeamViewer's remuneration system.

Overview of the remuneration system

30 % – 40 % fixed		**Base salary**	● Fixed cash remuneration, monthly payment in twelve equal installments
		Fringe benefits	● Car allowance ● Contribution to insurances (private health and nursing care insurance, accident insurance, D&O insurance)
60 % – 70 % variable	30 % – 47 % short-term	**Short-Term Incentive (STI)**	● Annual cash bonus ● Performance targets: – Billings, adjusted EBITDA, non-financial performance targets comprising ESG aspects and personal performance criteria ● Cap: 200 % of the target amount
	53 % – 70 % long-term	**Long-Term Incentive (LTI)**	● Performance share plan ● Performance period: four years ● Performance targets: – average billings growth, average EBITDA growth, relative total shareholder return (50 % vs. STOXX 600 Technology and 50 % vs. MDAX initially) and non-financial performance targets comprising ESG aspects ● Cap: 200 % of the target amount
		Further contractual components	● Share Ownership Guidelines: – Investment of 200 % of base salary for the CEO and 100 % of base salary for the CFO/Ordinary Board Member – Holding until the end of appointment ● Maximum remuneration: – Cap of the total remuneration granted for one fiscal year in accordance with § 87a (1) sentence 2 no. 1 AktG – EUR 9,800,000 for the CEO and Ordinary Board Member each ● Malus and clawback: – Full or partial reduction/repayment of variable remuneration in case of material breaches or in the event of incorrect consolidated financial statements ● Severance payment: – Limited to two years' fixed remuneration plus STI, but not exceeding the remaining term of the service agreement

Fixed remuneration

Annual base salary

In the 2022 fiscal year, all Management Board members received an annual fixed base salary in cash, payable in twelve equal monthly instalments. Chief Executive Officer Oliver Steil received a gross amount of EUR 900,000 p.a., Mr Wilkens received a gross amount of EUR 700,000 p.a., Mr Turner received a gross amount of EUR 475,000 p.a. and Mr Gaiser received a gross amount of EUR 550,000 p.a. The annual base salary was paid pro rata temporis for Mr Wilkens, Mr Turner and Mr Gaiser.

Fringe benefits

The Management Board members were also granted fringe benefits in kind. These consisted mainly of lump-sum payments of EUR 2,000 per month for the use of a private car for business trips, contributions to the (private or state) health and long-term care insurance (in the amount of the statutory employer's contributions to the statutory health and long-term care insurance or a maximum of half of the contribution actually expended), continued payment of salary in the event of incapacity to work due to illness or death, and accident insurance in the event of death and disability. The Company also provided Mr Gaiser with a driving service for certain trips. All Management Board members are insured against third-party liability claims through a D&O insurance policy at the Company's expense with a deductible in accordance with the provisions of company law amounting to 10 % of the damage, but no more than 150 % of the annual base salary.

In order to attract qualified candidates to the Management Board, the Supervisory Board is also able to grant appropriate compensation to new Management Board members in a manner in line with the market. Examples include compensation for forfeited remuneration at previous employers. In the 2022 fiscal year, the Company granted Mr Wilkens a one-time compensation payment of EUR 150,000 (gross) as compensation for forfeited remuneration at his previous employer.

The Company shall reimburse Mr Turner for the costs of a tax advisor for the preparation of his tax returns in Germany up to an amount of EUR 5,000 plus VAT p.a. upon provision of proof. The Company shall also reimburse him for the additional costs of a tax advisor for the preparation of his tax returns in the United Kingdom incurred as a result of receiving foreign income up to an amount of EUR 3,000 plus VAT p.a., upon furnishing proof thereof. Mr Turner will bear any applicable income tax on the reimbursement. Any income tax payable on this amount shall be borne by Mr Turner.

No granting of loans and other types of guarantees or commitments

As at 31 December 2022, no loans or advances had been granted to members of the Company's Management Board. As in the previous year, no guarantees or commitments were entered into in favour of Management Board members.

Variable remuneration elements

Short-term variable remuneration/STI bonus

The short-term incentive bonus (STI bonus) is the short-term variable remuneration element with a term of one year. The annual cash bonus is dependent on the achievement of certain financial targets (according to billings-based performance targets and/or adjusted EBITDA targets), as well as certain optional non-financial corporate targets (particularly sustainability and ESG aspects). The amount of the STI bonus also depends on the achievement of personal performance targets, which are weighted on a percentage basis and set by the Supervisory Board at the beginning of the fiscal year individually for each Management Board member. The current remuneration system includes the option of taking non-financial corporate objectives into account for the STI assessment, which is meant to ensure that sustainability aspects are incorporated into the STI bonus consideration to an even greater extent than before, reflecting the overriding importance TeamViewer places on ESG aspects. For the 2022 fiscal year, ESG aspects were included as a central criterion ("modifier criteria") in assessing the individual performance of all Management Board members in order to underscore the high significance of ESG aspects.

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

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

Basis for the assessment of the STI bonus

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

Assuming 100 % target achievement (and no malus or clawback events), the target remuneration in the 2022 fiscal year was as follows:

STI bonus for 100 % target achievement in the 2022 fiscal year	Target remuneration p.a. in EUR	Target remuneration pro rata temporis in EUR
Oliver Steil	900,000	900,000
Michael Wilkens [2] *(as of 1 September 2022)*	700,000	233,333
Peter Turner[1,2] *(as of 11 July 2022)*	440,000	208,172
Stefan Gaiser[2] *(until 18 August 2022)*	500,000	315,860

[1] In the case of Mr Turner, the STI bonus shall be adjusted annually on 1 January, if necessary, for the first time as of 1 January 2023, based on the applicable EUR/GBP exchange rate as per TeamViewer Accounting department.

[2] The STI bonus for Mr Wilkens, Mr Turner and Mr Gaiser is pro rata temporis based on the respective active employment period.

The STI bonus is limited to a maximum of 200 % of the target STI bonus. If the respective employment contract begins or ends during the course of a year, the STI bonus is calculated pro rata temporis for the period the employment relationship existed in the respective fiscal year. In this case, the degree of target achievement is determined according to the originally defined parameters, even in the event of a departure during the year, and is paid at the regular due date. The STI bonus, insofar as an entitlement to such has arisen, is due for payment six weeks after the adoption of the consolidated financial statements.

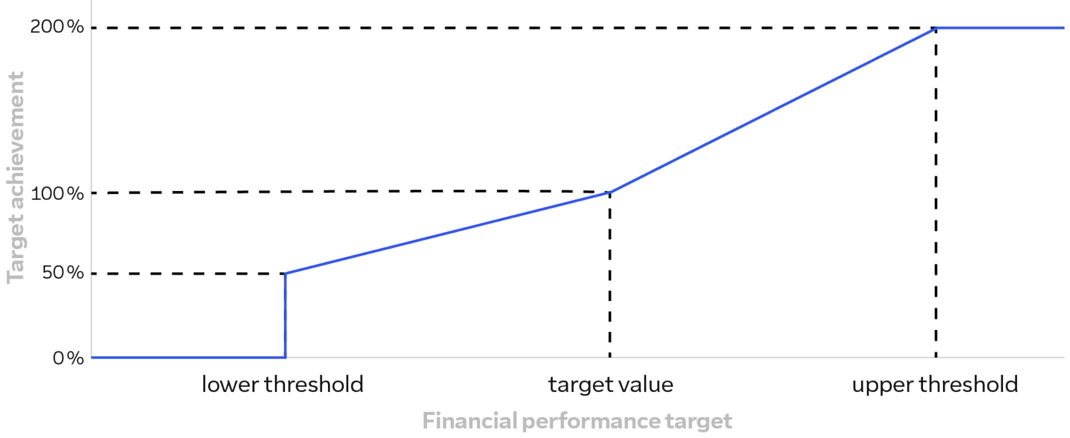
Overall degree of target achievement

The Supervisory Board set the target values for the STI bonus for the 2022 fiscal year for Mr Steil and Mr Gaiser on 25 January 2022 and for Mr Wilkens and Mr Turner on 29 July 2022. It specified the collective and individual personal performance criteria for each Management Board member in addition to the financial performance targets for billings and adjusted EBITDA, each weighted at 50 %.

Financial targets

For the 2022 fiscal year, the target achievement curves shown below apply to all Management Board members. The target achievement between these amounts is determined in each case by linear interpolation. The target achievement is 0 % if the lower limit is not reached.

Target achievement curve for financial performance targets



STI 2022 target achievement for financial performance criteria

Performance criterion	Lower limit at 50 % target achievement	Target value for 100 % target achievement	Upper limit at 200 % target achievement	Results 2022	**Target achievement in %**
Billings (50 %)	621.0	**641.0**	661.0	634.8	84 %
Adjusted EBITDA (50 %)	280.5	**300.5**	324.5	298.7	96 %
Overall degree of target achievement in %					**90 %**

Personal performance criteria/Modifier factor

The individual personal performance criteria of the Management Board focused primarily on the Company's sustainable, long-term growth, sustainability (ESG criteria and improving the Company's ESG scores and the recruitment and promotion of high-calibre female executives), the further development and enhancement of the Company's organisational structure and processes, the onboarding of Michael Wilkens and Peter Turner, as well as the strengthening and positioning of TeamViewer within the framework of the capital market strategy.

The Supervisory Board as well as the Nomination Committee have dealt in detail with the individual target achievement of both the entire Management Board and each individual Management Board member following the close of the 2022 fiscal year. Once the consolidated financial statements for the respective fiscal year are approved, the Supervisory Board determines the degree of target achievement (in per cent) with regard to the financial and non-financial performance targets. This includes the resulting overall degree of target achievement, taking into account the weighting of the individual financial and non-financial performance targets and the individual modifier factors in a range of 0.8 to 1.2, at the Supervisory Board's reasonable discretion, depending on the target achievement of the respective criteria set.

Board member	Individual targets	Target achievement in %	Modifier factor
Oliver Steil	The performance of CEO Oliver Steil in the 2022 fiscal year was measured above all based on the growth initiative in the Enterprise business, increasing growth in the SMB business, building a leading global tech brand, improving the ESG profile, communicating with investors and strengthening the organisational structure and processes.	109.56 %	1.0956
Michael Wilkens	The individual target achievement of Chief Financial Officer Michael Wilkens was assessed in 2022 based on a smooth onboarding process, strengthening and positioning TeamViewer within the capital markets strategy, setting the budget and funding for 2023, ensuring legal and compliance requirements are met, setting targets to improve the reputation of the TeamViewer share from an ESG perspective, including supporting the recruitment and development of a high-calibre female leadership group, further improving ESG ratings, and reducing the Company's CO_2 footprint.	120 %	1.2
Peter Turner	CCO Peter Turner's individual target achievement was assessed for 2022 based on a smooth onboarding process, demand generation and growth of the webshop and inside sales, building a new, high-performing marketing team filling key positions, focusing on commercial results and targets to improve TeamViewer's share reputation from an ESG perspective.	98.5 %	0.985
Stefan Gaiser	The individual target achievement of CFO Stefan Gaiser was assessed until the end of his contract in August 2022 based on his support during the exit process and handover process to the new CFO, communication with investors, the Company's capital market strategy, the ongoing share buyback programme and related strategy, and the implementation of ESG measures to reduce carbon emissions.	114.78 %	1.1478

For the 2022 fiscal year, the summary for the STI is as follows:

Board member	Overall degree of target achievement in %	Target remuneration in EUR	Modifier factor	**STI bonus for the 2022 fiscal year in EUR**
Oliver Steil	90 %	900,000	1.0956	887,436
Michael Wilkens *(as of 1 September 2022)*	90 %	233,333	1.2	252,000
Peter Turner[1] *(as of 11 July 2022)*	90 %	208,172	0.985	184,544
Stefan Gaiser *(until 18 August 2022)*	90 %	315,860	1.1478	326,290

[1] In the case of Mr Turner, the STI bonus shall be adjusted annually on 1 January, if necessary, starting as of 1 January 2023, based on the applicable EUR/GBP exchange rate as per TeamViewer Accounting department.

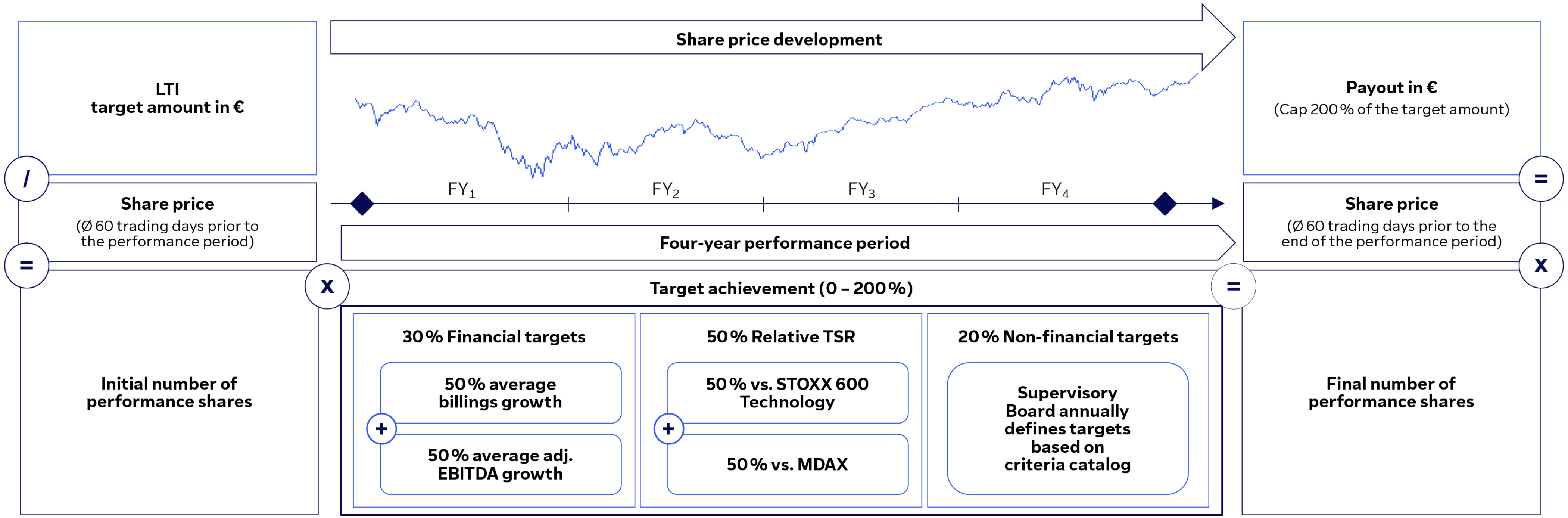
STI as part of the remuneration granted and owed in the 2022 fiscal year
The STI bonus for the 2022 fiscal year concerns remuneration for the full performance of the underlying activity in the 2022 fiscal year, even if payment is not made until 2023. For the purposes of accrual-based allocation, the STI is reported as remuneration granted and owed in the 2022 fiscal year in accordance with § 162 AktG.

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

The long-term variable remuneration for the 2022 fiscal year is remuneration not yet granted in accordance with § 162 AktG, as the vesting and performance period for the LTIP 2022–2025 does not end until the 2025 fiscal year. The Company's first LTIP (LTIP 2020–2023) does not end until the 2023 fiscal year, meaning the following disclosures are voluntary.

The Management Board members also participated in the Company's applied long-term incentive programme (LTIP) in the 2022 fiscal year. Long-term incentive (LTI) is measured based on "performance shares" with a four-year performance period. The terms and conditions of the LTIP are determined by the Supervisory Board at its reasonable discretion for each performance period. Unless the Supervisory Board decides to redefine the terms and conditions of the LTIP, the terms and conditions of the LTIP for the fiscal year preceding shall also apply to the next performance period.

Long-Term Incentive



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

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

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

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

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

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

LTIP for the 2022 to 2025 performance period

Each fiscal year marks the start of a new assessment period (performance period) in accordance with the terms of the applicable LTIP. After the end of each fiscal year, the achievement of certain predefined targets is measured. The LTIP allocated in the 2022 fiscal year is based on the 2022 to 2025 performance period.

The Supervisory Board defined the following target components for the 2022 fiscal year:

Remuneration components for the Management Board

Targets	Weighting	Conditions
1. Long-term financial target	30 %	50 %: Average billings growth 2022-2025[1] 50 %: Average Adjusted EBITDA growth 2022-2025[1]
2. Non-financial strategic objective	20 %	50 %: Net promoter score (collected externally) 50 %: ESG targets
3. Share price/ return-based target	50 %	50 %: Relative stock return vs. STOXX® 600 Technology 50 %: Relative stock return vs. MDAX®

[1] Average of the four annual growth rates for the years 2022 to 2025.

In addition to setting the target values for the long-term financial targets (average billings and adjusted EBITDA growth in the years 2022 to 2025), the non-financial targets were supplemented by a further ESG-based remuneration component aimed at effectively increasing the proportion of women in executive positions and improving the net promoter score. Targets were also set for the relative return for TeamViewer shares compared with the STOXX® 600 Technology and MDAX, with a relative performance target of 6.67 % outperformance over the respective benchmark index (minimum value of 0 % and maximum value of 20 % outperformance). All companies contained in the respective benchmark index were taken into account.

The terms of the current LTIP provide for the allocation of a tranche of virtual shares (performance shares) at the beginning of the first fiscal year of the performance period 2022 to 2025. The initial tranche of performance shares allocated is used as the basis for calculating any LTIP payout at a later date, taking into account performance measurement/ target achievement at the end of the four-year measurement period. The initial number of performance shares allocated in a tranche is calculated by dividing the allocation value promised to the Management Board member by the average closing price of the Company's share on the last 60 trading days before the start of the performance period (rounded to full performance shares).

LTI bonus for 100 % target achievement in the 2022 fiscal year	Target remuneration p.a. in EUR	Target remuneration pro rata temporis in EUR
Oliver Steil	1,000,000	1,000,000
Michael Wilkens[2] (*as of 1 September 2022*)	830,000	276,667
Peter Turner[1,2] (*as of 11 July 2022*)	600,000	250,000
Stefan Gaiser[2] (*until 18 August 2022*)	550,000	320,833

[1] In the case of Mr Turner, the STI bonus shall be adjusted annually on 1 January, if necessary, starting as of 1 January 2023, based on the applicable EUR/GBP exchange rate as per TeamViewer Accounting department.

[2] The LTI bonuses for Mr Wilkens, Mr Turner and Mr Gaiser are pro rata temporis based on the respective active employment period.

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

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

Further disclosures on share-based payments through performance shares can be found in the notes to the consolidated financial statements (pp. 121 ff.).

Malus and Clawback

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

Variable remuneration amounts already paid out can be reclaimed within a clawback period if clawback criteria emerge during the period for which the variable remuneration component was paid. The clawback period for each variable remuneration component begins with the expiry of the performance period on which it is based and ends two years after this date. In the 2022 fiscal year, there were neither reductions nor clawbacks of variable remuneration components due to malus or clawback events.

Overview of the target and maximum remuneration structure in fiscal year 2022

Target remuneration 2022 (annual base salary, STI bonus and LTI for 100 % target achievement excluding fringe benefits)	Annual base salary in EUR	STI in EUR	LTI in EUR	**Total in EUR**
Oliver Steil	900,000 (32 %)	900,000 (32 %)	1,000,000 (36 %)	2,800,000
Michael Wilkens *(as of 1 September 2022)*	233,333 (31 %)	233,333 (31 %)	276,667 (38 %)	743,333
Peter Turner *(as of 11 July 2022)*	224,306 (33 %)	208,172 (31 %)	250,000 (36 %)	682,478
Stefan Gaiser *(until 18 August 2022)*	348,333 (35 %)	315,860 (32 %)	320,833 (33 %)	985,026
Total				**5,210,837**

Maximum remuneration structure 2022 (annual base salary, STI bonus and LTI at 200 % target achievement excluding fringe benefits)	Annual base salary in EUR	STI in EUR	LTI in EUR	**Total in EUR**
Oliver Steil	900,000 (19 %)	1,800,000 (38 %)	2,000,000 (43 %)	4,700,000
Michael Wilkens *(as of 1 September 2022)*	233,333 (19 %)	466,667 (37 %)	553,333 (44 %)	1,253,333
Peter Turner *(as of 11 July 2022)*	224,306 (20 %)	416,344 (37 %)	500,000 (43 %)	1,140,650
Stefan Gaiser *(until 18 August 2022)*	348,333 (21 %)	631,720 (39 %)	641,667 (40 %)	1,621,720
Total				**8,715,703**

The fixed and variable remuneration components paid to the Management Board members in the 2022 fiscal year fully comply with the requirements of the remuneration system approved by the Company's Annual General Meeting in 2021. In particular, the amount of remuneration granted also complied with the maximum remuneration stipulated by the remuneration system. To avoid unlimited or excessive remuneration of the Management Board, remuneration is limited in two ways. First, the payment of variable remuneration components is limited to 200 % of the target amount for both the STI and the LTI. Second, the Supervisory Board has set a maximum level of remuneration for the members of the Management Board in accordance with § 87a (1) sentence 2 no. 1 AktG, which includes all fixed and variable remuneration components granted for a single fiscal year. The maximum remuneration realisable for a given fiscal year may not exceed EUR 9,800,000 p.a. for each Management Board member. Should the defined maximum remuneration for a fiscal year be exceeded, the amount paid out under the LTI will be reduced accordingly.

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

Shareholding obligations

The Company's Management Board members are obliged to hold shares in TeamViewer AG for the duration of their appointment as Board members, whereby this obligation must be fulfilled for the first time no later than after the expiration of four years (or two years in the case of Mr Steil and Mr Gaiser, and one year in the case of Mr Wilkens and Mr Turner) since their initial appointment. The number of shares in the Company to be held (restricted shares) is calculated by dividing (i) the annual base remuneration by (ii) the value of the Company's share at the time of the IPO. The shares granted by the Company's principal[22] shareholder to redeem previous shareholding commitments for participating in the increase in the Company's value (see third-party benefits below) may be used for this purpose.

Shares held by members of the Management Board as of 31 December 2022:

Management Board members	Number of shares
Oliver Steil	2,500,000
Michael Wilkens	73,300
Peter Turner	50,321

Based on the aforementioned shareholdings of the Management Board members, their compliance with the shareholding obligations was established as at 31 December 2022. Michael Wilkens and Peter Turner were not subject to the shareholding obligation in their first year on the Management Board. Stefan Gaiser was no longer a member of the Management Board as at 31 December 2021.

Benefits in the event of pre-term termination of employment

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

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

[22] TigerLuxOne S.à r.l. (TLO); in further mentions of a principal shareholder, these will refer to TLO.

Benefits in the event of regular termination of employment

In the event of a regular termination of employment, no severance payment or other comparable benefit has been promised to the members of the Management Board. In the event of the departure from the Management Board under or a termination of this employment contract during the year or a leave of absence, the degree of target achievement as well as the modifier factor are calculated and determined on the basis of the defined target parameters (financial targets and modifier criteria) at the usual time (after the end of the fiscal year).

Benefits in the case of a post-contractual non-compete clause

For the duration of a post-contractual competition ban, the Management Board member shall receive compensation amounting to 50 % of the last contractual benefits received. Any statutory fees on this amount shall be borne by the Management Board member. Any non-compete compensation is reduced by income the Management Board member earned through other use of the member's services or as a benefit according to SGB III during the period for which the non-compete compensation is paid, provided the non-compete compensation would exceed 110 % of the contractual benefits last received by the member when this amount is added. Any severance payment shall be credited against the non-compete compensation.

Mr Gaiser and the Supervisory Board reached a mutual agreement in October 2021 on the expiry of Mr Gaiser's employment contract on 18 August 2022. Stefan Gaiser is subject to a twelve-month non-compete clause following the termination of his employment contract. During the non-compete period, Mr Gaiser will receive compensation in the amount of 50 % of the last agreed remuneration, consisting of annual base salary, STI and LTI. The amount of 50 % of the last agreed remuneration received is EUR 506,275. Accordingly, the compensation amounts to EUR 42,189 per month and is paid monthly for a period of twelve months. All payments are to be understood as payments on account due to the variable compensation components. After the expiry of all vesting periods, the compensation is adjusted according to the actual achievement of targets.

Third-party benefits

Management Board members Oliver Steil and Stefan Gaiser (while still managing directors of TeamViewer GmbH and Regit Eins GmbH) agreed with the Company's principal shareholder at the time on participation in the increase in value of the Company and also acquired an indirect interest in the Company ("management equity participation – MEP"). Prior to the

Company's IPO in 2019, the stock appreciation rights were modified. After the IPO, the participation commitments were partially paid out based on the value appreciation achieved, and the indirect participation was sold. This resulted for both parties in an inflow of funds and entitlements to future benefits. These benefits were or will be granted exclusively by the main shareholder or its affiliated companies and not by the Company. Nevertheless, these are to be recognised as an expense by TeamViewer AG in accordance with the relevant provisions of IFRS (Consolidated Group).

In 2019, Oliver Steil received an amount of EUR 39,734,344.93 and Stefan Gaiser an amount of EUR 19,907,507.22 in this connection. As outlined in the Company's securities prospectus dated 11 September 2019, this has been supplemented by two share allocations subject to certain conditions. For the tranche maturing in 2020, these conditions ultimately occurred on 1 October 2020. On 1 December 2020, Mr Steil was therefore allotted 1,765,971 shares and Mr Gaiser 884,778 shares from the holdings of the principal shareholder. These shares are held by Mr Steil and Mr Gaiser, with the exception of a proportion sold immediately upon allocation, mainly to settle taxes and costs. The second share allocation in an identical amount was made on 1 December 2021. These shares are also held by Mr Steil and Mr Gaiser, with the exception of a proportion sold mainly to settle taxes and costs immediately upon allocation.

In 2021, Mr Steil and Mr Gaiser decided to settle a portion of the taxes and costs incurred in this connection from their own funds and therefore sold significantly fewer shares than in the previous year. After these allocations as well as the further acquisition of shares from own funds, the shareholding requirements (Share Ownership Guidelines) were fulfilled by both in 2021.

In the 2022 fiscal year, no member of the Management Board received benefits from a third party with regard to their activities as a member of the Company's Management Board.

Remuneration granted and owed

The following tables show the remuneration granted and owed to the current members of the Management Board in the past fiscal year in accordance with § 162 (1) sentence 1 AktG.

This includes all fixed and variable remuneration components as well as their respective relative share per Management Board member. Remuneration is "granted" when it has actually accrued to the member of the governing body and has thus been transferred to the member's assets, regardless of whether the accrual is for the fulfilment of the obligation or for no legal reason. In this context, remuneration can already be stated for the fiscal year in which the underlying activity (of one or more years) has been fully performed. Accordingly, with regard to the remuneration of the Management Board, the amounts of the STI and LTI are reported below as "granted" in the 2022 fiscal year when the performance period has expired as of 31 December 2022, since the underlying services were fully performed by the reporting date of 31 December 2022, even if payment is not made until the following year. This ensures that reporting is transparent and easy to understand and ensures there is a link between performance and remuneration in the fiscal year. "Owed" is remuneration if, in the fiscal year for which the remuneration report is prepared, the Company has a legally existing obligation to the governing body member that is due but not yet fulfilled. All tables contain the remuneration granted and owed to current and former members of the Management Board and current and former members of the Supervisory Board.

The table shows the annual base remuneration, fringe benefits, STI and other remuneration (compensation payments, non-compete compensation for post-contractual non-compete clause) paid out in the fiscal year. The Company does not have any current pension expenses. The LTI did not represent remuneration granted or owed in the 2022 fiscal year, as the claims from the LTI tranches granted in previous years are not yet due and the LTI tranches granted in 2020, 2021 and 2022 do not, by definition, represent remuneration granted and owed in 2022.

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

Remuneration granted and owed to the current Management Board members in accordance with § 162 (1) sentence 1 AktG for the fiscal year 2022 (1 January 2022 to 31 December 2022), Part I

	Oliver Steil, Chairman of the Board/CEO				Michael Wilkens, Chief Financial Officer/CFO 1 September 2022–31 December 2022			
	2021 in EUR	2021 in % TR	**2022 in EUR**	**2022 in % TR**	2021 in EUR	2021 in % TR	**2022 in EUR**	**2022 in % TR**
Annual basic salary	900,000	4.08 %	**900,000**	**49.73 %**	–	–	**233,333**	**36.27 %**
Fringe benefits	21,981	0.10 %	**22,307**	**1.23 %**	–	–	**8,000**	**1.24 %**
Total	**921,981**	**4.18 %**	922,307	50.96 %	–	–	241,333	37.51 %
One-year variable remuneration (STI)								
2021	–	–	–	–	–	–	–	–
2022	–	–	887,436	49.04 %	–	–	252,000	39.17 %
Multi-year variable remuneration (LTIP)								
2020–2023	–	–	–	–	–	–	–	–
2021–2024	–	–	–	–	–	–	–	–
2022–2025	–	–	–	–	–	–	–	–
Other	21,138,673[1]	95.82 %	–	–	–	–	150,000[2]	23.32 %
Total	**21,138,673**	**95.82 %**	887,436	49.04 %	–	–	402,000	62.49 %
Total remuneration (as defined by § 162 AktG)	**22,060,654**	**100 %**	**1,809,743**	**100 %**	**–**	**–**	**643,333**	**100 %**

[1] Third-party payment paid by the main shareholder or its majority shareholder. In 2021, this payment was made in the form of share transfers; 1,765,971 shares at the weighted average price on 1 December 2021 of EUR 11.97 per share.

[2] One-off compensation payment related to the initial appointment as compensation for forfeited remuneration at previous employer.

Remuneration granted and owed to the current Management Board members in accordance with § 162 (1) sentence 1 AktG for the fiscal year 2022 (1 January 2022 to 31 December 2022), Part II

	Peter Turner Chief Commercial Officer/CCO 11 July 2022–31 December 2022			
	2021 in EUR	2021 in % TR	**2022 in EUR**	**2022 in % TR**
Annual base salary	–	–	224,306	**54.84 %**
Fringe benefits	–	–	168	**0.04 %**
Total	**–**	**–**	**224,474**	**54.88 %**
One-year variable remuneration (STI)				
2021	–	–	-	-
2022	–	–	**184,545**	**45.12 %**
Multi-year variable remuneration (LTIP)				
2020–2023	–	–	-	-
2021–2024	–	–	-	-
2022–2025	–	–	-	-
Other	–	–	-	-
Total	**–**	**–**	**184,545**	**45.12 %**
Total remuneration (as defined by § 162 AktG)	**–**	**–**	**409,018**	**100 %**

The following table shows the remuneration of the former member of the Management Board granted and owed in the past fiscal year in accordance with § 162 (1) sentence 1 AktG. After ten years following the end of the fiscal year in which Management Board members end their activity, their personal information is omitted in accordance with § 165 (5) AktG.

Remuneration granted and owed to former Management Board members in accordance with § 162 (1) sentence 1 AktG for the fiscal year 2022 (1 January 2022 to 31 December 2022)

	Lisa Agona, Chief Marketing Officer/CMO 19 April 2021–31 December 2021				Stefan Gaiser, Chief Financial Officer/CFO 1 January 2022–18 August 2022			
	2021 in EUR	2021 in % TR	**2022 in EUR**	**2022 in % TR**	2021 in EUR	2021 in % TR	**2022 in EUR**	**2022 in % TR**
Annual base salary	257,690	19.03 %	–	–	550,000	4.92 %	**348,333**	**38.59 %**
Fringe benefits	33,839	2.50 %	–	–	36,845	0.33 %	**42,343**	**4.69 %**
Total	**291,529**	**21.53 %**	–	–	**586,845**	**5.25 %**	**390,676**	**43.28 %**
One-year variable remuneration (STI)								
2021	–	–	–	–	–	–	–	–
2022	–	–	–	–	–	–	**326,290**	**36.15 %**
Multi-year variable remuneration (LTIP)								
2020–2023	–	–	–	–	–	–	–	–
2021–2024	–	–	–	–	–	–	–	–
2022–2025	–	–	–	–	–	–	–	–
Other	1,062,323[1]	78.47 %	–	–	10,590,793[2]	94.75 %	**185,634[3]**	**20.57 %**
Total	**1,062,323**	**78.47 %**	–	–	**10,590,793**	**94.75 %**	**511,924**	**56.72 %**
Total remuneration (as defined by § 162 AktG)	**1,353,852**	**100 %**	**–**	**–**	**11,177,638**	**100 %**	**902,600**	**100 %**

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

[2] Third-party payment paid by the main shareholder or its majority shareholder. In 2021, this payment was made in the form of share transfers; 884,778 shares at the weighted average price on 1 December 2021 of EUR 11.97 per share.

[3] Benefits due to the post-contractual non-competition clause.

Remuneration of the Supervisory Board

The remuneration of Supervisory Board members is governed by § 13 of the Company's Articles of Association and the remuneration system of the Supervisory Board. The remuneration system for Supervisory Board members corresponds to the previous provisions of the Articles of Association on Supervisory Board remuneration in § 13 of the Company's Articles of Association. The current remuneration system was approved by the Annual General Meeting of the Company on 15 June 2021 with 98.71% of the votes cast and came into effect for all Supervisory Board in the 2022 fiscal year. The remuneration system and the Articles of Association are both publicly available.

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

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

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

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

	Fixed annual remuneration		**Participation in committees**		**Total remuneration**	
In EUR	2021	**2022**	2021	**2022**	2021	**2022**
Supervisory Board members in office as of 31 December 2022 Council members						
Dr Abraham Peled (Chairman)	187,500	**187,500**	55,000	**55,000**	242,500	**242,500**
Axel Salzmann (Deputy Chairman as of 1 September 2022)	75,000	**104,837**	110,000	**110,000**	185,000	**214,837**
Stefan Dziarski[1]	–	**–**	–	**–**	–	**–**
Dr Jörg Rockenhäuser[1]	–	**–**	–	**–**	–	**–**
Ralf W. Dieter (as of 17 October 2022)	–	**9,375**	–	**6,875**	–	**16,250**
Hera Kitwan Siu	4,688	**75,000**	–	**30,000**	4,688	**105,000**
Former Supervisory Board members						
Jacob Fonnesbech Agraou (former Deputy Chairman) (until 22 August 2022)	165,000	**106,264**	55,000	**35,421**	220,000	**141,685**

[1] Stefan Dziarski and Dr Jörg Rockenhäuser have waived their remuneration in the 2022 fiscal year.

Comparative presentation of earnings development and annual change in remuneration

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

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

The Company's earnings performance is presented on the basis of net income/loss. In addition, the Group's earnings performance is measured on the basis of billings and adjusted EBIDTA.

Since TeamViewer AG has not had any employees of its own since 1 June 2022, the presentation of the average remuneration of employees on a full-equivalent basis (FTE) is based on the workforce of the TeamViewer Group in Germany (TeamViewer Germany GmbH and Regit Eins GmbH), which consisted of an average of 726 employees (FTE) in the 2022 fiscal year. In comparison, the TeamViewer Group employed 694 employees (FTE) in Germany in the 2021 fiscal year. The average employee remuneration includes personnel expenses for wages and salaries, fringe benefits, employer contributions to social security as well as the variable remuneration components attributable to the respective fiscal year.

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

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

Fiscal year	2018[1]	2019	% change[1]	2020	% change	2021	% change	**2022**	**% change**
Earnings development of TeamViewer AG in EUR									
Net loss for the year (HGB) (in EUR million)	–	2	–	9	-350 %	8	+11 %	**14**	**-75 %**
Earnings development of the TeamViewer Group in EUR									
Billings (non-IFRS) (in EUR million)	–	324.9	–	460.3	+42 %	547,6	+19 %	**634.8**	**+16 %**
Adjusted EBITDA (non-IFRS) (in EUR million)	–	182.1	–	261.4	+44 %	257,0	-2 %	**298.7**	**+16 %**
Average remuneration of employees									
Total workforce TeamViewer AG (until 2022)	–	84,489	–	110,942	+31 %	113,160	+2 %	–	–
Total workforce TeamViewer Group in Germany (as of 2022)	–	–	–	–	–	92,004	-	**95,479**	**+ 4 %**
Management Board remuneration									
Oliver Steil (as of 2019)	–	41,292,291[3]	–	72,883,940[3]	+76 %	22,060,654[3]	-69 %	**1,809,743**	**-92 %**
Michael Wilkens (as of 1 September 2022)	–	–	–	–	–	–	–	**643,333**	–
Peter Turner (as of 17 July 2022)	–	–	–	–	–	–	–	**409,018**	–
Former Management Board members									
Stefan Gaiser (until 18 August 2022)	–	20,844,399[3]	–	36,757,382[3]	+76 %	11,177,638[3]	-69 %	**902,600**	**-92 %**
Lisa Agona (as of 19 April 2021 until 31 December 2021)	–	–	–	–	–	1,353,852[4]	–	–	–
Supervisory Board remuneration									
Dr Abraham Peled (as of August 2019)	–	71,879[2]	–	242,500	+237 %	242,500	0	**242,500**	**0 %**
Axel Salzmann (as of August 2019)	–	82,804[2]	–	185,000	+123 %	185,000	0	**214,837**	**+16 %**
Stefan Dziarski (as of August 2019)	–	–	–	–	–	–	–	–	–
Dr Jörg Rockenhäuser (as of August 2019)	–	–	–	–	–	–	–	–	–
Ralf W. Dieter (as of 17 October 2022)	–	–	–		–	–	–	**16,250**	–
Hera Kitwan Siu (as of 26 November 2021)	–	–	–	–	-	4,688	–	**105,000**	**+2,140%**
Former Supervisory Board members									
Jacob Fonnesbech Agraou (until 22 August 2022)	–	81,420[2]	–	220,000	+170 %	220,000	0	**141,685**	**-36 %**

[1] The Company was founded in 2019. For this reason, it is not possible to provide a figure for 2018.
[2] The remuneration relates to the period as of the appointment of the Supervisory Board in August 2019.
[3] The remuneration in the 2019, 2020 and 2021 fiscal years contains a high proportion of third-party benefits. These mainly include benefits granted under an investment agreement concluded in connection with the Company's IPO (see the Company's securities prospectus dated 11 September 2019). These benefits were granted exclusively by the main shareholder or its affiliated companies and not by the Company.
[4] The remuneration includes a lump-sum settlement payment of EUR 1,602,852 to settle all future claims arising from and in connection with the employment relationship.

9 Takeover-relevant Information

Composition of subscribed capital

As at 31 December 2022, the share capital of TeamViewer AG amounted to EUR 186,515,856.00 and was divided into 186,515,856 no-par value bearer shares. The change compared to the previous year resulted from the share buyback programme, which was completed in the 2022 fiscal year. TeamViewer bought back 24,093,675 shares and reduced the share capital from a total of EUR 201,070,931.00 to EUR 186,515,856.00 after cancelling 14,555,075 shares. All shares carry the same rights. Each share has a notional value of EUR 1.00 in the Company's share capital. Each no-par value share grants one vote at the Annual General Meeting. As at 31 December 2022, the Company held 9,538,600 treasury shares.

Restrictions on voting rights and share transfers

There are no restrictions affecting voting rights or the transfer of shares as of 31 December 2022.

Material holdings of shareholders

As at 31 December 2022, Permira Holdings Limited, with its registered office in St. Peter Port, Guernsey, held a 20.10 % share in the capital of TeamViewer AG through TLO.

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

Holders of shares with special control rights and type of voting control of employee shares

There are no shares with special rights conferring powers of control pursuant to § 315a no. 4 and § 289 a no. 4 HGB. Employees do not hold shares in the Company's capital as defined by § 315a no. 5 and § 289 a no. 5 HGB.

Provisions on the appointment and dismissal of Management Board members and on amendments 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.

Authority of the Management Board to issue or buy back shares

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

- Insofar as this is necessary to exclude fractional amounts.
- To the extent necessary 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.

- To the extent that the new shares are issued against cash contributions, and the issue price of the new shares is not significantly lower than the stock exchange price of the Company shares already listed at the time of the final determination of the issue price, which should take place as promptly as possible after placement of the shares. This authorisation to exclude subscription rights applies only 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.
- To the extent that the new shares are issued against non-cash contributions, particularly in the form of companies, parts of companies, participations in companies, receivables or other assets.

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

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

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

As at 31 December 2022, the Company had utilised Authorised Capital 2019 in the amount of EUR 1,070,931.00 as part of a capital increase against non-cash contributions that took place in the 2020 fiscal year. Conditional Capital 2019 has not yet been utilised. Accordingly, as at 31 December 2022, Authorised Capital 2019 amounted to EUR 98,929,069.00, and Conditional Capital 2019 amounted to EUR 60,000,000.00.

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

Within the scope of the authorisation, TeamViewer repurchased 24,093,675 of its own shares in the 2022 fiscal year. The total volume of shares repurchased under the share buyback programme in the period from 3 February 2022 up to and including 26 September 2022 corresponds to approximately 12.9 % of the share capital (calculated based on share capital of EUR 186,515,856.00 as at 31 December 2022). The Company cancelled 14,555,075 of the treasury shares it acquired under the share buyback programme prior to 17 May 2022 with effect from 13 June 2022, with a corresponding reduction in the share capital from the previous amount of EUR 201,070,931.00 to EUR 186,515,856.00.

Material agreements in the event of a change of control following a takeover bid

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

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

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

10 Corporate Governance Statement

This chapter has not been audited by the auditor.

10.1 Fundamental approach

The TeamViewer Group attaches great importance to good corporate governance. Transparent and responsible corporate management and a collaboration between the Management Board and Supervisory Board in the spirit of trust and open capital market communications form its key elements. TeamViewer AG is guided by the standards of the German Corporate Governance Code (GCGC) in their latest version.

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

10.2 Management Board

Composition

In accordance with the TeamViewer AG Articles of Association, the Management Board is appointed and dismissed by the Supervisory Board.

As at 31 December 2022, the TeamViewer AG Management Board consisted of the following three members:

- Oliver Steil, member of the Management Board of TeamViewer AG and Chairman of the Management Board (CEO), appointed until October 2024. Mr Steil has served as Managing Director of TeamViewer Germany GmbH and CEO of the TeamViewer Group since January 2018.
- Michael Wilkens, member of the Management Board of TeamViewer AG and Chief Financial Officer (CFO), appointed until August 2025. Mr Wilkens has been a member of the Management Board of TeamViewer AG and CFO of the TeamViewer Group since September 2022.
- Peter Turner, member of the Management Board of TeamViewer AG and Chief Commercial Officer (CCO), appointed until July 2025. Mr Turner has been a member of the Management Board of TeamViewer AG and CCO of the TeamViewer Group since July 2022.

In the 2022 fiscal year, Stefan Gaiser was appointed as a member of the Management Board of TeamViewer AG until August 2022 and served as CFO of the TeamViewer Group.

Requirements profile and diversity concept

The Supervisory Board is of the opinion that, in addition to the professional skills and experience of the Management Board members, diversity aspects also play an important role in the successful development of the Company. In accordance with its diversity concept, the Supervisory Board therefore pays particular attention to diversity in the composition of the Management Board and strives for a composition of the Management Board in which the members complement each other with regard to their personal and professional background, their experience and their expertise, so that the Management Board as a whole can draw on the broadest possible spectrum of different experiences, knowledge and skills.

Each Board member should be able to perform the tasks of a Board member at an internationally operating, listed software company and to uphold the Company's reputation in the public eye. Furthermore, the members of the Management Board should have a deep understanding of the Company's business and market environment and, generally, several years of management experience. In view of the Company's business model, at least one member of the Management Board should have knowledge in the following areas:

- Strategy and strategic leadership
- Technology and Remote as a Service (RaaS) companies, including relevant markets and customer needs
- Operations and technology, including IT and digitalisation
- Corporate Governance
- Human resource management and development

- Finance, including financing, accounting, controlling, risk management and internal control procedures

Given the international character of the Company's activities, at least some of the Board members should have extensive international experience.

When appointing members to the Management Board, the Supervisory Board is guided by the principle of equal participation of women and men and actively promotes this goal, for example, through the targeted search for female candidates for the Management Board. The Company's goals with regard to the target number of women on the Management Board, as well as the status of their implementation, can be found in the corresponding statements on the targets for the participation of women in management positions. In order to achieve the defined targets and to promote diversity in general, the Supervisory Board has developed a comprehensive and detailed diversity concept, which it uses as a guideline for appointments and long-term succession planning.

As a rule, appointments to the Management Board end when a member reaches 65 years of age. An extension for a maximum of three years is possible. A reappointment before the end of the year preceding the end of the appointment period and the simultaneous termination of the current appointment shall only be made in special circumstances. The Company's aim to achieve a heterogeneous age structure is secondary to the other criteria mentioned.

Tasks

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

The Management Board identifies and evaluates the Company's risks and opportunities associated with social and environmental factors, as well as the environmental and social impacts of the Company's activities. The Company's strategy takes long-term economic goals as well as environmental and social goals into account appropriately. Environmental and social goals are also given appropriate consideration in the corporate strategy, next to the long-term business goals. Corresponding financial and sustainability-related goals are included in the corporate planning. The Management Board is responsible for ensuring compliance with legal provisions and internal guidelines and works towards their observance within the Company.

The basic principles guiding the management, the cooperation of the Management Board and the information of the Supervisory Board are laid down in the Rules of Procedure for the Management Board. The Management Board shall conduct the Company's business with the due care and diligence of a prudent and conscientious manager in accordance with the law, the Articles of Association and the Rules of Procedure. It shall cooperate with the other bodies of the Company in a collegial and trusting manner.

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

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

Conflicts of interest

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

Long-term succession planning

The Management Board, in cooperation with the Supervisory Board, ensures long-term succession planning. To this end, the Supervisory Board has developed a competence profile and diversity concept for members of the Management Board. Based on these guidelines, the Supervisory Board and the Management Board regularly analyse the Company's needs and contemplate the long-term succession planning. In addition to contingency planning, the intention is also to ensure that the Company can contact suitable candidates at an early stage.

10.3 Supervisory Board

Composition

In accordance with the Articles of Association, the Supervisory Board of TeamViewer AG consists of six members who are elected by the Annual General Meeting (AGM). All members of the Supervisory Board have been appointed until the end of the AGM in 2023, with the exception of Ms Hera Kitwan Siu, whose mandate runs until the end of the AGM in 2026, and Mr Ralf W. Dieter, who was court-appointed in October 2022 to succeed Mr Jacob Fonnesbech Aqraou and whose mandate is to be confirmed at the AGM in 2023. Mr Jacob Fonnesbech Aqraou, who had been a member of the Supervisory Board since 2019, resigned from his mandate for personal reasons in August 2022 after consulting with the Supervisory Board.

As at 31 December 2022, the Company's Supervisory Board consisted of the following members:

- Dr Abraham Peled, Chairman of the Supervisory Board
- Axel Salzmann, Deputy Chairman of the Supervisory Board
- Stefan Dziarski, Member of the Supervisory Board
- Dr Jörg Rockenhäuser, Member of the Supervisory Board
- Ralf W. Dieter, Member of the Supervisory Board
- Hera Kitwan Siu, Member of the Supervisory Board

The Supervisory Board of TeamViewer AG has set itself concrete goals for its composition and has developed a competence profile and diversity concept for the entire body, which are explained in more detail below. Based on their knowledge, skills and professional experience, the members of the Supervisory Board should be able to fulfil the tasks of a Supervisory Board member in an internationally operating software company. Members should ensure that they have sufficient time to perform their duties diligently and that they generally comply with the maximum number of permissible mandates, in accordance with recommendations C.4 and C.5 of the German Corporate Governance Code (GCGC). A Supervisory Board member should not be older than 75 years of age at the time of election and, as a rule, should not have been a member of the Supervisory Board for longer than ten years.

Overview of the terms of office of Supervisory Board members

Name	Date of appointment	End of the term (always until the end of the ordinary AGM for the respective year or upon resignation)
Dr Abraham Peled	19 August 2019	AGM 2023 (4 years)
Axel Salzmann	19 August 2019	AGM 2023 (4 years)
Stefan Dziarski	19 August 2019	AGM 2023 (4 years)
Dr Jörg Rockenhäuser	19 August 2019	AGM 2023 (4 years)
Ralf W. Dieter	17 October 2022 (court-appointed)	Confirmation from AGM 2023 pending
Hera Kitwan Siu	26 November 2021	AGM 2026 (4 years)
Jacob Fonnesbech Aqraou	19 August 2019	22 August 2022 (Resigned)

Targets for Supervisory Board composition

The Supervisory Board pays particular attention to diversity when composing the Board as a whole. Members must complement each other in terms of their personal and professional backgrounds and experience and expertise to ensure that the Board in its entirety can draw upon the widest possible range of experiences and specialised knowledge. The Supervisory Board must, at all times, be composed in a manner ensuring that its members combined possess the knowledge, abilities and professional experience required to properly perform the duties of a supervisory board body. In addition, according to § 100 (5) AktG, the members of the Supervisory Board as a whole must be familiar with the sector in which TeamViewer AG operates and at least one member of the Supervisory Board must have expertise in the field of accounting and at least one other member of the Supervisory Board must have expertise in the field of auditing. The competence profile of the Supervisory Board should also include expertise in issues of sustainability important to the Company. Election proposals of the

Supervisory Board to the Annual General Meeting take these objectives into account while striving to fulfil the competence profile for the entire body.

The Supervisory Board elects a chair from among its members who coordinates the work of the Supervisory Board and represents the interests of the Supervisory Board externally. The chair of the Supervisory Board holds discussions with investors on topics specific to the Supervisory Board within an appropriate framework. The chair of the Supervisory Board is informed immediately by the chair of the Management Board of important events of material importance for the assessment of the Company's situation, development and management. The Supervisory Board chair then informs the Supervisory Board and, if necessary, convenes an extraordinary meeting of the Supervisory Board. Outside of meetings, the Supervisory Board chair maintains regular contact with the Management Board, and particularly with the chair of the Management Board, to discuss the Company's strategy, business development, risk situation, risk management and compliance.

Competence profile

The Supervisory Board, in its entirety, should cover all of the fields of competence required for the effective performance of its duties. This includes, in particular, in-depth knowledge and experience:

- in the management of an internationally operating company, ideally in the areas of software, SaaS or technology,
- in supervisory board positions at home or abroad,
- in the areas of strategy and innovation,
- in the corporate development of an internationally operating company,
- in accounting, financial reporting and auditing, financial reporting, controlling/risk management and internal control procedures,
- in corporate governance and compliance, and
- in sustainability issues relevant to the Company.

Expertise in the field of accounting encompasses special knowledge and experience in the application of accounting principles and internal control and risk management systems. Expertise in the field of auditing encompasses special knowledge and experience in the auditing of financial statements. Accounting and auditing also include the reporting for the sustainability report, as well as its audit and confirmation.

In the opinion of the Supervisory Board, the competence profile is fully met by the Board's current composition.

In accordance with recommendation C.1 GCGC, the following table contains an overview of the competence and experience of the members of the Supervisory Board.

Qualifications matrix

Areas of competence	Dr Abraham (Abe) Peled	Axel Salzmann	Ralf W. Dieter	Stefan Dziarski	Dr Jörg Rocken-häuser	Hera Kitwan Siu
Member of the Supervisory Board since	August 2019	August 2019	Oktober 2022	August 2019	August 2019	November 2021
Nationality	American	German	German	German	German	Hong Kong Chinese
International leadership	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓
Industry (Software/SaaS, IT, digitalisation)	✓✓✓	✓✓	✓✓✓	✓✓✓	✓✓	✓✓✓
Strategy and innovation	✓✓✓	✓✓	✓✓✓	✓✓	✓✓	✓✓✓
Corporate development	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓
Accounting and financial reporting	✓✓	✓✓✓	✓✓	✓✓✓	✓✓✓	✓
Financial statement auditing	✓	✓✓✓	✓✓	✓✓	✓	✓
Corporate governance/ compliance	✓✓	✓✓✓	✓✓✓	✓✓	✓✓	✓✓
Supervisory board activities	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓
Sustainability/ ESG	✓	✓✓	✓✓	✓	✓✓	✓✓✓

✓	Fundamental knowledge/experience
✓✓	Advanced knowledge/experience; at least one existing or previous management position at a large company
✓✓✓	Many years of professional experience at listed companies; several management positions

Independence

The Supervisory Board attaches particular importance to the independence of its members and ensuring comprehensive 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, as defined by recommendation C.6 GCGC. In the assessment of the Supervisory Board, Mr Peled, Mr Salzmann, Mr Dieter and Ms Siu are independent members as defined by recommendations C. 6 and C. 9 GCGC. All members are considered independent of the Company and of the Management Board in accordance with recommendation C.7 GCGC. The Chairman of the Supervisory Board, Dr Abraham Peled, is also independent in accordance with recommendation C.10 GCGC.

Diversity

The Supervisory Board shall reflect a balanced degree of diversity, particularly with regard to the internationality of its members and their professional experience and know-how, as well as to the proportion of women on the Supervisory Board. In order to reflect the international character of the Company, the Supervisory Board should, in principle, have at least two international members with global management or entrepreneurial experience. The Company's targets with regard to women on the Supervisory Board and the status of their achievement are discussed in the corresponding comments (chapter 10.4) on the targets for the participation of women in management positions. Furthermore, the Supervisory Board believes that a balanced level of diversity is ensured in its current composition.

The Supervisory Board is convinced that such a composition ensures independent and efficient advice to and supervision of the Management Board. Therefore, the future nomination proposals of the Supervisory Board to the Annual General Meeting shall take into account the aforementioned objectives regarding its composition and, at the same time, strive to meet the competence profile and diversity concept objectives.

Tasks

The Supervisory Board regularly advises and monitors the Management Board in the management of the Company. It is involved in decisions of fundamental importance to the Company. Supervision and advice also include sustainability issues.

By resolution of 19 August 2019, including the latest supplement by the resolution of 14 December 2021, the Supervisory Board has adopted Rules of Procedure in accordance with § 11 (1) of the Company's Articles of Association and made them available on TeamViewer's website. The Supervisory Board conducts its business in accordance with the statutory provisions, the Articles of Association and the Rules of Procedure. It shall work closely for the benefit of the Company and in a spirit of trust with the Company's other corporate bodies, particularly with its Management Board. The Supervisory Board has defined the transactions requiring its approval in the Rules of Procedure for the Management Board.

According to its Rules of Procedure, the Supervisory Board must hold at least two meetings per calendar half-year. The Supervisory Board also meets regularly without the Management Board. Additional meetings must be convened if this is necessary in the interest of the Company or if the convening of a meeting is requested by a member of the Supervisory Board or Management Board, stating the purpose and reason. Further information on the meetings of the Supervisory Board during the fiscal year can be found in the Report of the Supervisory Board.

Conflicts of interest

The members of the Supervisory Board are obliged to act exclusively in the interests of the Company. In making their decisions, they may neither pursue personal interests nor take advantage of business opportunities to which the Company or one of its subsidiaries is entitled to themselves or third parties. Each member of the Supervisory Board is obliged to disclose any conflicts of interest to the Supervisory Board and provide information on any conflicts of interest that have arisen and how they have been dealt with in its report to the Annual General Meeting. Material and not merely temporary conflicts of interest involving a Supervisory Board member shall result in the termination of that member's mandate. Members of the Supervisory Board shall not exercise any executive or advisory functions for significant competitors of the Company. Advisory agreements and other contracts with the Company for services or work to be concluded by a Supervisory Board member require the Supervisory Board's approval.

Committees

In order to perform its duties efficiently, the Supervisory Board has formed an Audit Committee and a Nomination and Remuneration Committee from among its members. These committees each consist of at least three members. The Supervisory Board is to receive regular reports on the work and the results of the discussions in the committees.

Audit Committee

The Audit Committee is specifically responsible for preparing the decision of the Supervisory Board on the adoption of the annual financial statements and the approval of the consolidated financial statements; monitoring the accounting and the accounting processes; overseeing the effectiveness of the internal control system, the risk management system and the internal audit system; and dealing with audit and compliance issues. Accounting comprises mainly the consolidated financial statements and the group management report (including non-financial reporting), interim financial information and separate financial statements in accordance with the German Commercial Code (HGB). The Audit Committee is also responsible for all issues related to sustainability.

The Audit Committee prepares the decision of the Supervisory Board to recommend a particular auditor and monitors the auditor's independence. In accordance with recommendation D.8 GCGC, the Audit Committee agrees with the auditor that the auditor shall inform the committee without delay of all findings and events of importance to the auditor's duties that come to the auditor's attention during the performance of the audit. Furthermore, in accordance with recommendation D.9 GCGC, the Audit Committee agrees with the auditor that the auditor will inform the committee and make a note in the audit report if, during the performance of the audit of the financial statements, the auditor discovers facts that show a misstatement in the declaration of conformity with the GCGC issued by the Management Board and the Supervisory Board. The Audit Committee discusses the assessment of the audit risk, the audit strategy and planning, as well as the audit results, with the auditor of the financial statements. The chair of the Audit Committee periodically discusses the progress of the audit with the auditor and reports to the committee. The Audit Committee also regularly consults with the auditor without the Management Board.

The Audit Committee also deals with the additional services provided by the auditor, the determination of the audit's focus and the fee agreement and awards the audit mandate. The Audit Committee regularly assesses the quality of the audit and discusses the half-year and quarterly reports with the Management Board prior to their publication. The Chairman of the Audit Committee, Axel Salzmann, is independent as per the definition in recommendations C.10 and D.4 GCGC and has special knowledge and experience in the application of accounting principles and internal control and risk management systems, as well as in the auditing of the financial statements. The accounting and auditing of the financial statements also include non-financial reporting and the audit of this reporting. Member of the Audit Committee Stefan Dziarski also possesses special knowledge in the field of accounting and auditing.

The Audit Committee as at 31 December 2022 consisted of the following members: Axel Salzmann (Chairman), Ralf W. Dieter, Stefan Dziarski, Hera Kitwan Siu and Dr Abraham (Abe) Peled. For information on the meetings of the Audit Committee during the fiscal year, please refer to the statements in the Report of the Supervisory Board.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee prepares the Supervisory Board's proposals for the Annual General Meeting concerning the election of Supervisory Board members, reviews all aspects of remuneration and employment conditions for the Management Board and makes recommendations to the Supervisory Board regarding the conclusion, amendments and termination of employment contracts. If necessary, the Nomination and Remuneration Committee is permitted to commission an independent review of the remuneration principles as well as the remuneration packages paid to the Management Board members. It shall present an assessment of the performance of the Management Board and make a recommendation to the Supervisory Board on the terms of employment and remuneration of the Management Board.

The Nomination and Remuneration Committee as at 31 December 2022 consisted of the following members: Axel Salzmann (Chairman), Ralf W. Dieter, Dr Abraham (Abe) Peled, Hera Kitwan Siu, and Dr Jörg Rockenhäuser. The Chairman of the Nomination and Remuneration Committee, Axel Salzmann, is independent as per the definition in recommendation C.10 GCGC. For information on the meetings of the Nomination and Remuneration Committee during the fiscal year, please refer to the statements in the Report of the Supervisory Board.

Self-assessment

In accordance with recommendation D.12 GCGC, the Supervisory Board regularly assesses, at least once every two years, how effective the Supervisory Board as a whole and its committees fulfil their tasks. In addition to qualitative criteria, which are to be defined by the Supervisory Board, this self-assessment focuses on the procedures of the Supervisory Board and its committees, the flow of information between the committees and the plenum, and the timely and sufficient provision of information to the Supervisory Board and its committees. Recently, the Supervisory Board conducted a comprehensive self-assessment at its meeting on 1 December 2022. First, a detailed questionnaire was evaluated, and based on this evaluation, the members of the Supervisory Board carried out a detailed discussion and evaluation on all topics deemed to be relevant.

Additional supervisory board mandates held by Supervisory Board members

The following table lists the additional mandates held by members of the TeamViewer AG Supervisory Board on supervisory boards and comparable control bodies as at 31 December 2022.

Member of the Supervisory Board	Mandates pursuant to § 125 (1) sentence 5 AktG
Dr Abraham Peled Partner Peled Ventures Industrial Advisor	Chairman of the Management Board of CyberArmor Ltd. (Non-listed company)
Stefan Dziarski Partner at Permira	Member of the Supervisory Board of P&I Personal & Informatik AG (Non-listed company)
	Member of the Advisory Board of FlixMobility GmbH (Non-listed company)
	Member of the Management Board of McAfee TopCo, Inc. (Non-listed company)
Dr Jörg Rockenhäuser Partner and Chairman at Permira	Member of the Advisory Board of Best Secret GmbH (Formerly the Schustermann & Borenstein GmbH)
	Chairman of the Advisory Board of neuraxpharm Arzneimittel GmbH
	Member of the Advisory Board of Engel & Völkers Holding GmbH
Axel Salzmann CFO BestSecret Group	None
Hera Kitwan Siu Consultant	Member of the Management Board of The Goodyear Tire & Rubber Company (Listed Company)
	Member of the Management Board of Vallourec S.A. (Listed company)
	Member of the Management Board of ASMPT Limited (Listed company)
Ralf W. Dieter Entrepreneur	Member of the Supervisory Board of Körber AG (Non-listed company)
	Member of the Supervisory Board Schuler Group GmbH (Non-listed company)
	Chairman of the Advisory Board of ADAMOS GmbH (Non-listed company)
	Chairman of the Advisory Board of Dantherm Group A/S (Non-listed company)
	Member of the Advisory Board of Leadec Holding BV

10.4 Targets for the participation of women in executive positions

TeamViewer's Supervisory Board and Management Board are very conscious of the special importance of diversity in filling supervisory and executive positions and particularly of ensuring the appropriate participation of women in these positions. Accordingly, the Supervisory Board and Management Board pay particular attention to diversity when filling executive roles at the Company and aim to increase the participation of women on the Supervisory Board and Management Board, as well as in the management levels below the Management Board[23] in the medium term. The table below provides an overview of the targets set for the participation of women in the respective management levels and the status of implementation.

	Target (as a percentage of the total number of members on the respective reporting date)	Target deadline	Status of implementation as at 31 December 2022
Supervisory Board	33 %	Until 31 December 2023	16.67 % or 1/6
Management Board	25 %	Until 31 December 2023	0 %
Women in executive positions in the Group worldwide	33 %	Until 31 December 2023	33.5 %

[23] As the parent company of the Group, TeamViewer AG has no employees of its own and therefore no management levels below the Management Board. The Company has voluntarily set itself the goal of achieving a share of women in management positions of at least 33% worldwide in the Group by 31 December 2023.

10.5 Statement of TeamViewer AG Management Board and Supervisory Board on the recommendations of the "Government Commission on the German Corporate Governance Code" pursuant to § 161 of the German Stock Corporation Act (AktG)

The Management Board and Supervisory Board of TeamViewer AG declare that TeamViewer AG has complied with all recommendations of the German Corporate Governance Code as amended on 28 April 2022, published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette on 27 June 2022 (the "2022 Code") since its publication without exception and intends to continue to comply with the recommendations of the 2022 Code in the future without exception.

The Management Board and Supervisory Board of TeamViewer AG further declare that TeamViewer AG has complied with all recommendations of the German Corporate Governance Code as amended on 16 December 2019 and published by the Federal Ministry of Justice and Consumer Protection in the official section of the German Federal Gazette on 20 March 2020 (the "Code 2020") without exception since issuing its last Declaration of Conformity in December 2021.

Göppingen, December 2022

The Management Board
Oliver Steil Michael Wilkens Peter Turner

On behalf of the Supervisory Board
Dr Abraham Peled

10.6 Financial reporting and audit of financial statements

TeamViewer AG prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB) and the interpretations of the IFRS Interpretation Committee (IFRS IC) as applicable in the EU, and additionally the applicable commercial and stock corporation regulations pursuant to § 315e (1) HGB. The annual financial statements of TeamViewer AG are prepared in accordance with the principles of the HGB. The annual financial statements of TeamViewer AG, the consolidated financial statements and the group management report, which are combined with the Company's management report, are drawn up by the Management Board and audited by the independent auditors and the Supervisory Board. The independent auditors take part in the deliberations of the Audit Committee and the Supervisory Board about the annual financial statements and consolidated financial statements, report on the audit process and its results and are at hand to answer questions and provide additional information. The independent auditor for the 2022 fiscal year is PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC), Stuttgart, Germany.

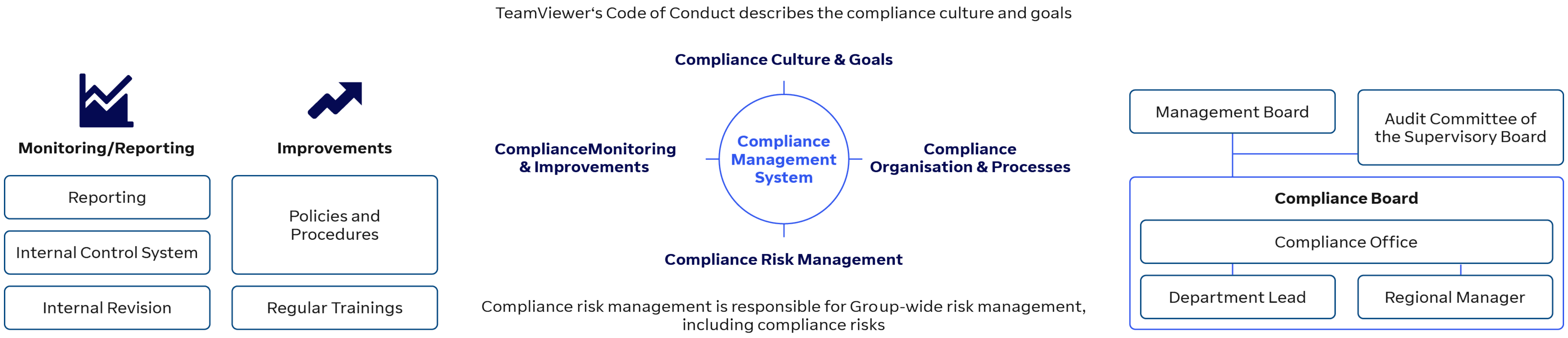
10.7 Compliance

Compliance means that all business processes are in line with all relevant laws and internal company regulations.

Compliance culture

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

Compliance Organisation



Compliance management system

The TeamViewer Group has established a compliance management system whose central component is the compliance management system (CMS) and which is aligned to the Group's risk situation. The CMS covers all necessary measures and processes to ensure conformity with the law and internal regulations. It is largely based on the internal Code of Conduct (CoC) of the TeamViewer Group.

Compliance organisation

The Group-wide compliance organisation is responsible for reviewing, complying with and, if necessary, improving compliance processes, in addition to assessing and mitigating compliance risks. The Compliance Board, headed by the Compliance Office, is the central body of the compliance organisation and reports to the Management Board and the Audit Committee of the Supervisory Board.

Code of Conduct

The CoC establishes a binding framework for ethical behaviour in the business environment. It describes the goal communicated by the Management Board to practice integrity and transparency and comply with applicable laws and regulations as the basis for all decision-making.

Essentially, the CoC contains regulations on internal dealings with each other, dealings with business partners, combating corruption and behaving responsibly with regard to security, confidentiality and the environment.

In addition, the CoC serves as a framework for other important internal guidelines and procedures, including in the areas of data protection and IT security.

TeamViewer is very proud of the diversity of its workforce. The Company employs people of different ages and genders who differ in their nationality, family status, social and ethnic background, sexual orientation, physical and other personal characteristics. Freedom of expression is just as important as the acceptance of all political and religious beliefs. Nevertheless, TeamViewer does not tolerate extremist thinking, offensive behaviour or propaganda in any way. In this context, TeamViewer does not support or favour any political organisations.

Working together with the Compliance Board, the Compliance Office checks that the regulations of the CoC are up-to-date and applicable. It also serves as the central point of contact for all compliance-related issues.

The Code of Conduct is published on the TeamViewer website.

Further compliance documents and guidelines

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

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

Subordinate policies supplement the internal compliance framework and include the following:

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

All policies and guidelines are reviewed regularly and adjusted when necessary. Training events for all employees, instructions by email and Group-wide meetings ensure that the guidelines are up-to-date and adhered to. Job-specific policies and procedural guidelines supplement the set of rules.

TeamViewer also supports international standards designed to protect human rights. Together with the Code of Conduct, all of the recent global and applicable regulations have been recognised. Further details on TeamViewer's commitment can be found in the Non-Financial Report.

Compliance reporting channels

Employees have various channels at their disposal to report compliance violations or anomalies. The first contact partner is the line manager. Employees also have the option of notifying the Compliance Office via a separate, dedicated email account or contacting one of the two people at the Trust Council. Employees can also use the whistle-blower channel to report suspected legal violations 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.

Riskmanagement and internal control system

Through the integrated governance, risk and compliance approach, the Management Board has devised and implemented a framework for the management of TeamViewer to provide an appropriate and effective internal control and risk management system. The measures implemented within this framework are also geared to the effectiveness and appropriateness of the internal control and risk management system and are outlined in more detail in the opportunity and risk report. Within the framework and statutory requirements, the approach is accompanied by independent oversight and audits, especially the audits conducted by the internal audit function and its reports to the Management Board and the Audit Committee of the Supervisory Board.[24]

From its examination of the internal control and risk management system and the reports of the internal audit function, the Management Board is not aware of any circumstances that undermine the appropriateness and efficacy of these systems.[24]

[24] The disclosures in this paragraph are outside the scope of the audit of the management report.

10.8 Director's dealings

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

In the 2022 fiscal year, TeamViewer AG was notified of eight transactions pursuant to § 19 MAR. Two further notifications were made in the 2023 fiscal year before publication of the Annual Report. As such, there were 10 transactions in total. These transactions are listed on TeamViewer's IR website.

11 Non-Financial Statement

This chapter has not been audited by the auditor.

With the Non-Financial Report in accordance with §§ 289 b – 289 e, 315 b and c of the German Commercial Code (HGB), as well as in accordance with the requirements of the German CSR Directive Implementation Act (CSR-RUG), TeamViewer provides information on the aspects of environmental concerns, employee concerns, social concerns, combating corruption and bribery, and respecting human rights, as well as on the focal points to be reported within the framework of the EU Taxonomy Regulation for the 2022 fiscal year. The Non-Financial Report is part of the Annual Report 2022 of TeamViewer and is presented in Chapter D. If any further relevant non-financial aspects can be derived from the Company's economic performance, they are listed in accordance with § 289 c (2) HGB.

As a framework in accordance with § 289d in conjunction with § 315c (3) HGB and CSR-RUG, reporting is carried out in line with the standards of the Global Reporting Initiative (GRI). The GRI reporting principles for determining report content and report quality were taken into account. Where useful for comparability and comprehensibility, some chapters also contain data from the previous year in order to show changes over time. An overview of the GRI references can be found in the chapter of the report entitled "Further information".

The aim of the Non-Financial Report is to meet the relevant needs and requirements of in- and external stakeholders – shareholders, customers, partners, employees, suppliers, investors, rating agencies, vulnerable groups, local communities, non-governmental organisations, further civil society organisations and others – for communicating material and relevant non-financial aspects with integrity.

The topic of security and data protection, which is essential for TeamViewer, with the sub-aspects of IT and product security, can be found as a separate chapter in the management report.

Non-financial performance indicators in accordance with § 289 (3) HGB on employee and environmental aspects are listed in the management report and elaborated on in the non-financial report.

The Non-Financial Report was reviewed and approved by the Supervisory Board of TeamViewer AG in accordance with § 171 (1) of the German Stock Corporation Act (AktG).

12 Management Report of TeamViewer AG

Supplementing the reporting on the TeamViewer Group, the development of TeamViewer AG in the 2022 fiscal year is described below.

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

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

1. Earnings position

The 2022 fiscal year of TeamViewer AG is the 2022 calendar year. For the 2022 fiscal year, the income statement of TeamViewer AG is as follows:

Profit and loss statement

In EUR million	**Fiscal year from 1 Jan to 31 Dec 2022**	Fiscal year from 1 Jan to 31 Dec 2021
Revenue	**12.4**	**10.0**
Personnel expenses	(9.3)	(11.0)
Other operating expenses	(12.4)	(6.0)
Interest and similar expenses	(5.0)	(0.8)
Net loss for the year	**(14.3)**	**(7.8)**

The revenues of TeamViewer AG mainly resulted from the provision of management services to affiliated companies and compensation payments from the transfer of employees to TeamViewer Germany GmbH. The revenue generated in the 2022 fiscal year totalled EUR 12.4 million (2021: EUR 10.0 million).

The Company's personnel expenses amounted to EUR 9.3 million in the 2022 fiscal year (2021: EUR 11.0 million). The decrease in personnel expenses was mainly due to lower bonus payments compared to the previous year. TeamViewer AG employed an average of 25 people during the fiscal year (2021: 89). In the first half of 2022, the majority of employees had their employment contracts transferred to TeamViewer Germany GmbH.

Other operating expenses of EUR 12.4 million (2021: EUR 6.0 million) included mainly the costs associated with the issue of shares to Group employees in the amount of EUR 4.1 million, who are not employees of the Company. Other operating expenses also consisted of legal and consulting fees of EUR 3.5 million (2021: EUR 4.0 million), closing and audit fees of EUR 0.6 million (2021: EUR 0.5 million) and expenses for the remuneration of the Supervisory Board of EUR 0.7 million (2021: EUR 0.7 million).

Interest expenses amounted to EUR 5.0 million in the 2022 fiscal year (2021: EUR 0.9 million). The increase is due to the rise in liabilities to affiliated companies of EUR 306.3 million to EUR 320.7 million. TeamViewer AG's net loss for the year amounted to EUR 14.3 million (2021: EUR 7.8 million).

The increase in revenue was mainly due to the higher oncharging of increased personnel expenses. The costs for the RSU programme for TeamViewer Group employees launched in 2022 were recognised in other operating expenses for the first time in 2022, so the net loss for the year was higher than initially expected.

The annual result of TeamViewer AG is dependent on the profit distributions of Regit Eins GmbH. There were no distributions in the 2022 and 2021 fiscal years, and no distribution is planned for the 2023 fiscal year.

2. Net assets and financial position

The net assets and financial position of TeamViewer AG as at 31 December 2022 and as at the previous year's reporting date were as follows:

Assets and financial position

In EUR million	31 Dec 2022	31 Dec 2021
Financial assets	**4,048.7**	**4,048.7**
Non-current assets	**4,048.7**	**4,048.7**
Receivables and other assets	0.0	0.5
Bank balances	0.3	1.7
Current assets	**0.3**	**2.2**
Prepaid expenses	**0.0**	**0.1**
Total assets	**4,049.0**	**4,051.0**
Equity	3,716.4	4,030.7
Provisions	9.0	3.8
Liabilities (trade payables, liabilities to affiliated companies and other liabilities)	323.6	16.5
Total equity and liabilities	**4,049.0**	**4,051.0**

The total assets of TeamViewer AG amounted to EUR 4,049.0 million as at 31 December 2022 (31 December 2021: EUR 4,051.0 million).

Financial assets accounted for an unchanged EUR 4,048.7 million as at 31 December 2022 (31 December 2021: EUR 4,048.7 million).

Current assets include primarily bank balances of EUR 0.3 million (31 December 2021: EUR 1.7 million) and VAT receivables of EUR 0.0 million (31 December 2021: EUR 0.5 million) recorded within other assets.

In February 2022, the Management Board of TeamViewer AG resolved a share buyback programme. As part of the buyback, a capital reduction in the amount of EUR 14.6 million was carried out and the capital reserve was reduced by EUR 185.2 million. Furthermore, treasury shares were recognised in the capital reserve, reducing the capital reserve by a further EUR 100.2 million. Taking into account the net loss for the year of EUR 14.3 million (31 December 2021: EUR 7.8 million), the equity of TeamViewer AG decreased to EUR 3,716.4 million as at 31 December 2022 (31 December 2021: EUR 4,030.7 million).

The provisions amounting to EUR 9.0 million (31 December 2021: EUR 3.8 million) as at 31 December 2022 consisted mainly of personnel-related provisions for 2022. The main reason for the increase was the RSU programme granting shares to employees of the TeamViewer Group.

The Company's liabilities totaled EUR 323.6 million (31 December 2021: EUR 16.5 million), of which EUR 316.0 million (31 December 2021: EUR 0.0 million) resulted from loan-related financial liabilities to affiliated companies and EUR 0.0 million (31 December 2021: EUR 14.4 million) from clearing accounts with affiliated companies. Liabilities to affiliated companies increased year-on-year due to the issue of a loan from an affiliated Company.

3. Risks and opportunities

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

4. Outlook

For the 2023 fiscal year, TeamViewer AG expects an increase in costs from the RSU programme for Group employees and higher interest expenses for affiliated companies. Due to the transfer of employees to TeamViewer Germany GmbH and the associated reduction in management services provided, revenues at the level of TeamViewer AG are expected to decrease sharply. As a result, a significantly higher net loss is expected for the 2023 fiscal year. For a detailed presentation of the expected future development of the TeamViewer Group, please refer to the Company's outlook report.

Göppingen, 8 March 2023

Oliver Steil　　Michael Wilkens　　Peter Turner

C_ Consolidated Financial Statements

1 Consolidated Statement of Profit and Loss and other Comprehensive Income

from 1 January to 31 December

In EUR thousands	2022	2021	Note
Revenue	565,874	501,097	(5)
Cost of sales	(81,298)	(70,944)	
Gross profit	**484,577**	**430,153**	
Research and development	(69,538)	(62,137)	
Marketing	(128,408)	(96,070)	
Sales	(99,051)	(89,165)	
General and administrative	(53.475)	(51,532)	
Bad debt expenses	(12,400)	(15,995)	(13)
Other income	23,319	5,039	(22c)
Other expenses	(1,299)	(2,869)	
Operating profit	**143,725**	**117,424**	
Finance income	4,267	599	(8)
Finance costs	(25,782)	(19,170)	(8)
Foreign currency result	(5,522)	(13,464)	(8)
Profit before tax	**116,689**	**85,389**	

In EUR thousands	2022	2021	Note
Income taxes	(49,088)	(35,337)	(9)
Profit after tax	**67,600**	**50,051**	
Earnings per share, basic (in EUR)	0.37	0.25	(27)
Earnings per share, diluted (in EUR)	0.37	0.25	(27)
Other comprehensive income			
Other comprehensive income for the period, reclassified to profit or loss in subsequent periods	51	1,736	
Hedge reserve, gross	(1,632)	73	(16)
Exchange differences on the translation of foreign operations	1,683	1,663	
Total comprehensive income	**67,651**	**51,787**	

2 Consolidated Statement of Financial Position as at 31 December

In EUR thousands	2022	2021	Note
Non-current assets			
Goodwill	667,929	667,224	(10)
Intangible assets	212,864	248,159	(10)
Property, plant and equipment	50,265	45,484	(11)
Financial assets	18,537	4,848	(12), (22)
Other assets	11,922	3,824	(14)
Deferred tax assets	2,126	496	(9)
Total non-current assets	**963,644**	**970,035**	
Current assets			
Trade receivables	18,295	11,560	(13)
Other assets	19,392	13,029	(14)
Tax assets	3,335	1,513	(9)
Financial assets	7,038	–	(12), (22)
Cash and cash equivalents	160,997	550,533	(15)
Total current assets	**209,057**	**576,635**	
Total assets	**1,172,702**	**1,546,670**	

In EUR thousands	2022	2021	Note
Equity			
Issued capital	186,516	201,071	(16)
Capital reserve	236,849	394,487	(16)
Accumulated losses	(209,203)	(276,803)	(16)
Hedge reserve	(1,620)	12	(16)
Foreign currency translation reserve	3,003	1,320	(16)
Treasury shares	(100,263)	–	(16)
Total equity attributable to the shareholders of TeamViewer AG	**115,282**	**320,087**	
Non-current liabilities			
Provisions	530	366	(21)
Financial liabilities	519,346	842,495	(17)
Deferred revenue	24,151	6,095	(18)
Deferred and other liabilities	2,081	2,032	(20)
Other financial liabilities	3,119	8,769	(17)
Deferred tax liabilities	33,852	29,764	(9)
Total non-current liabilities	**583,079**	**889,521**	
Current liabilities			
Provisions	9,013	1,893	(21)
Financial liabilities	113,295	34,973	(17)
Trade payables	8,875	7,272	(19)
Deferred revenue	288,138	244,480	(18)
Deferred and other liabilities	42,385	41,784	(20)
Other financial liabilities	11,537	5,911	(17)
Tax liabilities	1,098	749	(9)
Total current liabilities	**474,341**	**337,062**	
Total liabilities	**1,057,420**	**1,226,583**	
Total equity and liabilities	**1,172,702**	**1,546,670**	

3 Consolidated Statement of Cash Flows

from 1 January to 31 December

In EUR thousands	**2022**	2021	Note
Profit before tax	116,689	85,389	
Depreciation, amortisation and impairment of non-current assets	53,741	50,918	(10), (11)
Increase/(decrease) in provisions	7,285	(399)	(21)
Non-operational foreign exchange (gains)/losses	5,887	15,902	(8)
Expenses for equity-settled share-based compensation	27,632	27,590	(7)
Net financial costs	21,514	18,571	(8)
Change in deferred revenue	61,714	35,403	(5), (18)
Changes in other net working capital and other	(43,705)	4,114	
Income taxes paid	(46,413)	(43,513)	(9)
Cash flows from operating activities	**204,343**	**193,973**	
Payments for tangible and intangible assets	(8,845)	(15,231)	(10), (11)
Payments for financial assets	–	(310)	
Payments for acquisitions	(1,977)	(23,383)	(4)
Cash flows from investing activities	**(10,821)**	**(38,924)**	

In EUR thousands	**2022**	2021	Note
Repayments of borrowings	(470,376)	(77,934)	(17)
Proceeds from borrowings	184,323	400,000	(17)
Payments of the capital element of lease liabilities	(9,461)	(6,884)	(17)
Interest paid on borrowings and lease liabilities	(14,200)	(14,078)	(8), (17)
Purchase of treasury shares	(300,088)	–	(16)
Cash flows from financing activities	**(609,802)**	**301,104**	
Net change in cash and cash equivalents	**(416,280)**	**456,154**	
Net foreign exchange rate difference	25,551	11,779	
Net change from risk provisioning	1,193	(930)	
Cash and cash equivalents at beginning of period	550,533	83,531	(15)
Cash and cash equivalents at end of period	**160,997**	**550,533**	**(15)**

4 Consolidated Statement of Changes in Equity

In EUR thousands	Issued capital	Capital reserve	Accumulated losses	Hedge reserve	Foreign currency translation reserve	Treasury shares	**Total equity**	Note
Status as at 1 January 2022	**201,071**	**394,487**	**(276,803)**	**12**	**1,320**	**-**	**320,087**	
Profit/(loss) for the period	–	–	67,600	–	–		67,600	
Other comprehensive income	–	–	–	(1,632)	1,683		51	
Share-based compensation	–	27,632	–	–	–		27,632	(7)
Purchase of treasury shares	–		–	–	–	(300,088)	(300,088)	(16)
Cancellation of treasury shares	(14,555)	(185,270)	–	–	–	199,825	–	(16)
Balance as at 31 December 2022	**186,516**	**236,849**	**(209,203)**	**(1,620)**	**3,003**	**(100,263)**	**115,282**	

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

5 Notes to the Consolidated Financial Statements

1. Company information

TeamViewer AG is a listed stock corporation headquartered in Göppingen, Germany. The Company is registered at the District Court of Ulm under the commercial register number HRB 738852. TeamViewer AG, Göppingen, is the parent company of the TeamViewer Group ("TeamViewer" or the "Group"). At its meeting on 11 March 2022, the Supervisory Board of TeamViewer AG approved the proposal of the Management Board to prepare the conversion of the Company from an AG ("Aktiengesellschaft" into a European stock corporation (Sociateas Europaea, or SE) under the name TeamViewer SE. The shareholders also accepted the conversion at the Annual General Meeting of 17 May 2022. The conversion will take place in fiscal year 2023.

TeamViewer AG's principal shareholder, with a shareholding of 20.10 % as at 31 December 2022 (31 December 2021: 18.65 %), is TigerLuxOne S.à.r.l. (TLO), a company registered in Luxembourg. TeamViewer AG's registered office Göppingen, Germany. The registered office is located at Bahnhofsplatz 2, 73033 Göppingen, Germany. The Group's fiscal year is the calendar year.

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

As a global technology company, TeamViewer offers a cloud-based platform to network computers, machines and industrial equipment and digitally supports work processes along the entire value chain in both the industrial and service sectors. Through its products and services, TeamViewer's goal is to increase productivity and efficiency for the user and, at the same time, make a positive contribution to the environment. Next to a significant number of private users, who can use selected products in the portfolio for non-commercial applications free of charge, TeamViewer's worldwide user base consists of more than 626,000 corporate customers of various sizes and from a wide range of industries who use the products and solutions under a subscription model.

2. Basis of preparation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) applicable as at the reporting date and as adopted by the European Union (EU) pursuant to EU Regulation No. 1606/2002 of the European Parliament and of the Council on the application of international accounting standards, as well as the additional requirements of German stock corporation and commercial law pursuant to § 315e (1) of the German Commercial Code (Handelsgesetzbuch – HGB). The term "IFRS" also includes the International Accounting Standards (IAS) still in force. All binding interpretations of the IFRS Interpretations Committee (IFRS IC) required for the year 2022 have also been taken into account.

The Management Board of TeamViewer AG on 8 March 2023 approved the submission of these consolidated financial statements to the Supervisory Board.

(b) Basis of measurement

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

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

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

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

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

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

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

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

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

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

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

(e) Presentation currency

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

(f) Use of judgements and estimates

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

Judgements

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

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

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

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

Estimates and assumptions
Described below are the Group's key assumptions about the future as at the reporting date as well as other primary sources of uncertainty related to estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal years. The Group based its assumptions and estimates on the parameters available at the time of preparing the consolidated financial statements. The prevailing circumstances and assumptions about future developments may change however, due to changes in the market or circumstances beyond the Group's control. Such changes are reflected in the assumptions as they occur.

For impairment, see Note *3 (o) Impairment*.

For contingent purchase price liabilities from business combinations, see Note *22(a) Classification and fair values*.

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

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

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

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

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

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

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

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

Due to the attacks from Russia on Ukraine and international sanctions, the Company has ceased business with Russia and Belarus. This has no significant impact on the Group's net assets, financial position and earnings.

(g) IFRS 13 – Fair values

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

- *17 Financial liabilities*
- *22 Financial instruments – fair values and risk management*

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

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

The principal or most advantageous market must be a market that is accessible to the Group. The fair value of an asset or liability is determined using the same assumptions that market participants would use in pricing the asset or liability and assumes that market participants act in their best economic interest.

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

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

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

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

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

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

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

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

3. Significant accounting policies

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

(a) Basis of consolidation

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

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

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

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

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

(b) Revenue

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

For connectivity solutions that are based on temporary software licences (subscription model), the most appropriate method of revenue recognition is a pro rata temporis, straight-line basis over the term of the contract since the Group has to provide services over the full term of the contract. The subscription period is usually one year. Especially in business with enterprise customers, multi-year contracts (MYD) are also used.

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

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

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

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

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

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

SMB customers mean customers with ACV (Annual Contract Value; is defined as the annualised value of one SMB/Enterprise contract) across all products and services of less than EUR 10,000 within the last twelve-month period. If the threshold is exceeded, the customer will be reallocated.

Enterprise customers mean customers with ACV across all products and services of at least EUR 10,000 within the last twelve-month period. Customers who do not reach this threshold will be reallocated.

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

Retained Billings means recurring billings (renewals, cross- and upselling) attributable to retained subscribers who were subscribers in the previous twelve-month period (LTM-1).

New Billings means recurring billings attributable to new subscribers.

Non-recurring Billings means billings that do not recur such as professional services and hardware reselling.

Net Retention Rate (NRR) means the Retained Billings of the last twelve months (LTM), divided by the total recurring Billings (Retained Billings + New Billings) of the previous twelve-month period (LTM-1). The total recurring Billings of the LTM-1 period are adjusted for multi-year deals (MYD).

(c) Employee benefits

Share-based compensation made by an entity exercising control on the grant date and accounted for as equity-settled share-based compensation

TLO granted share-based compensation awards to selected executives of the Group, with these awards being either settled in cash or by transferring equity instruments.

Even though in this case none of the TeamViewer AG group companies has an obligation to pay share-based compensation to executives, the Group accounts for TLO's commitments as equity-settled share-based compensation. This accounting treatment was a result of the fact that the share-based compensation was made between group companies. At the time the share-based compensations were granted, the TeamViewer AG Group was part of the parent TLO Group, which is required to meet the share-based compensation obligations. Because the entities of the TeamViewer AG Group receive the executive services (and not TLO), but has no payment obligation, the TeamViewer AG Group is required to account for these transactions as equity-settled share-based transactions, irrespective of what form (cash-settled or equity-settled) the compensation to the executives is settled by TLO.

Accounting for equity-settled share-based compensation

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

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

In contrast to service and vesting conditions, market conditions are considered in determining the fair value at the grant date. Other conditions attached to a compensation award that are not service or vesting conditions are treated as non-vesting conditions. Non-vesting conditions are included in the grant date fair value of a compensation award.

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

Amendments to equity-settled share-based compensation

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

Share-based compensations accounted for as cash-settled share-based compensation

Expenses from cash-settled share-based compensations are determined using the fair value at reporting date. See *Note 7 Personnel expenses*.

If employees acquire an unconditional right to a cash-settled share-based compensation already at the grant date, the related expenses are also recognised at the grant date. Otherwise, the expenses are recognised over the service period or the period over which the performance conditions are expected to be fulfilled (the vesting period), as appropriate (*Note 7 Personnel expenses*). The vesting period encompasses the period from the grant date to the vesting date. The cumulative expense recognised on each reporting date reflects the extent to which the vesting period has expired as at the reporting date.

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

Calculating employee headcount

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

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

(d) Finance income and finance expenses

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

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

(e) Income taxes

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

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

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

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

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

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

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

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

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

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

(f) Intangible assets and goodwill

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

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

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

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

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

	Years
Goodwill	Indefinite
“TeamViewer” trademark	Indefinite
Customer relationships	4–10
Software	3–10

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

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

Intangible assets with an indefinite useful life are tested for impairment at least annually in accordance with IAS 36, applying the procedure described in *Note 3 Significant accounting policies*. The impairment test of the trademark is performed in combination with the goodwill impairment test as the trademark does not generate cash inflows on a stand-alone basis, and all products of the Group are sold under the “TeamViewer” trademark.

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

(g) Property, plant and equipment

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

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

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

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

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

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

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

(h) Trade receivables

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

The Group's loss allowance for trade receivables is recognised in accordance with IFRS 9. For this, the expected credit loss model (ECL) is used. The simplified approach under IFRS 9 is used to calculate expected credit losses over the term. The loss allowance for trade receivables (without sales tax/value-added tax) is recognised based on the category size of the receivable (invoiced amount), the region of the customer and by the ageing of the receivable based on historical credit losses. Management evaluates quarterly whether adequate and supportable qualitative information is available to adjust the historical loss rates using forward-looking information. Due to the short time period, the time value of money has no material impact on the allowances.

Overdue trade receivables are subject to various enforcement measures. Due to the Group's business model (annual subscription) Trade receivables are derecognised after one year (payment default) if no further realisation of the receivable is expected.

(i) Capitalised costs from customer contracts

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

(j) Advance payments for sponsorship activities

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

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks, cash in hand and short-term deposits with original maturities of three months or less. Cash and cash equivalents are defined as cash in hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to an insignificant risk of changes in value. For cash and cash equivalents, the Group calculates a risk provision for expected credit losses in line with IFRS 9 using an expected credit loss model. Expected credit loss of cash and cash equivalents is calculated based on the probability of default and recovery rates derived from CDS spreads or external credit ratings of the counterparties. The Group also monitors the risk on a quarterly basis to determine if a significant deterioration in credit risk has occurred. When a bank's credit rating is downgraded to below investment grade, the Group considers this a significant deterioration in credit risk. A default is assumed to have occurred when a bank's credit rating falls below C.

(l) Issued capital

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

(m) Provisions

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

(n) Financial instruments

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

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

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

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

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

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

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

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

Derivative financial instruments

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

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

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

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

Hedge accounting

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

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

(o) Impairment

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

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

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

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

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

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

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

ECLs are recognised as following:

a) For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are recognised for default events that are possible within the next 12 months (a 12-month ECL).
b) For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

See Note *22 Financial instruments – fair values and risk management*.

For trade receivables and contract assets, included within other current assets, the Group applies a simplified approach in calculating ECLs (see Note *3 (h) Trade receivables*). Therefore, the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. See *Note 3 (h) Trade receivables*.

(p) Rental/lease payments

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

Right-of-use assets

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

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

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

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

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

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

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

(q) Foreign currencies

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

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

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

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

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

		Closing rates		Average rate for year	
Currency	ISO code	**31 December 2022**	31 December 2021	**2022**	2021
Armenian dram	AMD	422.35	546.10	460.80	596.65
Australian dollar	AUD	1.58	1.56	1.52	1.57
Canadian dollar	CAD	1.46	N/A	1.37	N/A
Chinese yuan	CNY	7.40	7.19	7.08	7.63
Pound sterling	GBP	0.89	0.84	0.85	0.86
Indian rupee	INR	88.76	84.23	82.73	87.49
Japanese yen	JPY	140.64	130.38	138.00	129.86
Mexican peso	MXN	20.90	23.14	21.21	23.99
Singapore dollar	SGD	1.44	1.53	1.45	1.59
US dollar	USD	1.07	1.13	1.05	1.18

(r) Contingent liabilities

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

(s) Segment

The Group has only one segment, with the TeamViewer platform as the reporting entity. The Group defines the Management Board for the TeamViewer AG as the “chief operating decision-makers”. The Management Board is responsible for allocating resources and assessing performance based on discrete financial information at a consolidated level.

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

The following amendments or improvements to standards have been applied by the Group and were mandatory for the first time for annual periods beginning on or after 1 January 2022 but have no or no material impact on the Group:

- Amendments to IAS 16 – Property, Plant and Equipment
- Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets
- Amendments to IFRS 3 – Business Combinations

The first-time application of the accounting pronouncements listed in the table had no or no material impact on the presentation of the net assets, financial position and results of operations.

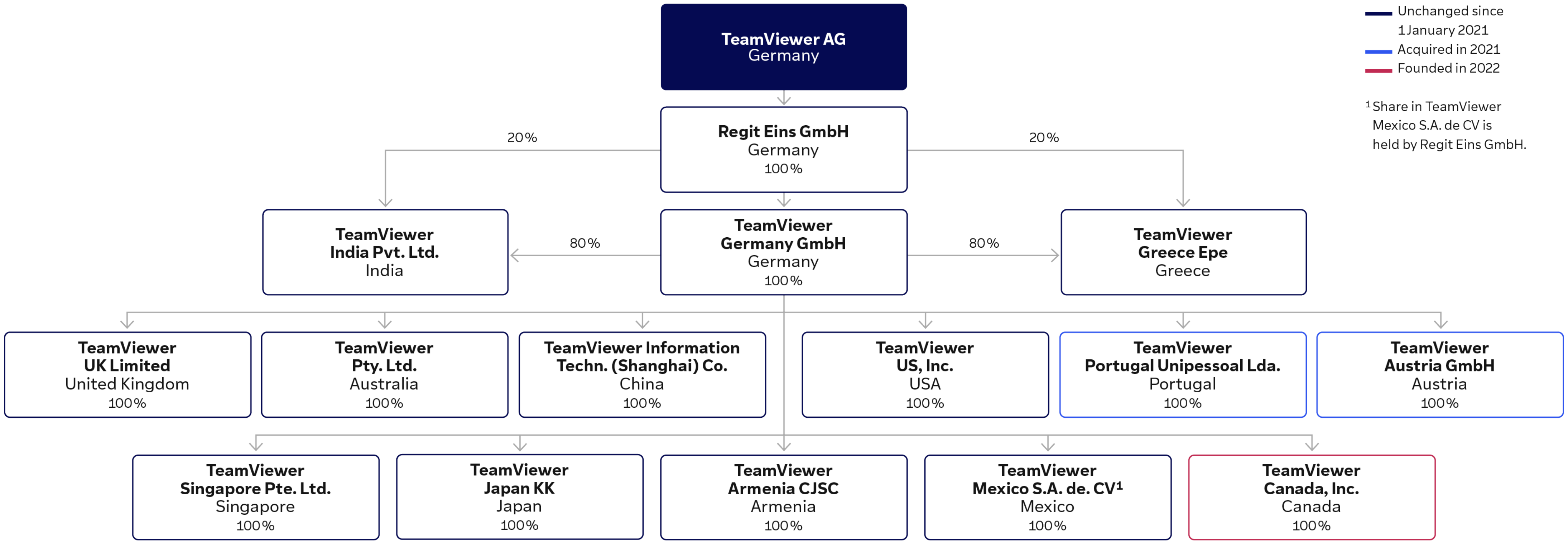
(u) Standards, interpretations and amendments to published standards that have not yet been applied

A number of new standards and amendments to standards and interpretations are effective for fiscal years beginning on or after 1 January 2023.

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

- Amendments to IAS 1 – Disclosure of Accounting Policies
- Amendments to IAS 8 – Definition of Accounting Estimates
- Amendments to IAS 12 Income Taxes – Deferred Taxes Related to Assets and Liabilities arising from a Single Transaction
- Amendments to IFRS 3 – Reference to the Conceptual Framework
- Amendments to IFRS 17 – Insurance Contracts
- Initial application of IFRS 17 and IFRS 9 – Comparative information
- Amendment to IFRS 16 – Lease liability in a Sale and Leaseback
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current (from 1 January 2024)

4. Structure of the Group



In addition to the companies shown in the chart, Ubimax GmbH, Bremen, Germany, was an affiliated company of TeamViewer AG until its merger with TeamViewer Germany GmbH on 7 January 2021. Viscopic GmbH, Munich, Germany, which was acquired in fiscal year 2021, was merged into TeamViewer Germany GmbH on 1 October 2021. Ubimax Inc, USA, was merged into TeamViewer US, Inc., USA, on 29 January 2021. Upskill, Inc., USA, which was acquired in fiscal year 2021, was also merged into TeamViewer US, Inc., USA, effective 30 September 2021.

(a) Group structure as at 31 December 2022

As at 31 December 2022, the Group consisted of TeamViewer AG, headquartered in Göppingen, Germany, as the parent company, and 15 fully consolidated companies.

In June 2022, TeamViewer Germany GmbH founded TeamViewer Canada Inc, Toronto, Canada. The Company provides Sales and Marketing services for TeamViewer Germany GmbH.

(b) Company acquisitions in 2021

Acquisition of Chatvisor GmbH (now: TeamViewer Austria GmbH)

The Group acquired 100 % of the voting shares in Chatvisor GmbH, now TeamViewer Austria GmbH, based in Linz, Austria, ("Xaleon"), effective 18 January 2021.

Xaleon's core product is a co-browsing technology that enables a special form of screen sharing in web sessions. This works without installation and without transferring user data, making the software fully GDPR-compliant. To complement the co-browsing application, Xaleon developed a software suite to enable secure digital interactions across the entire customer journey. This includes features such as chatbots, live and video chats and an electronic signature to conclude legally binding contracts within an online customer interaction. In addition, Xaleon's offering includes interfaces – known as APIs – to all major customer service and ticket management systems to enable seamless integration. Xaleon employed 21 people in Austria at the time of acquisition.

The acquisition of 100 % of the shares in Xaleon was made by TeamViewer Germany GmbH, Göppingen. A contingent purchase price payment (contingent consideration) was agreed in addition to a fixed purchase price payment of EUR 16,317 thousand. The fixed purchase price payment comprises a cash component of EUR 10,317 thousand and four annual payments totalling EUR 6,000 thousand. The contingent purchase price payment depends on additional billings in the next four fiscal years compared to fiscal year 2020. As at the acquisition date, the fair value of the contingent purchase price payment, determined using the discounted cash flow method, was estimated at EUR 8,631 thousand. The future contingent purchase price payments have been estimated in a range of EUR 8,910 thousand to EUR 14,850 thousand.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities as at the acquisition date are as follows:

Fair value as at the acquisition date

In EUR thousands	As at 18 January 2021
Non-current assets	
Intangible assets	8,990
Property, plant and equipment	14
	9,004
Current assets	
Trade receivables	141
Other assets	6
Cash and cash equivalents	431
	578
Non-current liabilities	
Financial liabilities	113
Deferred tax liabilities	2,189
	2,302
Current liabilities	
Trade payables	41
Other financial liabilities	64
	105
Total identifiable net assets at fair value	**7,174**
Goodwill	17,774
Transferred consideration	**24,948**
Thereof fixed cash component	10,317
Thereof fixed purchase price liability (discounted)	6,000
Thereof fair value of contingent purchase price payment	8,631

The goodwill recognised is not tax-deductible. The fair value of trade receivables amounts to EUR 141 thousand, and the gross amount of trade receivables amounts to EUR 141 thousand.

Analysis of cash outflow from the acquisition

In EUR thousands	
Purchase price payment (included in cash flows from investing activities)	(10,317)
Transaction costs for acquisition (included in cash flows from operating activities)	(203)
Cash and cash equivalents acquired with subsidiaries (included in cash flows from investing activities)	431
Actual cash outflow from the acquisition	**(10,089)**

Transaction costs in the amount of EUR 203 thousand were recognised as an expense in the fiscal year 2021.

Goodwill is the difference between the consideration transferred of EUR 24,948 thousand and the net assets measured at fair value. Goodwill of EUR 17,774 thousand was identified and mainly comprised expected synergies and staff expertise.

In the fiscal year 2021, Xaleon contributed EUR 480 thousand to the Group's revenue and a net loss of EUR (2,805) thousand to the Group's net income/loss. The net loss for the fiscal year 2021 includes amortisation of intangible assets in the amount of EUR 899 thousand.

Acquisition of Upskill, Inc.

With effect from 26 February 2021, the Group acquired 100 % of the voting shares in Upskill Inc., based in Newark, Delaware, USA ("Upskill").

Upskill is a market leader in industrial augmented reality (AR) solutions. Through real-time interfaces utilising data glasses and other mobile devices, Upskill's software facilitates digitised work processes, particularly in the areas of industrial manufacturing, inspections and audits. Upskill employed 28 people in the US at the time of its acquisition.

Prior to Upskill's acquisition, TeamViewer US, Inc. founded TV-Merger Sub, Inc. (Delaware, USA). The acquisition of 100 % of the voting shares in Upskill was effected through a merger of TV-Merger Sub, Inc. into Upskill, Inc. ("reverse triangular merger" under the laws of the US state of Delaware). TV-Merger Sub, Inc. was merged into Upskill, Inc. in the course of the merger. Upskill, Inc. acted as the absorbing company whose shares were acquired by TeamViewer US, Inc. in the course of the merger. As a result, TeamViewer US, Inc. is the sole shareholder of Upskill, Inc.

In addition to a fixed purchase price payment of EUR 9,444 thousand, a contingent purchase price payment was also agreed. The contingent purchase price payment depends on additionally closed orders two years after the acquisition. As at the acquisition date, the fair value of the contingent purchase price payment, determined using the discounted cash flow method, was estimated at EUR 1,561 thousand. The contingent purchase price payments are expected to range from EUR 0 thousand to EUR 4,620 thousand.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities as at the acquisition date are as follows:

Fair value as at acquisition date

In EUR thousands	As at 26 February 2021
Non-current assets	
Intangible assets	10,252
Property, plant and equipment	738
	10,990
Current assets	
Trade receivables	709
Other assets	252
Cash and cash equivalents	233
	1,194
Non-current liabilities	
Financial liabilities	346
Deferred tax liabilities	0
	346
Current liabilities	
Trade payables	141
Deferred and other liabilities	966
	1,107
Total identifiable net assets at fair value	**10,731**
Goodwill	274
Consideration transferred	**11,005**
Thereof fixed cash component	9,444
Thereof fair value of contingent purchase price payment	1,561

The goodwill recognised is not tax-deductible. The fair value of trade receivables amounts to EUR 709 thousand and the gross amount of trade receivables to EUR 792 thousand.

Analysis of cash outflow from the acquisition

In EUR thousands	
Purchase price payment (included in cash flows from investing activities)	(9,444)
Transaction costs for acquisition (included in cash flows from operating activities)	(641)
Cash and cash equivalents acquired with the subsidiaries (included in cash flows from investing activities)	233
Actual cash outflow from the acquisition	**(9,852)**

The transaction costs of EUR 641 thousand were recognised as an expense in the fiscal year 2021.

Goodwill is the difference between the consideration transferred of EUR 11,005 thousand and the net assets measured at fair value. Goodwill of EUR 274 thousand was identified and consisted mainly of expected synergies and staff expertise.

In the fiscal year 2021, Upskill contributed EUR 784 thousand to the Group's revenue and a net loss for the year of EUR (5,414) thousand to the Group's net income/loss. If Upskill had been included in the Group consolidation as at 1 January 2021, it would have contributed in the fiscal year 2021 EUR 923 thousand to the Group's revenue and a net loss for the year of approximately EUR (5,859) thousand to the Group's net income/loss.

For the earn-out recognised separately from the business combination, the expected amount is recognised as an employee benefit over the vesting period. The amount of the earn-out depends on the annual recurring billings for Upskill products at the measurement date (31 March 2021) and amounts to a maximum of USD 7,500 thousand. The payment obligation is due no later than five months after the valuation date. The entitlement to payment is linked to an existing employment relationship at the time of maturity. Expenses of EUR 734 thousand were recognised as at 31 December 2021. The contingent purchase price obligation from business combinations is reported in the statement of financial position under the item "Deferred and other liabilities".

Acquisition of Viscopic GmbH

The Group acquired 100 % of the voting shares of Viscopic GmbH, Munich, Germany, (“Viscopic”), effective 7 May 2021.

The Munich-based start-up is active in the areas of interactive 3D visualisation and mixed reality solutions. Based on Viscopic’s innovative technology, industrial processes can be further optimised – especially in the areas of quality assurance, maintenance, training and layout planning of industrial plants. Viscopic’s technology complements TeamViewer’s AR offering and creates additional added value for customers. In the training use case, for example, new employees in manufacturing or inspection can practice complex tasks using interactive 3D holograms. In this way, they can more easily understand the processes and learn immersively using the model.

The acquisition of 100 % of the shares in Viscopic was made by TeamViewer Germany GmbH, Göppingen, for an agreed fixed purchase price payment of EUR 4,255 thousand and a contingent purchase price payment that is dependent upon the additional billings generated before 31 December 2023. It is estimated that the contingent purchase price payment could range from EUR 356 thousand to EUR 1,051 thousand. The contingent purchase price payment’s fair value, determined using the discounted cash flow method, has been estimated at EUR 550 thousand as at the acquisition date.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities at the acquisition date are as follows:

Fair value as at the acquisition date

In EUR thousands	As at 7 May 2021
Non-current assets	
Intangible assets	4,250
Property, plant and equipment	143
Deferred tax assets	119
	4,512
Current assets	
Trade receivables	126
Other assets	32
Cash and cash equivalents	249
	407
Non-current liabilities	
Financial liabilities	78
Deferred tax liabilities	1,241
	1,319
Current liabilities	
Financial liabilities	38
Trade payables	2
Deferred and other liabilities	37
	77
Total identifiable net assets at fair value	**3,524**
Goodwill	1,281
Consideration transferred	**4,805**
Thereof fixed cash component	4,255
Thereof fair value of contingent purchase price payment	550

The goodwill recognised is not tax-deductible. The fair value of trade receivables amounts to EUR 126 thousand, and the gross amount of trade receivables to EUR 134 thousand.

Analysis of cash outflow from the acquisition

In EUR thousands	
Purchase price payment (included in cash flows from investing activities)	(4,255)
Transaction costs for acquisition (included in cash flows from operating activities)	(120)
Cash and cash equivalents acquired with subsidiaries (included in cash flows from investing activities)	249
Actual cash outflow from the acquisition	**(4,126)**

The transaction costs of EUR 120 thousand were recognised as an expense.

Goodwill is the difference between the consideration transferred of EUR 4,805 thousand and the net assets measured at fair value. Goodwill of EUR 1,281 thousand was identified and consisted mainly of expected synergies and staff expertise.

In the fiscal year 2021, Viscopic contributed EUR 167 thousand to the Group's revenue and a net loss of approximately EUR (888) thousand to the Group's net income/loss. The net loss for the year includes amortisation of intangible assets in the amount of EUR 355 thousand. If Viscopic had been included in the Group consolidation as at 1 January 2021, it would have contributed in the fiscal year 2021 EUR 377 thousand to the Group's revenue and a net loss of approximately EUR (933) thousand to the Group's net income/loss.

For the earn-out recognised separately from the business combination, the expected amount is recognised as an employee benefit over the vesting period. The amount of the earn-out depends on the future development of the annually recurring billings of Viscopic and amounts to a maximum of EUR 7,850 thousand. The payment obligation is due in two tranches, each no later than 4 February 2023 and 5 April 2024. The entitlement to payment of the respective tranche is linked to an existing employment relationship at the time the respective tranche falls due. Expenses of EUR 690 thousand were recognised as at 31 December 2021. The earn-out obligation is reported in the statement of financial position under "Deferred and other liabilities".

Acquisition of Hapibot Studio Unipessoal Lda (now: TeamViewer Portugal, Unipessoal Lda)

The Group acquired 100 % of the voting shares in Hapibot Studio Unipessoal Lda, based in Porto, Portugal, ("Hapibot"), effective 19 May 2021.

With this acquisition, TeamViewer has added a software, development and digital design agency to serve as its software development hub. Hapibot's core expertise lies in the areas of app development, augmented reality, Internet of Things and artificial intelligence. The company employed 18 people at the time of its acquisition.

The acquisition of 100 % of the shares in Hapibot was made by TeamViewer Germany GmbH, Göppingen, for an agreed fixed purchase price payment of EUR 753 thousand, consisting of a cash component in the amount of EUR 503 thousand and a payment of EUR 250 thousand, payable in June 2023.

Fair value as at the acquisition date

In EUR thousands	As at 19 May 2021
Non-current assets	
Property, plant and equipment	4
	4
Current assets	
Trade receivables	23
Other assets	14
Cash and cash equivalents	223
	260
Non-current liabilities	
Financial liabilities	0
Deferred tax liabilities	0
	0
Current liabilities	
Trade payables	7
Deferred and other liabilities	34
	41
Total identifiable net assets at fair value	**223**
Goodwill	530
Consideration transferred	**753**
Thereof fixed cash component	503
Thereof fixed purchase price liability (discounted)	250

The goodwill recognised is not tax-deductible. The fair value of trade receivables amounts to EUR 23 thousand, and the gross amount of trade receivables amounts to EUR 29 thousand.

Analysis of cash outflow from the acquisition

In EUR thousands	
Purchase price payment (included in cash flows from investing activities)	(503)
Transaction costs for acquisition (included in cash flows from operating activities)	(28)
Cash and cash equivalents acquired with subsidiaries (included in cash flows from investing activities)	223
Actual cash outflow from the acquisition	**(308)**

Transaction costs in the amount of EUR 28 thousand was recognised in the fiscal year 2021 as an expense.

Goodwill is the difference between the consideration transferred of EUR 753 thousand and the net assets measured at fair value. Goodwill of EUR 530 thousand was identified and consisted mainly of expected synergies and staff expertise.

In the fiscal year 2021, Hapibot contributed EUR 104 thousand to the Group's revenue and a net loss for the year of approximately EUR (452) thousand to the Group's net income/loss. If Hapibot had been included in the Group consolidation as at 1 January 2021, it would have contributed in the fiscal year 2021 EUR 373 thousand to the Group's revenue and a net loss for the year of approximately EUR (333) thousand to the Group's net income/loss.

For the earn-out recognised separately from the business combination, the expected amount is recognised as an employee benefit over the vesting period. The amount of the earn-out depends on the future development of the number of employees as well as employee turnover at Hapibot and amounts to a maximum of EUR 400 thousand. The payment obligation is due in two tranches, each on 30 June 2022 and 30 June 2023. The entitlement to payment of the respective tranche is linked to an existing employment relationship of the seller at the time the respective tranche falls due. Expenses of EUR 176 thousand were recognised as at 31 December 2021. The earn-out obligation is recognised in the statement of financial position under "Deferred and other liabilities".

5. Revenue

Reconciliation of billings to revenue

In EUR thousands	2022	2021
Billings	634,774	547,608
Change in deferred revenue recognised in profit or loss	(68,900)	(46,511)
Total revenue	**565,874**	**501,097**

For a further breakdown of revenue, please see Note *23 Operating segments*.

6. Category of expenses

Cost elements

In EUR thousands	2022	2021
Personnel expenses	(172,055)	(156,819)
Purchases/services received from third parties and others	(205,974)	(162,111)
Depreciation and amortisation	(53,741)	(50,918)
Allowances for trade receivables	(12,400)	(15,995)
Other expenses	(1,299)	(2,869)
Total expenses	**(445,468)**	**(388,712)**

7. Personnel expenses

Personnel expenses consist of the following items:

Personnel expenses

In EUR thousands	2022	2021
Wages and salaries	121,274	108,396
thereof pension insurance	6,308	5,841
Social security contributions	22,255	20,447
Equity-settled share-based compensation	27,632	27,590
thereof IPO Agreement	–	4,787
thereof EPP Programme	13,223	(394)
thereof Ubimax	10,283	23,197
thereof RSU	4,125	–
Cash-settled share-based compensation	861	(1,181)
thereof LTIP	740	(1,181)
thereof PSU[1]	121	–
Expenses for M&A[2]	33	1,568
Total personnel expenses	**172,055**	**156,819**

[1]Including social security contributions RSU.

[2]Expenses for M&A were included in wages and salaries in 2021.

Employees by region

	2022		2021	
Region	Average headcount	FTEs as at 31 Dec	Average headcount	FTEs as at 31 Dec
EMEA	1,002	947	1,088	1,061
AMERICAS	244	260	254	245
APAC	170	179	173	171
Total	**1,416**	**1,386**	**1,515**	**1,477**

Share Appreciation Rights Programme

On 24 January 2018, TLO established a programme to grant share appreciation rights to selected executives (“Share Appreciation Agreement”), which was modified in August 2019 (“IPO Agreement”).

Vesting conditions

Under this Share Appreciation Agreement, executives are given an opportunity to participate in the Group’s future value appreciation in the event of an initial public offering (IPO) of any Group entity that is a holding entity of all or substantially all of the Group’s assets.

Beneficiaries in such a case would be entitled to a cash settlement if they are employed at a Group company when the exit event occurs, or if they have not previously left as a “bad leaver”. Under the terms of the Share Appreciation Agreement, a “bad leaver” is a beneficiary who terminates his or her employment without cause.

Determination of the value appreciation

The amount of the value appreciation is calculated from the inception of the contract. The appreciation is calculated as the excess value resulting by deducting the following amounts from the proceeds generated from the abovementioned events:

- the repayment of financial debt, including financing arrangements with shareholders, such as loans, debentures, preferred equity certificates (PECs), preferred stock, or similar arrangements (if applicable);
- the repayment of premiums and other additional payments by the shareholder;
- the transaction costs;
- all bonuses paid by shareholders to Group employees; and
- a contractually agreed base amount.

Should less than 100 % of the shares be sold in the course of these events, the proceeds from the sale that would have resulted had all shares in the Group been sold are calculated and used as a basis for extrapolation.

Level of participation in value appreciation

Under the terms of the Share Appreciation Agreement, the selected executives participate in this value appreciation in an amount of 3.6 %. In the case of the disposal of shares in tranches, the executives receive pro rata payments of the value appreciation corresponding to the share sold in each case.

Contribution of TeamViewer US Inc.

As a result of the contribution of TeamViewer US Inc. on 12 June 2019, together with other foreign subsidiaries contributed by TLO to the Group, the number of beneficiaries from the Share Appreciation Agreement increased. This led to an increase in the executives’ share in the future value appreciation from 3.6 % to 4.1 %.

Accounting

Upon the grant of the Share Appreciation Agreement on 24 January 2018, the occurrence of the abovementioned events was not expected prior to the end of the fiscal year 2019. Accordingly, the originally estimated vesting period also was two years. It was not until the third quarter of 2019 that a successful IPO of TeamViewer AG at the end of September 2019 became sufficiently likely, which led to a decline in the initial vesting period to 21 months.

Modification of the Share Appreciation Agreement

In August 2019, the Share Appreciation Agreement dated 24 January 2018 was modified (in the following: IPO Agreement) in order to allow certain executives to more directly participate in the Company and to align the interests of executives with those of new shareholders who invested within the framework of the IPO. The Share Appreciation Agreement of the management of TeamViewer US Inc. was not modified.

The changes in detail

In the event of a successful IPO, the following amendments to the Share Appreciation Agreement should apply:

- The share of future value appreciation attributable to executives entitled under the Share Appreciation Agreement increases to 4.5 %.
- **Tranche 1** (cash-settled): The percentage portion of the shares sold during the IPO (not more than 30 %), multiplied by the value appreciation, and further multiplied by the granted share in the value appreciation less payments from MEP participation, vests as at the IPO date and becomes due for payment 30 days later.
- **Tranche 2** (equity-settled): An amount of 50 % of the difference between the granted share in the value appreciation (i.e. 4.5 %) and the cash settlement made pursuant to Tranche 1 is settled in the Company’s equity instruments on the vesting date. The number of equity instruments is determined on the basis of the share price on the issue date. Tranche 2 vests 12 months after the IPO.

- **Tranche 3** (equity-settled): The remaining 50 % of the difference between the granted share in the value appreciation (i.e. 4.5 %) and the cash settlement made pursuant to Tranche 1 is settled in the Company's equity instruments on the vesting date. The number of equity instruments is determined on the basis of the share price on the issue date. Tranche 3 vests 24 months after the IPO.

Accounting

Although only TLO is obliged to settle the share-based compensation, the Group of TeamViewer AG as the recipient of the executives' services must recognise an equity-settled share-based compensation transaction because, at the grant date, this constitutes a transaction between companies of the superordinate TLO Group (see *Note 3 Significant accounting policies (c) Employee benefits)*.

Accounting for the modification

Modification of the Share Appreciation Agreement by the IPO Agreement has no effect on the previous accounting treatment. The fair value of the original Share Appreciation Agreement (EUR 3.6 million) determined at the original grant date is recognised as an expense when services are rendered.

In addition, the effect of the modification that increased the total fair value of the share-based compensation arrangement is accounted for as if a new arrangement had been agreed that is measured at the incremental fair value as at the modification date. Hence, the increase of the granted share in the "excess value" by + 0.9 percentage points was accounted for as if it were a separate new arrangement. Personnel expenses in fiscal year 2021 include an amount from the IPO Agreement of EUR 4.8 million (2020: EUR 15.8 million).

Completion of the modified Share Appreciation Agreement programme

The modified Share Appreciation Agreement was settled in the 2021 fiscal year.

EPP Programme

In August 2019, TLO launched a programme to grant share appreciation rights (SARs) for selected executives of the Group (in the following "EPP Programme") in order to create a long-term incentive for the executives with regard to the value appreciation of the Company.

Vesting conditions

An IPO (in the following "IPO event") results in a partial payment at the date of the IPO (Tranche 1) and another partial payment at the date of the full sell-down, i.e. when the last share in TeamViewer AG is sold by TLO (Tranche 2). In addition, a discretionary bonus may be granted 30 days after the full sell-down by TLO (Tranche 3).

The beneficiaries are entitled to this settlement only if they are employed at the Group when the IPO occurs (Tranche 1) or when the full sell-down occurs (Tranche 2 and Tranche 3). If beneficiaries have terminated their employment relationship prior to these dates, the claim for the respective tranche lapses only if they are bad leavers as defined in the contract, e. g. termination of employment by the beneficiaries without cause.

Amount of the EPP bonus

The settlement amount is based on the EPP value, which represents the total settlement amount that might be paid out to executives and which is divided into 12,000,000 EPP units, of which 10,780,000 units were granted to employees in August 2019.

The EPP value equals 1.63 % of the proceeds from the sale of 100 % of the shares in the Company, less:

- any third-party debt, exit fees, costs, taxes or other liabilities;
- liabilities under PECs, shareholder loans and comparable shareholder instruments, including repayment of nominal amounts and accrued interest; and
- amounts contributed as equity to the Company by the shareholder.

Partial payments
If an IPO event occurs, the payment for each tranche is determined as follows:

Tranche 1:
A total of 30 % of the preliminary EPP value per EPP unit, with a maximum payout amount of EUR 50 million (upper limit – cap). The preliminary EPP value is determined at the time of the IPO under the assumption that TLO places all shares of TeamViewer AG in the IPO.

Tranche 2:
The final EPP value per EPP unit based on the actual proceeds from the sale of the shares by TLO after TLO no longer has an interest in the Company and subject to the cap, less the payment from Tranche 1.

Tranche 3:
To the extent that the final EPP value exceeds the cap, TLO may award compensation equal to the final, unrestricted EPP value per EPP unit less the cap (EUR 50 million) per EPP unit to selected executives at its sole discretion upon the complete sale of its interest in the Company.

Since TLO has already promised the selected executives the unlimited EPP value, this discretionary compensation commitment (Tranche 3) is considered a de facto commitment.

Accounting
Although only TLO is obliged to settle the share-based compensation, the Group of TeamViewer AG, as the recipient of the executives' service, must also recognise an equity-settled share-based compensation for the EPP bonus agreement because it is a transaction between companies of the superordinate TLO Group as at the grant date (see *Note 3 Significant accounting policies(c) Employee benefits).*

The performance of services by the respective selected executives until all shares are sold constitutes a vesting condition. The estimated vesting period for the second and third tranches ends on 31 December 2023 (prior year: 31 December 2023), as a complete sale of the TeamViewer shares by TLO is not expected before that date. The expense recognised in the fiscal year corresponds to the change in the cumulative expense between 31 December 2022 and 31 December 2021. For some participants, the EPP was terminated in the fiscal years 2021 or 2022. As there was no increase in the fair value of the share-based compensation at the time of termination, the expense from these programme were expensed in full until the termination. For some participants, the EPP programme was adjusted in the fiscal year 2022. Those participants received addition EPP units and an additional prepayment (with next sale of shares from TLO) was agreed. The fair value of the addition EPP units is EUR 5.6 million. The fair value was determined using the TeamViewer AG share price at the grant date (EUR 9.52).

Ubimax
In connection with the acquisition of Ubimax, the Company issued 1,070,931 new shares from authorised capital in a capital increase against contribution in kind. The transfer of these shares is accounted for as a separate equity-settled share-based compensation transaction.

The shares issued are pledged to the Company, with 356,977 shares scheduled to vest on each of the dates of 20 August 2021, 20 August 2022 and 20 August 2023. The vesting of the shares depends on the performance of work by the founders.

The fair value of the share-based compensation as at the grant date was measured based on the Company's share price on 20 August 2020 (EUR 44.21) and amounts to EUR 47,346 thousand. The vesting period for each of 356,977 shares results from the grant date of the share-based compensation and the respective vesting date. As at the end of the fiscal year, no entitlements to shares had lapsed.

Long-term Incentive Plan (LTIP)
For the performance-based compensation of executives, TeamViewer introduced a Long-term Incentive Plan (LTIP) in fiscal year 2020, which will be granted in yearly tranches.

Plan description
The LTIP serves to secure the long-term commitment of the Management Board and selected executives and is intended to align the compensation structure with sustainable corporate development. From the 2022 fiscal year, the programme will only apply to the Management Board. The performance period for the LTIP shall be four calendar years for all tranches, starting on 1 January of the calendar year in which the tranche in question was granted.

Payment of the performance-based compensation based on the LTIP is made in the calendar year following the end of the performance period for the respective tranche. The amount of the remuneration is calculated according to the following formula:

Long-term Incentive Plan

Grant amount	÷	Initial share price	=	Initial number of performance shares	×	Total target archievement (capped at 200%)	=	Final number of performance shares	×	Closing share price	=	Payout amount (capped at 200%)

The allocation amount in euros for the respective tranche is contractually agreed with the employees individually and is the basis for calculating the initial number of performance shares of the respective tranche. The allocation amount is divided by the arithmetic mean of the Xetra closing prices of the TeamViewer share on the 60 trading days prior to the start of the respective tranche (initial share price) or, for the first tranche, by the issue price, and results in the initial number of performance shares for the respective tranche. At the end of the performance period, these are multiplied by the overall target achievement level to give the final number of performance shares. The total target achievement level is capped at 200 %. The final number of performance shares is multiplied by the final share price to give the payout amount. The final share price is the arithmetic mean of the Xetra closing prices of TeamViewer shares for the last 60 trading days prior to the end of the respective performance period. The payout amount is limited to twice the allocation amount.

Different performance targets with different weightings have been defined for the performance period. These are financial targets (average billings or adjusted EBITDA growth), non-financial targets (net promoter score and ESG targets) and total shareholder return (TSR) targets (TSR compared with Stoxx Europe 600 and MDAX). The ESG targets apply to the Management Board only.

The overall degree of target achievement is calculated from the weighted average of the individual performance targets. Minimum and maximum target achievement values of 50 % and 200 %, respectively, are set for each performance target. If the minimum value is not achieved, the corresponding target achievement is 0 %. If the maximum value of 200 % is exceeded, the target achievement is capped at 200 %. The following performance targets and weightings have been defined:

Weighting of single performance targets

Target	LTIP 2022	LTIP 2021	LTIP 2020
ø Billings growth p.a.	15 %	15 %	15 %
ø Adjusted EBITDA growth p.a.	15 %	15 %	15 %
Net promoter score (NPS) – Management Board	10 %	10 %	20 %
Net promoter score (NPS) – other employees	–	20 %	20 %
ESG Target (solely Management Board)	10 %	10 %	–
TSR vs. STOXX® 600 Technology	25 %	25 %	25 %
TSR vs. MDAX®	25 %	25 %	25 %

The entitlements under the LTIP lapse if a bad leaver event occurs before the end of the vesting period (in particular termination of employment). The vesting periods of the first and second tranches for the CEO end on 31 December 2023, respectively 31 December 2024, for the former CFO on 18 August 2022, for all other employees on 31 December 2021, respectively on 31 December 2022. The vesting period for the second tranche for the former CMO ended on 31 December 2021. The vesting period of the third tranche ends for the Management Board on 31 December 2025.

LTIP valuation as at 31 December 2022

		LTIP 2022	LTIP 2021	LTIP 2020
Disclosures on the determination of fair value at the measurement date				
Option price model		Monte Carlo	Monte Carlo	Monte Carlo
Share price	EUR	12.05	12.05	12.05
Risk-free interest rate depending on term	%	2.507	2.569	2.424
Expected volatility	%	58.17	58.17	58.17
Expected dividend yield	%	0.0	0.0	0.0
Remaining term of the performance shares	Years	3	2	1
Fair value	EUR thousands	1,592	252	388
Total carrying amount of liabilities	EUR thousands	542	222	365
Thereof vested	EUR thousands	–	193	297

LTIP valuation as at 31 December 2021

		LTIP 2021	LTIP 2020
Disclosures on the determination of fair value at the measurement date			
Option price model		Monte Carlo	Monte Carlo
Share price	EUR	12.02	12.02
Risk-free interest rate depending on term	%	(0.66)	(0.71)
Expected volatility	%	55	55
Expected dividend yield	%	0.0	0.0
Remaining term of the performance shares	Years	3	2
Fair value	EUR thousands	269	386
Total carrying amount of liabilities	EUR thousands	105	328
Thereof vested	EUR thousands	17	246

In estimating the fair value of the LTIP, assumptions are applied that take, among others, the expected volatility of the share price into consideration. The final payout amount additionally depends on the achievement of performance targets and the future share price. Changes in these assumptions and outcomes that differ from these assumptions could result in significant adjustments to the carrying amount of the liabilities. For the payout amount, the most crucial factor is the final share price.

Restricted Stock Unit Plan (RSU) and Phantom Stock Unit Plan (PSU)

In May 2022, TeamViewer introduced a Restricted Stock Unit Plan (hereinafter: RSU) and a Phantom Stock Unit Plan (hereinafter: PSU) for the performance-based remuneration of employees. The purpose of the RSU or PSU is to attract, retain and motivate employees by enabling them to participate in the Company's success. Employees participate in either the RSU or the PSU.

RSU

Plan description

The RSU grants the employee TeamViewer shares after vesting. This entitlement is granted to the employee in the respective fiscal year and vests in four equal parts every 31st of December from 2022 until 2025. After each vesting period, the shares are transferred to the employees. The employee is not entitled to dividends or voting rights before the shares are transferred. The employee's entitlement expires upon termination of the employment relationship.

Valuation and accounting

The fair value of one share of the RSU at the grant date (June – October 2022) was determined based on the Company's share price and amounted to EUR 10.33. An adjustment for the lack of dividend entitlement was not made, as no dividend payments are expected. The RSU is accounted for as an equity-settled share-based payment transaction.

PSU

Plan description

The PSU has the same terms and conditions but is settled in cash instead of shares. The cash settlement is calculated based on the average price of the TeamViewer share over the last 60 trading days before vesting.

Valuation and accounting

The fair value of a virtual share of the PSU on the measurement date was determined solely based on the Company's share price. An adjustment for the missing dividend entitlement of the virtual shares was not made, as no dividend payment is expected. The PSU is accounted for as a cash-settled share-based payment.

PSU valuation

		31 December 2022
Stock price	EUR	12.05
Total carrying amount of liabilities[1]	In EUR thousands	121
Thereof vested	In EUR thousands	88

[1]Including social security contributions RSU

Development of the number of RSU shares/virtual PSU shares

In units	RSU	PSU
31 December 2021	–	–
Granted	991,109	18,090
Forfeited	43,048	2,037
Vested	237,452	4,041
31 December 2022 pending	710,609	12,012
thereof vesting on 31 December 2023	236,870	4,004
thereof vesting on 31 December 2024	236,870	4,004
thereof vesting on 31 December 2025	236,870	4,004

8. Finance income and expenses

Exchange rate fluctuations

In EUR thousands	**2022**	2021
From operating activities	365	2,438
From cash and cash equivalents	25,112	11,159
From financial liabilities	(31,000)	(27,061)
Foreign currency result	**(5,522)**	**(13,464)**
thereof income	35,984	20,259
thereof expenses	(41,506)	(33,723)

Finance income and expenses

In EUR thousands	**2022**	2021
Finance income	**4,267**	**599**
Finance expenses	**(25,782)**	**(19,170)**
Interest for bank loans and promissory notes[1]	(20,708)	(15,639)
Other finance costs	(5,073)	(3,531)
Net financing costs	**(21,514)**	**(18,571)**

[1] Includes amortised transaction costs which have been presented under other finance costs in the financial statements 2021. The 2022 fiscal year includes a one-time effect of EUR 5.9 million related to refinancing.

Finance income consists primarily of income from realised gains of the interest rate cap and gains from lower valuation allowance for cash and cash equivalents (2021: income from current investments and other interest income).

Other finance costs consist mainly of interest not related to debt, impairment of cash and cash equivalents and interest on leases. See *Note 22 Financial instruments – fair values and risk management*.

9. Income taxes

Total income tax benefit/(expense)

In EUR thousands	2022	2021
Current tax benefit/(expense)	(44,933)	(38,397)
thereof from current year	(41,942)	(38,944)
thereof from previous years	(2,991)	547
Deferred tax benefit/(expense)	(4,156)	3,060
thereof from current year	(6,337)	2,355
thereof from previous years	2,181	705
thereof from temporary differences	3,315	14,332
thereof from interest and tax loss carryforwards	(7,471)	(11,272)
Total income tax benefit/(expense)	**(49,088)**	**(35,337)**

The Group is domiciled in Germany. The parent company is subject to a tax rate of 28.6 % (2021: 28.8 %). The income tax rates for other group companies range between 17 % and 33 % (2021: 17 % and 33 %).

Reconciliation of expected to actual income tax expense

In EUR thousands	2022	2021
Profit before taxes	**116,689**	**85,389**
Group tax rate (in %)	28.6 %	28.8 %
Expected income tax expense	**(33,373)**	**(24,592)**
Differences due to differing tax rates	(189)	(7)
Tax expense from non-recognition of tax loss carryforwards	(3,804)	(2,038)
Non-deductible expenses from share-based compensation	(6,864)	(8,056)
Permanent differences (tax-exempt income and non-deductible expenses)	(3,975)	(1,949)
Current and deferred taxes from prior years	(810)	1,252
Other	(74)	52
Actual income tax benefit/(expense)	**(49,088)**	**(35,337)**
Effective tax rate (in %)	42.1 %	41.4 %

The interest carryforward of EUR 104,003 thousand (2021: EUR 132,925 thousand) existing as at 31 December was recognised in full on the basis of the available profit forecast, as in the prior year, and is expected to be fully utilised.

Deferred taxes from temporary differences

In EUR thousands	31 Dec 2022	31 Dec 2021
Deferred tax assets		
Intangible assets	627	1,314
Lease liabilities	6,882	6,812
Property, plant and equipment	447	363
Trade receivables	461	502
Provisions	2,824	870
Interest carryforwards for tax purposes	26,874	34,345
Deferred tax assets before netting	**38,116**	**42,206**
Netting	(35,989)	(43,709)
Total deferred tax assets	**2,126**	**496**
Deferred tax liabilities		
Intangible assets – subject to scheduled amortisation	(21,693)	(30,078)
Intangible assets – not subject to scheduled amortisation	(30,689)	(30,689)
Leasing right of use assets	(6,694)	(6,651)
Inventory	(683)	(670)
Capitalised costs from customer contracts	(4,715)	(1,104)
Financial liabilities	(5,366)	(4,282)
Deferred tax liabilities before netting	**(69,841)**	**(73,474)**
Netting	35,989	43,709
Total deferred tax liabilities	**(33,852)**	**(29,764)**
Net deferred taxes	**(31,727)**	**(29,268)**

In the current year, deferred taxes related to lease liabilities are reported as deferred tax assets of EUR 6,882 thousand (2021 EUR 6,812 thousand) and deferred tax liabilities of EUR 6,694 thousand (2021 EUR 6,651 thousand). In the previous year, the corresponding amount was recognised under property, plant and equipment with a total of EUR 161 thousand. The previous net disclosure has been adjusted to reflect the new gross disclosure. Property, plant and equipment for the previous year were adjusted accordingly from EUR 524 thousand to EUR 363 thousand.

Change in net deferred taxes

In EUR thousands	2022	2021
As at 1 January	**(29,268)**	**29,027**
Deferred tax benefit/(expense)	(4,156)	3,060
Recognised in other comprehensive income	1,720	–
From acquisitions (see Note *4 Structure of the Group*)	–	(3,311)
From currency translation	(22)	10
As at 31 December	**(31,726)**	**(29,268)**

As at 31 December, no deferred taxes were recognised for the amounts that follow. The underlying loss carryforward can be carried forward indefinitely in accordance with tax regulations.

Unrecognised deferred tax assets

In EUR thousands	31 December 2022		31 December 2021	
	Base amount of un-recognised deferred taxes	Unrecognised deferred tax assets	Base amount of non-recognised deferred taxes	Unrecognised deferred tax assets
Tax loss carryforwards	20,654	5,907	15,786	4,546
Temporary amounts	4,164	1,191	–	–
Interest loss carryforwards	4,948	1,252	–	–

As in the prior year, no deferred tax liabilities were recognised on retained earnings of subsidiaries of around EUR 389 million (2021: approx. EUR 844 million), as the time of the reversal of the temporary difference is under the control of the Company, and a reversal of the temporary difference is assessed not to be probable over a foreseeable period of time.

In view of the expiry of possible limitation periods at the end of the reporting period, contingent liabilities in accordance with IFRS 3.23 that were recognised in 2014 of EUR 1,610 thousand were fully reversed in 2021. There are no remaining contingent liabilities recognised as of December 2022.

The application of IFRIC 23 resulted in a liability for potential tax risks in the amount of EUR 2,614 thousand (2021: EUR 820 thousand).

The liability includes possible risks of EUR 970 thousand (2021: EUR 820 thousand) relating to the establishment of permanent establishments abroad as well as the allocation of divergent profits at existing permanent establishments in the course of tax audits. Furthermore, the liability includes amounts for a deviating profit allocation in the case of cross-border transactions.

Further there is a risk related to a current tax audit amounting to EUR 1,666 thousand (2021: EUR 0). This includes a liability for potential tax payments of EUR 2,957 thousand (2021: EUR 0) together with an offsetting deferred tax asset of EUR 1,292 thousand (2021: EUR 0).

In determining the amount of the liability, expected refunds as well as exemption and credit amounts under double taxation agreements were taken into account accordingly.

10. Goodwill and intangible assets

Goodwill and intangible assets 2022

In EUR thousands	Gross carrying amount as at 1 Jan 2022	Additions	Additions from acqui-sitions	Reclassi-fications	Disposals	Exchange rate effects	**Gross carrying amount as at 31 Dec 2022**	Accum. amortisation and impairment losses as at 1 Jan 2022	Additions	Disposals	Exchange rate effects	**Accum. amortisation and impairment as at 31 Dec 2022**	**Net carrying amount as at 31 Dec 2021**	Net carrying amount as at 1 Jan 2022
Goodwill	667,224	–	–	–	–	705	667,929	–	–	–	–	–	667,929	667,224
TeamViewer trademark	105,100	–		–	–	–	105,100	–	–	–	–	–	105,100	105,100
Customer relationships	257,217	–	–	–	–	–	257,217	(179,074)	(25,830)	–	–	(204,903)	52,313	78,143
Software	108,341	2,514	–	–	–	104	110,959	(43,425)	(13,233)		(90)	(56,748)	54,211	64,917
Construction in progress	–	1,241	–			-	1,241	–	–	–	–	–	1,241	–
Total	**1,137,882**	**3,754**	**–**	**–**	**–**	**809**	**1,142,445**	**(222,498)**	**(39,063)**	**–**	**(90)**	**(261,651)**	**880,793**	**915,383**

Goodwill and intangible assets 2021

In EUR thousands	Gross carrying amount as at 1 Jan 2021	Additions	Additions from acqui-sitions	Reclassi-fications	Disposals	Exchange rate effects	**Gross carrying amount as at 31 Dec 2021**	Accum. amortisation and impairment losses as at 1 Jan 2021	Additions	Disposals	Exchange rate effects	Accum. amortisation and impairment as at 31 Dec 2021	**Net carrying amount as at 31 Dec 2021**	Net carrying amount as at 1 Jan 2021
Goodwill	646,793	–	19,861	–	–	570	667,224	–	–	–	–	–	667,224	646,793
TeamViewer trademark	105,100	–		–	–	–	105,100	–	–	–	–	–	105,100	105,100
Customer relationships	254,600	–	2,617	–	–	–	257,217	(153,320)	(25,754)	–	–	(179,074)	78,143	101,280
Software	78,769	8,623	20,875	–	–	75	108,341	(29,820)	(13,541)		(64)	(43,425)	64,917	48,950
Total	**1,085,262**	**8,623**	**43,352**	**–**	**–**	**644**	**1,137,882**	**(183,140)**	**(39,295)**	**–**	**(64)**	**(222,498)**	**915,383**	**902,123**

Impairment test – The impairment test was performed on the basis of the TeamViewer cash-generating unit.

The recoverable amount was derived based on the value in use determined by discounting expected future cash flows to be generated from continuing use. In accordance with IAS 36, five years of projected cash flows were included in the discounted cash flow model. The discount rate was calculated using a pre-tax weighted average cost of capital (WACC), which includes cost of debt with a credit spread to consider borrowing costs from a market participant’s view and the cost of equity from a market perspective. The cost of equity is derived from market data on the basis of a peer group of companies, which is made up of companies that are comparable to the Group’s risk profile with respect to their business model, size and geographic distribution of sales. Major components used in determining the cost of equity are the market risk premium, the risk-free rate and an unlevered beta which incorporates the four-year average of the Group’s peer group. A country risk premium was taken into account to reflect the geographical risks to which the Company is exposed. Key assumptions used in the impairment test were discount rate, billings growth rate, terminal value growth rate and EBITDA margin.

The business plan was approved by TeamViewer’s Management Board and represents the most current planning available as at the measurement date (31 December 2022) for a period of five years. The planned EBITDA is based on expectations regarding future results, taking into account empirical values. Billings and EBITDA are expected to grow in fiscal years 2023-2027. The planned billings growth is driven by disproportionate growth in enterprise customers. This growth results from an increase in NRR (LTM), the ongoing advancement of small and medium-sized businesses into the enterprise segment, and new enterprise customers.

Measurement parameters/assumptions

In %	**2022**	2021
Annual billings growth rate	9.4	18.0
Discount rate (before tax)	10.8	8.6
Credit spread	3.6	1.2
Market risk premium	7.0	7.2
Risk-free interest rate	2.0	0.1
Unlevered beta	89.4	72.3
Weighted country risk premium	0.7	0.5
Terminal value growth rate	2.0	2.0
Adjusted EBITDA margin (terminal value)	54.9	55.6

The recoverable amount was greater than the carrying amount, therefore no impairment loss was recognised. Changes in key assumptions of the impairment test considered possible by management would not result in an impairment loss.

11. Property, plant and equipment

Property, plant and equipment 2022

In EUR thousands	Gross carrying amount as at 1 Jan 2022	Additions	Additions from acquisitions	Reclassi-fications	Disposals	Exchange rate effects	**Gross carrying amount as at 31 Dec 2022**	Accum. depreciation as at 1 Jan 2022	Additions	Disposals	Exchange rate effects	**Accum. depreciation as at 31 Dec 2022**	**Net carrying amount as at 31 Dec 2022**	Net carrying amount as at 1 Jan 2022
Improvements in third-party buildings	8,063	750	–	794	–	135	9,742	(1,254)	(1,383)	–	(75)	(2,712)	7,031	6,809
IT equipment	11,300	3,560	–	–	–	526	15,385	(6,292)	(3,282)	–	(347)	(9,921)	5,464	5,008
Office furniture and equipment	5,665	780	–	–	–	168	6,613	(2,191)	(636)	–	(81)	(2,909)	3,704	3,473
Assets under construction	745	–	–	(794)	–	49	–	–	–	–	–	–	–	745
Total property, plant and equipment	**25,773**	**5,090**	**–**	**–**	**–**	**877**	**31,740**	**(9,737)**	**(5,301)**	**–**	**(503)**	**(15,541)**	**16,199**	**16,036**

Property, plant and equipment 2021

In EUR thousands	Gross carrying amount as at 1 Jan 2021	Additions	Additions from acquisitions	Reclassi-fications	Disposals	Exchange rate effects	**Gross carrying amount as at 31 Dec 2021**	Accum. depreciation as at 1 Jan 2021	Additions	Disposals	Exchange rate effects	**Accum. depreciation as at 31 Dec 2021**	**Net carrying amount as at 31 Dec 2021**	Net carrying amount as at 1 Jan 2021
Improvements in third-party buildings	6,258	1,683	17	–		106	8,063	(761)	(439)	–	(53)	(1,254)	6,809	5,496
IT equipment	7,962	2,883	21	–	(50)	484	11,300	(3,219)	(2,815)	50	(309)	(6,292)	5,008	4,743
Office furniture and equipment	4,151	1,324	145	–	(59)	103	5,665	(1,330)	(796)	28	(94)	(2,191)	3,473	2,822
Assets under construction	–	717	–	–	–	27	745	–	–	–	–	–	745	–
Total property, plant and equipment	**18,371**	**6,608**	**184**	**–**	**(109)**	**720**	**25,773**	**(5,310)**	**(4,050)**	**79**	**(456)**	**(9,737)**	**16,036**	**13,061**

Right-of-use assets in 2022

In EUR thousands	Gross carrying amount as at 1 Jan 2022	Additions	Additions from acquisitions	Disposals	Exchange rate effects	**Gross carrying amount as at 31 Dec 2022**	Accum. deprecia-tion as at 1 Jan 2022	Additions	Disposals	Exchange rate effects	**Accum. depreciation as at 31 Dec 2022**	**Net carrying amount as at 31 Dec 2022**	Net carrying amount as at 1 Jan 2022
Buildings	28,170	8,482	–	(77)	670	37,245	(7,267)	(4,836)	77	(238)	(12,265)	24,980	20,903
IT equipment	13,299	5,091	–	-	(11)	18,379	(4,754)	(4,541)	–	2	(9,293)	9,086	8,545
Total right-of-use assets	**41,469**	**13,572**	**–**	**(77)**	**659**	**55,624**	**(12,021)**	**(9,377)**	**77**	**(237)**	**(21,558)**	**34,066**	**29,448**

Right-of-use assets in 2021

In EUR thousands	Gross carrying amount as at 1 Jan 2021	Additions	Additions from acquisitions	Disposals	Exchange rate effects	**Gross carrying amount as at 31 Dec 2021**	Accum. deprecia-tion as at 1 Jan 2021	Additions	Disposals	Exchange rate effects	**Accum. depreciation as at 31 Dec 2021**	**Net carrying amount as at 31 Dec 2021**	Net carrying amount as at 1 Jan 2021
Buildings	22,203	6,381	716	(1,545)	415	28,170	(4,818)	(3,817)	1,545	(177)	(7,267)	20,903	17,384
IT equipment	12,568	2,276	–	(1,545)	0	13,299	(2,544)	(3,755)	1,545	(0)	(4,754)	8,545	10,024
Total right-of-use assets	**34,771**	**8,657**	**716**	**(3,090)**	**415**	**41,469**	**(7,362)**	**(7,572)**	**3,090**	**(177)**	**(12,021)**	**29,448**	**27,408**

12. Financial assets

Non-current financial assets consist primarily of lease deposits and derivative financial instruments.

Current financial assets as at 31 December 2022 consist primarily of derivative financial instruments. As at 31 December 2021, no current financial assets existed.

13. Trade receivables

As at 31 December 2022 and 31 December 2021, only current trade receivables exist.

Age structure of trade receivables

In EUR thousands	31 December 2022	31 December 2021
Under 30 days past due	19,524	11,068
31–60 days past due	2,457	2,813
61–90 days past due	2,041	1,773
91–120 days past due	1,273	1,416
121–150 days past due	1,119	1,610
More than 150 days past due	7,688	9,995
Total before valuation allowance	**34,101**	**28,675**
Valuation allowance	(15,806)	(17,115)
Trade receivables	**18,295**	**11,560**

Expected credit losses on trade receivables as at 31 December

	2022		2021	
Past due	In EUR thousands	Expected default rate in %	In EUR thousands	Expected default rate in %
Under 30 days	(3,718)	22	(2,018)	20
0–30 days	(1,390)	58	(1,758)	66
31–60 days	(1,284)	64	(1,438)	87
61–90 days	(1,105)	89	(1,278)	96
121–150 days	(1,069)	99	(1,473)	98
More than 150 days	(7,241)	99	(9,150)	100
Total valuation allowance	**(15,806)**		**(17,115)**	

Development of valuation allowance on trade receivables

In EUR thousands	31 December 2022	31 December 2021
Valuation allowance at the beginning of fiscal year	(17,115)	(18,257)
Release/(additions)	(13,604)	(16,081)
Utilisation	14,913	17,223
Total valuation allowance at the end of fiscal year	**(15,806)**	**(17,115)**

On average, invoices in fiscal year 2022 were paid 37 days after invoicing (2021: 34 days).

Information about the Group's exposure to credit and market risks for trade receivables is provided in Note 22 *Financial instruments – fair values and risk management*.

14. Other assets

Other assets 2022

In EUR thousands	Current	Non-current	31 Dec 2022 Total
Other receivables	5,866	574	6,440
Capitalised costs from customer contracts	4,799	11,348	16,147
Advance payments	8,336	–	8,336
Inventories	388	–	388
VAT receivables	4	–	4
Total other assets	**19,392**	**11,922**	**31,315**

Other assets 2021

In EUR thousands	Current	Non-current	31 Dec 2021 Total
Other receivables	5,573	1,049	6,622
Capitalised costs from customer contracts	1,006	2,774	3,780
Advance payments	6,119	–	6,119
Inventories	316	–	316
VAT receivables	15	–	15
Total other assets	**13,029**	**3,823**	**16,852**

Amortisation of capitalised costs from customer contracts in the fiscal year amounted to EUR 2.8 million (2021: EUR 243 thousand).

15. Cash and cash equivalents

Cash and cash equivalents as at 31 December

In EUR thousands	2022	2021
Short-term deposits	85,013	91,762
Bank accounts	75,217	459,051
From payment service providers	763	909
Cash in hand	4	4
Total cash and cash equivalents	**160,997**	**551,726**
Impairment on cash and cash equivalents	–	(1,193)
Total cash and cash equivalents after impairment	**160,997**	**550,533**

As of reporting date 31 December 2022, no impairment was recognised for cash and cash equivalents due to immateriality.

16. Equity

Equity as at 31 December

In EUR thousands	2022	2021
Issued capital	186,516	201,071
Capital reserve	236,849	394,487
Accumulated losses	(209,203)	(276,803)
Hedge reserve	(1,620)	12
Foreign currency translation reserve	3,003	1,320
Treasury shares	(100,263)	–
Total equity	**115,282**	**320,087**

Number of shares

In thousands	Subscribed capital	Treasury Shares
31 December 2021	**201,071**	**–**
Purchase of Treasury shares	–	(24,094)
Cancellation of Treasury shares	(14,555)	14,555
31 December 2022	**186,516**	**(9,539)**

Issued capital – As at 31 December 2022, the subscribed capital comprised the share capital of TeamViewer AG in the amount of EUR 186,515,856 and is divided into ordinary 186,515,856 no-par value ordinary bearer shares (no-par value shares). A total of 356,977 shares are subject to a lock-up period and pledged for the benefit of the Company as part of share-based compensations.

Authorised capital – The Management Board is authorised to increase the issued capital on one or more occasions until 2 September 2024 by up to EUR 98,929,069 (Authorised Capital 2020). The subscription rights of existing shareholders may be excluded under certain conditions.

By resolution of the Annual General Meeting on 3 September 2019, the Management Board was authorised, with the approval of the Supervisory Board, to increase the Company's share capital once or several times in the period up to 2 September 2024 by up to a total of EUR 100,000,000 by issuing up to 100,000,000 no-par value bearer shares in return for cash contributions and/or contributions in kind (Authorised Capital 2019). The profit entitlement of new shares may be determined in deviation from § 60 (2) AktG. Shareholders are in principle to be granted subscription rights. However, the Management Board is authorised, in each case with the approval of the Supervisory Board, to exclude shareholders' subscription rights on one or more occasions in the following cases:

- Insofar as this is necessary to compensate for fractional amounts.
- Insofar as this is necessary to grant holders or creditors of convertible bonds, bonds with warrants or convertible profit participation rights issued by the Company and/or by its directly or indirectly majority-owned subsidiaries subscription rights to new shares to the extent to which they would be entitled after exercising their conversion or option rights or after, fulfillment of their option exercise or conversion obligations.
- Insofar as the new shares are issued against cash contributions and the issue price of the new shares is not significantly lower than the stock market price of the shares of the Company already listed at the time of the final determination of the issue price, which should be as close as possible to the placement of the shares. This authorisation to exclude subscription rights shall only apply insofar as the notional interest in the share capital attributable to the shares issued with the exclusion of subscription rights pursuant to § 186 (3) Sentence 4 AktG does not exceed a total of 10 % of the share capital, neither at the time this authorisation becomes effective nor at the time this authorisation is exercised.
- Insofar as the new shares are issued against contributions in kind, particularly in the form of companies, parts of companies, interests in companies, receivables or other assets.

As at 31 December 2021, the Company had utilised Authorised Capital 2019 in the amount of EUR 1,070,931.00 in the context of a capital increase against contribution in kind, which took place in the 2020 fiscal year. Contingent Capital 2019 has not been utilised to date. Authorised Capital 2019 amounted to EUR 98,929,069.00 and Contingent Capital 2019 amounted to EUR 60,000,000.00 as at 31 December 2022.

Conditional Capital – The Company's share capital is conditionally increased by up to EUR 60,000 thousand through the issue of up to 60,000,000 new no-par value bearer shares (Conditional Capital 2019). Conditional Capital 2019 serves exclusively to grant new shares to the holders or creditors of bonds issued by the Company or other companies in which the Company directly or indirectly holds a majority interest until 2 September 2024 in accordance with the authorisation resolution of the Annual General Meeting on 3 September 2019, in the event that conversion or option rights are exercised or conversion or option obligations are fulfilled or the Company exercises its right to grant shares in the Company in whole or in part instead of payment of the cash amount due.

In addition, by resolution of the Annual General Meeting on 3 September 2019, the Management Board was authorised, with the approval of the Supervisory Board, to issue bearer or registered convertible bonds and/or bonds with warrants, or a combination of these instruments, on one or more occasions in partial amounts until 2 September 2024, for a total nominal amount of up to EUR 1,400,000,000, in each case with or without a limited term, and to grant the holders of these bonds conversion or option rights to subscribe for up to 60,000,000 no-par value bearer shares in the Company with a notional interest in the share capital of up to EUR 60,000,000 in total in accordance with the more detailed provisions of the terms and conditions of issue of these bonds. The bonds may provide for an obligation to convert or exercise an option at the end of the term or at an earlier point in time. The bonds may be issued against cash or non-cash contributions. The bonds may also be issued by companies in which the Company directly or indirectly holds a majority interest. In this case, the

Management Board is authorised, with the approval of the Supervisory Board, to assume the necessary guarantees for the obligations arising from the bonds on behalf of the Company and to grant or impose conversion or option rights or conversion or option exercise obligations for shares in the Company on the holders or creditors of these bonds.

The Management Board was also authorised, with the approval of the Supervisory Board, to exclude shareholders' subscription rights when issuing bonds under certain circumstances, including issuance in return for non-cash contributions, in particular for the purpose of acquiring companies, parts of companies or equity interests in companies.

The share capital of the Company is conditionally increased by up to EUR 60,000,000 by issuing up to 60,000,000 new no-par value shares (Conditional Capital 2019). The Conditional Capital 2019 serves exclusively to grant new shares to the holders or creditors of bonds issued by the Company or by other companies in which the Company directly or indirectly holds a majority interest until 2 September 2024 in accordance with the authorisation resolution of the Annual General Meeting on 3 September 2019, in the event that conversion or option rights are exercised or conversion or option exercise obligations are fulfilled or the Company exercises its right to grant shares in the Company in whole or in part instead of payment of the cash amount due.

Capital reserve – The increase in the capital reserve in the fiscal year results from share-based compensation (see Note 7 Personnel expenses).

Foreign currency translation reserve – The currency translation reserve results from the translation of foreign operations into euros.

Hedge reserve – The reserve for cash flow hedges includes the effects of an interest rate cap.

Treasury shares – The Management Board was authorised by the Company's Annual General Meeting on 3 September 2019, until 2 September 2024, to buy treasury shares for any purpose permitted by law, up to a total of 10 % of the share capital existing at the time of the resolution or – whichever is less – to purchase the existing share capital at the time this authorisation is exercised. This authorisation was renewed and replaced by the Company's Annual General Meeting on 17 May 2022, so that the Management Board is now authorized, with the approval of the Supervisory Board, to acquire treasury shares up to a total of 10 % of the share capital until 16 May 2027. If the share capital is lower at the time this authorisation is exercised, this lower value shall apply. The shares acquired on the basis of the authorisation, together with other shares in the Company that the Company has already acquired and still owns, may at no time account for more than 10 % of the respective existing share capital. The acquisition takes place via the stock exchange by means of a public offer to buy or sell addressed to all shareholders of the Ccompany, using derivatives or from a credit or financial institution.

On 2 February 2022, the Management Board of TeamViewer AG approved a share buyback programme with a volume of up to EUR 300 million or, if higher, up to 20,000,000 shares. This began on 3 February 2022 and was amended by resolution on 2 August 2022 so that the maximum number of shares to be purchased is up to 30,000,000 shares. The programme was implemented under the authorisations set out above and was completed on 26 September 2022. A total of 24,093,675 shares were acquired. Effective 13 June 2022, 14,555,075 shares were cancelled, and the Company's issued capital was reduced accordingly. The remaining 9,538,600 shares will initially be held by the Company for later use for all purposes permitted under stock corporation law, in particular the "RSU" programme.

The first unconditional right to the transfer of shares under the "RSU" programme arose on 31 December 2022. These shares were subsequently transferred to the employees in January 2023, so that the Company held 9,538,600 treasury shares as at 31 December 2022.

The item "Treasury share reserve" contains the acquisition costs for 9,538,600 treasury shares.

17. Financial liabilities

In EUR thousands	31 December 2022		
	Current	**Non-current**	**Total**
Financial liabilities	113,295	519,346	632,641
thereof from loans	101,664	496,380	598,044
thereof from lease liabilities	11,632	22,966	34,598
Other financial liabilities	11,537	3,119	14,656
Total	**124,832**	**522,465**	**647,297**

In EUR thousands	31 December 2021		
	Current	Non-current	Total
Financial liabilities	34,973	842,495	877,468
thereof from loans	26,378	820,961	847,338
thereof from lease liabilities	8,595	21,534	30,129
Other financial liabilities	5,911	8,769	14,680
Total	**40,883**	**851,264**	**892,147**

(a) Maturity and repayment structure

Liabilities to banks

In EUR thousands	31 December 2022				
	Currency	Effective interest rate in %	Year of maturity	**Nominal value**	**Carrying amount**
Loan					
2022 syndicated loan in EUR	EUR	3.9	2025	100,000	99,301
2022 syndicated loan – revolving credit facility	EUR	3.9	2027	100,000	97,636
2021 bilateral bank loan in EUR	EUR	1.0	2025	100,000	100,000
Promissory notes					
3-year fixed promissory note	EUR	1.1	2024	27,000	27,054
3-year variable promissory note	EUR	2.4	2024	58,000	58,347
5-year fixed promissory note	EUR	1.3	2026	118,000	118,218
5-year variable promissory note	EUR	2.5	2026	75,000	75,438
7-year fixed promissory note	EUR	1.5	2028	13,000	13,028
10-year fixed promissory note	EUR	1.6	2031	9,000	9,023
Total				**600,000**	**598,044**

Liabilities to banks

In EUR thousands				31 December 2021	
	Currency	Effective interest rate in %	Year of maturity	Nominal value	Carrying amount
Loan					
2019 syndicated loan in USD	USD	2.5	2024	270,175	266,051
2019 syndicated loan in EUR	EUR	2.1	2024	112,500	110,722
2019 syndicated loan in GBP	GBP	2.6	2024	71,309	70,216
2019 syndicated loan – revolving credit facility	diverse	1.5 - 4	2024	–	–
2021 bilateral bank loan in EUR	EUR	1.0	2025	100,000	100,000
Promissory notes					
3-year fixed promissory note	EUR	1.1	2024	27,000	27,025
3-year variable promissory note	EUR	1.1	2024	58,000	58,051
5-year fixed promissory note	EUR	1.3	2026	118,000	118,144
5-year variable promissory note	EUR	1.3	2026	75,000	75,087
7-year fixed promissory note	EUR	1.5	2028	13,000	13,022
10-year fixed promissory note	EUR	1.6	2031	9,000	9,020
Total				**853,984**	**847,338**

The interest payment dates are currently three months rolling. The interest payment period can be extended after each interest payment date to any period between one and twelve months.

The carrying amounts of the respective loans include directly attributable transaction costs that are amortised over the term of the respective loans using the effective interest method.

The Group has the unconditional right to prepay the loans in part or in full at any time.

The revolving credit facility is drawn down in an amount of EUR 100 million as of 31 December 2022 (31 December 2021: 0). Utilisation is possible up to an amount of EUR 450 million (2021: EUR 150 million).

The payment structure of the financial liabilities from loans is as follows, based on the assumption at the reporting date of repayment as agreed in the loan agreement:

Future cash flows as at 31 December 2022

In EUR thousands	Payable within 3 months	Payable in 3 –12 months	Payable in more than 12 months	Total amount outstanding
Loans	**1,957**	**5,943**	**318,778**	**326,678**
2022 syndicated loan in EUR	873	2,680	105,759	109,312
2022 syndicated loan – revolving credit facility	835	2,502	111,752	115,089
2021 bilateral bank loan	250	761	101,267	102,278
Promissory notes	**2,588**	**2,588**	**310,867**	**316,043**
3-year fixed promissory note	135	135	27,135	27,405
3-year variable promissory note	657	657	58,657	59,970
5-year fixed promissory note	708	708	121,540	122,956
5-year variable promissory note	925	925	79,636	81,486
7-year fixed promissory note	91	91	13,819	14,001
10-year fixed promissory note	72	72	10,080	10,224
Total future payments	**4,545**	**8,531**	**629,645**	**642,721**

Future cash flows as at 31 December 2021

In EUR thousands	Payable within 3 months	Payable in 3 –12 months	Payable in more than 12 months	Total amount outstanding
Loans	**2,363**	**32,325**	**544,664**	**579,352**
2019 syndicated loan in USD	1,344	19,042	263,829	284,214
2019 syndicated loan in EUR	427	7,530	109,000	116,956
2019 syndicated loan in GBP	343	4,990	69,557	74,890
2019 syndicated loan – revolving credit facility	0	0	0	0
2021 bilateral bank loan	250	764	102,278	103,292
Promissory notes	**1,739**	**1,780**	**311,644**	**315,163**
3-year fixed promissory note	135	137	27,404	27,675
3-year variable promissory note	288	298	58,880	59,466
5-year fixed promissory note	706	718	122,946	124,370
5-year variable promissory note	448	463	78,190	79,100
7-year fixed promissory note	91	92	14,001	14,184
10-year fixed promissory note	72	73	10,223	10,368
Total future payments	**4,102**	**34,106**	**856,307**	**894,515**

For additional information on risk management with regard to interest rate and liquidity risk, see Note 22 Financial instruments – fair values and risk management.

(b) Refinancing 2022

On 14 July 2022 the Group improved the conditions of its credit facilities by lowering the interest margins and extending the maturity profile. The Group entered into a new loan contract (2022 syndicated loan) with several lenders to replace the 2019 syndicated loan with the following conditions:

- New term loan in EUR 150 million
- Revolving Credit Facility (RCF) in EUR 450 million
- Revolving Credit Facility (RCF) in euro
- Decrease of the interest rates

Conditions:

	RCF	Term Loan
Total amount	EUR 450 million + EUR 100 million optional	EUR 150 million
Tenor	5 years[1]	3 years[1]
Initial margin	1.10 %	1.25 %
Margin adjustments	+/- adjustment to leverage ratio[2]	after 12 months +0.15 % after 18 months +0.25 % +/- adjustment to leverage ration[3]
Commitment fee	35 % of current margin	–
Currency	EUR	
Interest periods	1, 3 or 6 months	
Reference rate	EURIBOR	
Floor	0 %	
Repayment	On maturity date	
ESG margin adjustment	Based on ESG scoring[4]	

[1] Option to extend twice, each time for 1 year, with the banks' consent.
[2] Margin can vary in the range of 0.90 % to 1.90 %.
[3] Margin can vary in the range of 1.05 % to 2.05 %.
[4] Based on ESG scoring, an adjustment in the margin of up to +/- 4 basis points is possible.

The repayment of the 2019 syndicated loans resulted in the immediate recognition of the capitalised transaction costs of EUR 5.9 million in the fiscal year 2022.

After the repayment of the 2019 syndicated loan, the accompanying USD interest rate cap was sold in July 2022.

In July 2022, the Group entered into new euro interest rate caps with a total notional amount of EUR 133 million with a strike of 2 % based on the 6-month EURIBOR rate. The new interest rate caps are contracted over the remaining terms and the total amount of the 3-year variable promissory note and the 5-year variable promissory note are designated as a cash flow hedge with a hedge ratio of 1.

(c) Promissory notes

In February 2021, TeamViewer entered into an agreement to issue a promissory note of EUR 300 million, comprising variable and fixed rate tranches with different maturities. All tranches were issued at par and are bullet. Interest coupons are paid semi-annually. The reference interest rate (6M EURIBOR) is floored at 0 % for the variable tranches totalling EUR 133 million. The interest margins are linked to the Company's net leverage ratio and the ESG rating.

The promissory notes were initially recognised at fair value less transaction costs directly attributable to the placement. The transaction costs of EUR 967 thousand are amortised pro rata over the term of the respective tranches of the promissory notes using the effective interest method.

(d) Bilateral bank loan

In March 2021, TeamViewer entered into a fixed-interest loan agreement in the amount of EUR 100 million. The loan has a bullet maturity and matures on 31 March 2025. The interest rate is 1.00 % p.a. Interest are paid quarterly in arrears at the end of each calendar quarter.

(e) Credit covenants

Under the terms of the 2022 syndicated loan and the bilateral bank loan, the Group must comply with certain leverage ratio covenants (equivalent to net debt/pro forma EBITDA, each as defined in the credit agreement).

As at 31 December 2022, there were no violations of the terms and conditions of the loan.

(f) Financial management

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

(g) Lease liabilities

Development of lease liabilities

In EUR thousands	**2022**	2021
1 January	**30,129**	**27,183**
Additions	13,141	8,159
Interest expense	745	749
Lease payments	(10,206)	(7,633)
Exchange rate effects	423	(120)
Modifications & adjustments	(516)	1,368
FX revaluation	143	(246)
Additions from business combinations	738	669
31 December	**34,598**	**30,129**

Lease payments for short-term leases and for low-value leased assets in fiscal year 2022 amounted to EUR 532 thousand (2021: EUR 446 thousand).

Maturity analysis of lease obligations

In EUR thousands	As at 31 December 2022	As at 31 December 2021
Undiscounted contractual cash flows		
< 1 year	11,751	8,895
1–3 years	15,998	10,912
3–5 years	4,609	6,198
> 5 years	3,748	5,756
Total undiscounted lease liabilities	**36,106**	**31,761**
Lease liabilities recognised in the statement of financial position	**34,598**	**30,129**
thereof current	11,632	8,595
thereof non-current	22,966	21,534

18. Deferred revenue

Revenue by licence type based on the development of deferred revenue

In EUR thousands	2022			
	As at 1 January	Additions/billings	Reversals/revenue	As at 31 December
Subscription model	250,480	634,773	(572,974)	312,279
Perpetual licences	95	1	(86)	10
Development of statement of financial position item	**250,575**	**634,774**	**(573,060)**	**312,289**
Other	n/a	(0)	7,186[25]	n/a
Change recognised in profit or loss	**n/a**	**634,774**	**(565,874)**	**n/a**

In EUR thousands	2021			
	As at 1 January	Additions/billings	Reversals/revenue	As at 31 December
Subscription model	212,509	547,601	(509,630)	250,480
Perpetual licences	2,663	7	(2,575)	95
Development of statement of financial position item	**215,172**	**547,608**	**(512,205)**	**250,575**
Other	n/a	–	11,108[26]	n/a
Change recognised in profit or loss	**n/a**	**547,608**	**(501,097)**	**n/a**

[25] This amount consists mainly of billings not yet recognised as trade receivables. For more information, please refer to the comments under *3 (h) Trade receivables*.

[26] This amount consists mainly of billings not yet recognised as trade receivables. For more information, please refer to the comments under *3 (h) Trade receivables*.

Deferred revenue

In EUR thousands	31 December 2022	31 December 2021
Non-current	24,151	6,095
Current	288,138	244,480
Total deferred revenue	**312,289**	**250,575**

19. Trade payables

Age structure of trade payables

In EUR thousands	31 December 2022	31 December 2021
Under 30 days	8,169	6,666
31–60 days	–	445
61–90 days	92	–
More than 90 days	613	161
Total trade payables	**8,875**	**7,272**

20. Deferred and other liabilities

The Group expects the following deferred and other liabilities to be settled within one year:

Deferred and other liabilities

In EUR thousands	31 December 2022	31 December 2021
Employee-related liabilities	24,891	21,221
Purchases/services received from third parties and others	7,272	14,328
Payroll-related taxes and social security	2,629	2,155
VAT liabilities	6,857	4,080
Deferred and other liabilities	**41,648**	**41,784**

Employee-related liabilities include items relating to performance-based compensation, reorganisation and vacation entitlements.

21. Provisions

Provisions 2022

In EUR thousands	Personnel	Taxes	Other	**Total**
Balance as at 1 January	**412**	**590**	**1,257**	**2,259**
Additions	277	248	8,204	8,729
Utilisation	(62)	(146)	(1,237)	(1,444)
Reversals	–	–	–	–
Balance as at 31 December	**628**	**692**	**8,224**	**9,543**
thereof long-term	530	–	–	530

Provisions 2021

In EUR thousands	Personnel	Taxes	Other	Total
Balance as at 1 January	**420**	**1,459**	**779**	**2,658**
Additions	51	371	1,257	1,679
Utilisation	(59)	(567)	(779)	(1,405)
Reversals	–	(673)	–	(673)
Balance as at 31 December	**412**	**590**	**1,257**	**2,259**
thereof long-term	342	–	24	366

As part of the global developments in the taxation of digital business models, an ever-growing number of countries are classifying the sale of software as a taxable transaction, even in the absence of a physical presence. In such cases, the foreign entrepreneur is obliged to collect the corresponding sales tax from the local customer and pay it to the responsible tax office.

The interpretation of the newly introduced laws is still being clarified in many cases. TeamViewer checks the respective interpretation and application. If necessary, corresponding registrations and the payment of sales tax will be made. Provisions in the amount of EUR 0.7 million (2021: EUR 0.6 million) have been recognised in the statement of financial position as at 31 December 2022 for potential payment obligations.

In addition to the accruals recognised in the statement of financial position, further payment obligations in the low single-digit million range may arise if the competent tax authorities disagree. As the Company believes that the probability of these amounts being utilised is low, no further provisions have been recognised in the statement of financial position.

The addition to the other provisions in the fiscal year 2022 is mainly due to ongoing legal cases.

22. Financial instruments – fair values and risk management

(a) Classification and fair values

All assets and liabilities for which a fair value is determined or recognised are categorised as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and liabilities with their respective level in the fair value hierarchy.

Carrying amount and fair value level 31 December 2022

In EUR thousands	**Carrying amount**		**Fair value level**	
Classification according to IFRS 9	At fair value through profit or loss	At amortised cost	Fair value	Level
Financial assets – thereof derivatives	20,809			2
Total financial assets measured at fair value	**20,809**			
Trade receivables		18,295		
Cash and cash equivalents		160,997		
Other financial assets		4,766		
Total financial assets not measured at fair value		**184,059**		
Derivatives	5,892			
Other financial liabilities: Contingent purchase price payments	4,490			3
Total financial liabilities measured at fair value	**10,382**			
Trade payables		8,875		
Lease liabilities		34,598		
Liabilities to banks		598,044	590,973	2
Other financial liabilities		4,273		
Total financial liabilities not measured at fair value		**645,789**		

Carrying amount and fair value level 31 December 2021

In EUR thousands	Carrying amount		Fair value level	
Classification according to IFRS 9	At fair value through profit or loss	At amortised cost	Fair value	Level
Financial assets	63			2
Total financial assets measured at fair value	**63**			
Trade receivables		11,560		
Cash and cash equivalents		550,533		
Other financial assets		4,785		
Total financial assets not measured at fair value		**566,878**		
Other financial liabilities: contingent purchase price payments	8,430			3
Total financial liabilities measured at fair value	**8,430**			
Trade payables		7,272		
Lease liabilities		30,129		
Liabilities to banks		847,338	849,375	2
Other financial liabilities		6,250		
Total financial liabilities not measured at fair value		**890,990**	**849,375**	

Non-current other financial assets consist mainly of rent deposits for rented office space and specifically for the Group’s new headquarters.

(b) Fair value measurement

The fair value of derivatives as of the valuation date is calculated using an option pricing model in which the most relevant factors are interest yield curves and, in the case of foreign currency derivatives, the appropriate forward rates.

The fair values of financial liabilities allocated to Level 2 are calculated as the present value of the payments associated with the liabilities.

Trade receivables, loans receivable and cash and cash equivalents all generally have short-term maturities. Trade payables, liabilities due and other financial liabilities also generally have short-term maturities. For this reason, their carrying amount at the reporting date is almost equal to their fair value.

The fair value of the outstanding contingent consideration for business combinations (Level 3) is measured using a discounted cash flow model based on significant unobservable inputs. The significant unobservable inputs are the contractually defined earn-out relevant billings.

The significant unobservable inputs related to a fair value measurement classified within Level 3 of the measurement hierarchy, together with a quantitative sensitivity analysis, were as follows as at 31 December 2022:

[27] Change in contingent purchase price liability based on a +/- 10% change in contractually defined earn-out relevant billings.

Valuation of contingent purchase price payments as at 31 December 2022

	Measurement method	Relevant unobservable input factors	Earn-out relevant billings (in EUR million)	Sensitivity analysis +/- 10 %[27] (in EUR million)
Contingent purchase price payment for Upskill acquisition	DCF method	Contractually defined billings	0.0	+/- 0.0
Contingent purchase price payment for Xaleon acquisition[28]	DCF method	Contractually defined billings	8.1	+/- 0.0
Contingent purchase price payment for Viscopic acquisition	DCF method	Contractually defined billings	1.2	+/- 0.0

Valuation of contingent purchase price payments as at 31 December 2021

	Measurement method	Relevant unobservable input factors	Earn-out relevant billings (in EUR million)	Sensitivity analysis +/- 10 %[29] (in EUR million)
Contingent purchase price payment for Upskill acquisition	DCF method	Contractually defined billings	4.5	+/- 0.2
Contingent purchase price payment for Xaleon acquisition	DCF method	Contractually defined billings	15.7	+/- 0.6
Contingent purchase price payment for Viscopic acquisition	DCF method	Contractually defined billings	2.4	+/- 0.0

The main input factors are in line with expectations as at the reporting date.

[28] As of 31 December the contingent consideration for the earn-out related to Xaleon for the years 2023 and 2024 has been replaced with a liability of EUR 3.8 million, due in February 2023.
[29] Change in contingent purchase price liability with +/- 10% change in contractually defined earn-out relevant billings.

The estimates of the fair values of the liabilities for the outstanding contingent purchase price payments are also based on the contractually defined factors that the future payments are based on and the expectations that the Group has for these factors (Level 3). The Group assesses the probability based on the achievement of the defined targets and their timing. The assumptions made are reviewed at regular intervals.

The changes in the fair values of financial instruments classified in Level 3 in fiscal year 2022 are presented below:

In EUR thousands	Outstanding contingent purchase price payments for acquisitions
1 January 2022	**8,430**
Additions	–
(Other income)/other expenses	(3,702)
Payouts	(238)
30 December 2022	**4,490**

There were no transitions between fair value levels in 2022 and 2021.

(c) Derivatives

Cash flows in US dollars are hedged in part with FX forwards that hedge an average monthly amount of USD 7.3 million until 31 December 2025. The derivatives are not designated as hedges.

Another portfolio of FX forwards is designated as a hedging instrument for contractual agreed USD prepayments. The derivatives mitigate the risk of unfavourable currency movements totalling USD 91.3 million until May 2025. The hedge ratio declines from 0.8 in 2023 to 0.25 in 2025.

In July 2022, four interest rate cap agreements were incepted to hedge the cash flows for the floating rate promissory notes with maturities in March 2024 (EUR 58 million) and March 2026 (EUR 75 million). All contracts are with a strike of 2 % on the 6-month EURIBOR, which is inversely proportional to the floating rate promissory notes with the same benchmark rate.

The interest rate cap accompanying the repaid 2019 syndicated US dollar loan, was sold during the fiscal year.

Net gains/(losses) – Net gains/(losses) by category of financial instruments in accordance with IFRS 7.20 are as follows:

Net gains/(losses)

In EUR millions	**From 1 January to 31 December 2022**	From 1 January to 31 December 2021
Financial assets and liabilities measured at fair value through profit or loss	19.8[30]	(0.5)
Financial assets measured at amortised cost	15.4	(3.0)
thereof impairment of trade receivables	(12.4)	(16.0)
thereof impairment of cash and cash equivalents	1.2	(0.9)
thereof exchange rate gains/(losses)	25.5	13.6
thereof interest income and other	1.1	0.3
Financial liabilities measured at amortised cost	(56.5)	(45.1)
thereof exchange rate gains/(losses)	(31.0)	(27.1)
thereof interest expense for bank loans	(14.8)	(15.7)
thereof interest expense for leasing and other	(10.7)	(2.3)
Total net gain/(loss)	**(21.3)**	**(48.6)**

Other interest expenses mainly include immediate recognition of the capitalised transaction costs of EUR 5.9 million (2021: EUR 0) and interest expense for a legal case of EUR 2.1 million (2021: EUR 0).

[30] This category includes the unrealised fair value gain of the foreign currency forward portfolio not designated as cash flow hedge in the amount of EUR 16.4m. This is reported in the consolidated statement of comprehensive income as other income, as the derivatives economically hedge the operating currency risk.

(d) Financial risk management

The Group is exposed to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Group's risk management strategy aims to identify and analyse the risks to which the Group is exposed and to set appropriate risk limits and controls to monitor risks and compliance with risk limits.

With regard to assets, liabilities and future transactions, TeamViewer AG and its subsidiaries are exposed to risks arising from fluctuations in exchange rates and interest rates, among other things. Based on risk assessments, selected hedging instruments are used to limit these risks.

The use of derivatives is constantly monitored by the management. This includes the functional separation of trading, settlement and posting and the authorisation of only a few qualified employees to enter into such transactions. The Group enters into derivative financial instruments for hedging purposes only.

Further explanations on risk concentration and diversification are provided in the *opportunities and risks report in* the Group management report.

Credit risk – Credit risk is the risk of financial losses to the Group if a customer or counterparty fails to meet its payment obligations.

The Group is exposed to credit and counterparty risk through its financing and business activities. The carrying amount of financial assets in the statement of financial position represents the credit risk.

Trade receivables – Credit risks for the Group arise mainly from the economic environment of the customers.

The Group seeks to minimise credit risks by imposing creditworthiness requirements on business partners and continuously monitoring the receivables portfolio. The credit risk is limited to the nominal value of the receivable.

Software licences and services are sold subject to payment to give the Group the ability to block the licence in the event of non-payment. The Group does not otherwise require collateral for trade receivables or other receivables.

The Group establishes an allowance corresponding to the expected losses related to trade and other receivables (*see Note 3 (h) Trade receivables)*

Cash and cash equivalents – As at 31 December 2022, the Group held cash and cash equivalents of EUR 160,997 thousand (31 December 2021: EUR 550,533 thousand).

Derivatives – Derivative financial instruments are only entered into with financial institutions possessing an "Investment Grade" credit rating.

Liquidity risk – Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations. The Group's approach to liquidity management is to maintain sufficient cash and cash equivalents to meet its obligations as they fall due, under both normal and stressed conditions, without incurring unacceptable losses or damage to the Group's reputation.

The Group aims to maintain cash or cash equivalents in excess of the weekly expected cash flows to service its financial liabilities (excluding trade payables). Together with the expected cash outflows from trade payables and other liabilities, the Group also monitors the amount of expected cash inflows from trade and other receivables. Possible extreme effects, such as natural disasters that cannot be predicted under normal circumstances, are not taken into account.

The Group's credit agreements include an unsecured revolving credit facility of EUR 450 million. As at 31 December 2022, the revolving credit facility was utilised by an amount of EUR 100 million (31 December 2021: EUR 0 million) (see Note 17 Financial liabilities).

Exposure to liquidity risk – The following presents the contractual maturities of financial liabilities at the reporting date. The amounts are gross, undiscounted and include estimated interest payments but do not include the effects of netting arrangements.

Liquidity risk as at 31 December 2022

In EUR thousands	Carrying amount	Contractual cash flows: Total	< 1 year	1–5 years	More than 5 years
Financial liabilities	598,044	642,721	13,076	607,050	22,595
IFRS 16 lease liabilities	34,598	36,106	11,751	20,607	3,748
Trade payables	8,875	8,875	8,875	–	–
Other financial liabilities	8,764	8,764	8,764	–	–
Total non-derivative financial liabilities	**650,279**	**696,465**	**42,465**	**627,657**	**26,343**

Liquidity risk as at 31 December 2021

In EUR thousands	Carrying amount	Contractual cash flows: Total	< 1 year	1–5 years	More than 5 years
Financial liabilities	847,338	894,515	38,208	856,307	–
IFRS 16 lease liabilities	30,129	31,761	8,895	17,110	5,756
Trade payables	7,272	7,272	7,272	–	–
Other financial liabilities	14,680	16,523	4,236	12,287	–
Total non-derivative financial liabilities	**899,419**	**950,072**	**58,611**	**885,705**	**5,756**

Foreign currency amounts were translated in each case at the closing rate on the reporting date. The variable interest payments arising from financial instruments were calculated using the interest rate most recently determined in December 2022.

Future cash flows may differ from the amounts in the table above due to changes in interest rates and exchange rates.

Market risk – Market risk is the risk that changes in market prices, such as changes in foreign exchange rates or interest rates, will affect the Group's earnings or the value of its financial instruments. The objective of market risk management is to limit and control exposure to market risk within certain ranges while optimising returns.

The Group uses derivative financial instruments to limit market risks. As a matter of principle, the Group strives for hedge accounting in order to limit the volatility of the result.

Currency risks – By currency risks, the Group refers to the risk of losses arising from changes in foreign exchange rates.

The Group is exposed to currency risk to the extent that currencies in which sales, purchases and borrowings are denominated, and the respective functional currencies of Group entities may differ. The Group's exposure to foreign currency risk is limited in the fiscal year 2022 and 2021 to the US dollar (USD) and in the 2021 fiscal year in Pound sterling (GBP), as the other currencies do not account for more than 3 % of total monetary assets and liabilities.

Level of currency risks – The Group's exposure to currency risks is as follows:

Exposure to currency risk

In USD thousands	31 December 2022	31 December 2021
Cash	17,717	267,827
Trade receivables	9,094	17,285
Financial liabilities	–	(301,330)
Derivatives	–	71
IFRS 16 lease liabilities	(4,756)	(4,400)
Other financial liabilities	–	(1,753)
Trade payables	(1,713)	(402)
Net exposure in statement of financial position	**20,343**	**(22,701)**

In GBP thousands	31 December 2022	31 December 2021
Cash	1,939	47,141
Trade receivables	1,310	1,585
Financial liabilities	–	(59,001)
Trade payables	(125)	(337)
Net exposure in statement of financial position	**3,125**	**(10,612)**

Sensitivity analysis – A possible appreciation (depreciation) of the Euro against the US dollar or the Pound sterling as at 31 December 2022 would have affected the valuation of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. Other foreign currencies would not have had a significant impact on profit or loss or equity. This analysis assumes that all other variables and, above all, interest rates, remain constant and excludes the impact of forecasted purchases and sales.

If the Euro had been 10 % stronger (weaker) against the US dollar, assuming that all other risk factors had remained unchanged, net income/loss would have been EUR 1.9 million (EUR 1.9 million) (2021: EUR 2.0 million (EUR 2.0 million)) higher (lower).

If the Euro had been 10 % stronger (weaker) against the Pound sterling, assuming that all other risk factors had remained unchanged, net income/loss would have been EUR 0.4 million (EUR 0.4 million) (2021: EUR 1.3 million (EUR 1.3 million)) higher (lower).

Interest rate risk – Interest rate risks are understood as the negative effects of changing interest rates on the Group's earnings. A distinction is made between financial instruments with fixed interest rates and those with variable interest rates. In the case of financial instruments with a fixed interest rate, a fixed market interest rate is agreed for the entire term of the financial instrument. The risk is that if market interest rates change, the fair value of the financial instrument will change (fair value risk due to changing interest rates). The fair value is based on the present value of future payments (interest payment plus repayment of the loan amount) discounted at the prevailing market interest rate at the end of the reporting period for the remaining term of the respective payment. The risk related to the fair value due to changing interest rates then leads to a gain or loss if the financial instrument is sold before maturity.

For financial instruments with variable interest rates, the interest rate is adjusted using the respective market interest rates. There is a risk that there will be fluctuations in interest rates resulting in changes in future interest payments (cash flow risk due to changes in interest rates).

Interest rate caps were used to hedge interest rate risks in fiscal year 2022. The decision on whether to use derivative financial instruments is based on the estimated interest rate risk and the level of debt. The interest rate hedging strategy is regularly reviewed, and targets are adjusted as necessary.

Exposure to interest rate risk – Financial liabilities from loans carry fixed and variable interest rates. Financial liabilities from leasing carry a fixed interest rate.

Sensitivity analysis for variable rate financial instruments – The interest rate sensitivity analysis presented below shows the hypothetical effects that a change in the market interest rate at the end of the reporting period would have had on profit before income taxes and equity. In this simplified analysis, it is assumed that the charge at the end of the reporting period is representative of the full year. In the calculations, it is further assumed that all other variables, in particular foreign currency exchange rates, remain constant.

A movement in the interest yield curve of +50/-50 basis points would have had a cash flow effect on the loans over the subsequent twelve months of EUR (0.1) million/+1.7 million (2021: EUR (3.0) million/+0.6 million) and an effect on the net income/loss and consequently on the equity of EUR (0.1) million/+1.7 million (2021: EUR (3.0) million/+0.6 million).

(e) Change in liabilities from financing activities

The following table shows the change in liabilities resulting from financing activities:

Change in liabilities from financing activities

In EUR thousands	1 January 2022	Cash flows	Exchange rate effects	Changes in fair value	Interest and amortised cost	Additions from acquisitions	Other	**31 December 2022**
2019 syndicated loan	446,989	(491,135)	31,000	–	13,151	–	(5)	0
2022 syndicated loan	–	194,659	–	–	2,277	–	–	196,936
Promissory notes	300,349	(3,508)	–	–	4,267	–	–	301,107
Bilateral bank loan	100,000	(1,014)	–	–	1,014	–	–	100,000
Lease liabilities	30,129	(10,206)	423	143	745	13,141	222	34,598
Other financial liabilities	14,680	(2,214)	–	(3,702)	–	–	–	8,764
Total	**892,147**	**(313,418)**	**31,423**	**(3,558)**	**21,453**	**13,141**	**217**	**641,405**

Change in liabilities from financing activities

In EUR thousands	1 January 2021	Cash flows	Exchange rate effects	Changes in fair value	Interest and amortised cost	Additions from acquisitions	Other	31 December 2021
2019 syndicated loan	495,069	(77,963)	27,061	–	2,825	–	(3)	446,989
Promissory notes	–	297,263	–	–	3,086	–	–	300,349
Bilateral bank loan	–	99,236	–	–	764	–	–	100,000
Lease liabilities	27,183	(7,633)	246	–	749	–	9,584	30,129
Other financial liabilities	29	(29)	–	(2,321)	–	17,001	–	14,680
Total	**522,281**	**310,874**	**27,307**	**(2,321)**	**7,425**	**17,001**	**9,581**	**892,147**

23. Operating segments

The Group is managed as a single-segment company with the TeamViewer platform as the basis for segmentation. The decision for segmentation was based on the internal organisation, which is based on the platform as the single reporting line. The platform´s reporting is based on the different geographical regions as reporting units, namely “Europe, Middle East and Africa” (EMEA), “North, Central and South America” (AMERICAS), and “Asia Pacific” (APAC).

As there is no other segment, the consolidated statement of profit and loss and other comprehensive income already shows the segment revenue and expenses, while the consolidated statement of financial position already shows the segment assets and segment liabilities. All revenue reported in the consolidated statement of profit and loss and other comprehensive income was generated with external customers.

Non-current assets relate mainly to Germany.

The key performance indicators based on which management controls the Group are billings by region, billings by category, billings by customer group and adjusted EBITDA.

Billings by region

In EUR thousands	2022	2021
EMEA	340,149	296,039
AMERICAS	222,850	188,426[31]
APAC	71,775	63,143[32]
Billings	**634,774**	**547,608**
Change in deferred revenue recognised in profit or loss	(68,900)	(46,511)
Total revenue	**565,874**	**501,097**

Billings by country

In EUR thousands	2022	2021
USA	177,115	148,152[31]
Germany	105,707	86,726
Great Britain	35,770	32,448
France	35,559	31,010
Other countries	280,622	249,272[32]
Billings	**634,774**	**547,608**

Billings by customer group

In EUR thousands	2022	2021
SMB customers	502,798	454,643
Enterprise customers	131,976	92,965
Billings	**634,774**	**547,608**

Billings by category[33]

In EUR thousands	2022	2021
Retained	568,801	450,911
New	62,369	94,164
Non-recurring	3,604	2,532
Billings	**634,774**	**547,608**

Calculation Net Retention Rate (NRR LTM)

In EUR thousands	31 Dec 2022	31 Dec 2021
Retained billings LTM	**568,801**	**450,211**
Recurring billings LTM-1	545,075	458,152
MYD adjustment	(11,853)	–
Eligible base	**533,222**	**458,152**
In percent		
Net retention rate (NRR LTM)	**107 %**	**98 %**

[31] Comparative period 2021 adjusted by EUR 500 thousand due to change in allocation of a customer from APAC to AMERICAS.
[32] Comparative period 2021 adjusted by EUR 500 thousand due to change in allocation of a customer from APAC to AMERICAS.

[33] Please refer to our comments under 2 (c) *Basis of preparation of the consolidated statement of other comprehensive income and the consolidated statement of financial position.*

Revenue by regions

In EUR thousands	2022	2021
EMEA	301,047	267,682
AMERICAS	198,837	172,368
APAC	65,990	61,047
Revenue	**565,874**	**501,097**

Revenue by country

In EUR thousands	2022	2021
USA	157,873	133,970
Germany	89,012	78,387
Great Britain	33,128	29,891
France	31,138	27,905
Other countries	254,724	230,945
Revenue	**565,874**	**501,097**

Revenue is allocated to individual countries based on the location of the respective customer.

Revenue by customer group

In EUR thousands	2022	2021
SMB customers	457,897	432,273
Enterprise customers	107,977	68,824
Revenue	**565,874**	**501,097**

The Group has a very diversified customer base, with no single customer accounting for more than 10 % of revenue.

Adjusted EBITDA is calculated as follows:

In EUR thousands	2022	2021
Operating profit (EBIT)	**143,725**	**117,424**
Depreciation and amortisation	53,741	50,918
EBITDA	**197,466**	**168,342**
Change in deferred revenue recognised in profit or loss	68,900	46,511
Other items for adjustment	32,376	42,136
Adjusted EBITDA	**298,742**	**256,989**

Other items for adjustment comprises the following:

In EUR thousands	2022	2021
Expenses for share-based compensation	**(28,439)**	**(26,409)**
thereof expenses for equity-settled share-based compensation	(27,632)	(27,590)
thereof expenses for cash-settled share-based compensations to own employees	(808)	1,181
Further items for adjustment	**(3,937)**	**(15,727)**
Reorganisation expenses	(7,941)	(7,243)
Expenses from special IT projects	(3,602)	(3,277)
Measurement of financial instruments	16,848	(3,029)
Expenses for special legal disputes	(9,064)	(609)
Expenses from financing and M&A	(29)	(2,743)
Earn-out adjustments[34]	3,438	2,734
Other	(3,588)	(1,559)
Total	**(32,376)**	**(42,136)**

[34] Amount included in “Other income”.

The reorganisation expenses relate mainly to the ReMax reorganisation programme, which involves focusing the workforce on growth areas and optimising business processes.

Expenses for special IT projects relate primarily to the introduction of an ERP system.

Expenses from financing and M&A in the fiscal year include transaction costs in connection with business combinations of EUR 17 thousand (2021: EUR 2.6 million).

24. Related party disclosures

Relation to companies with significant influence

TigerLuxOne S.à r.l. (TLO), which is majority owned by Permira Holdings Limited, increased its shareholding in TeamViewer AG by 0.13 % from 19.97 % to 20.10 % in the fiscal year 2022, having already reduced its ownership interest from 27.85 % to 19.97 % in 2021. The increase in the fiscal year 2022 was the result of the cancellation of own shares (see Note *16 Equity*). In December 2021, TLO transferred 2,650,749 or 1.32 % of the shares in TeamViewer AG to the Management Board members Oliver Steil and Stefan Gaiser under the Share Appreciation Rights programme. Currently, 79.90 % (2021: 81.35 %) of the shares are in free float.

Transactions with other related parties

In EUR thousands	**2022**	2021
Sales to related parties	272	2
Purchases from related parties	4,015	3,254
Open balance as at	**31 December 2022**	31 December 2021
Trade receivables from related parties	55	2
Trade payables to related parties	0	6

There were no further material related-party transactions in fiscal years 2022 and 2021 beyond those presented in these notes.

Transactions with key management personnel

Management Board remuneration in accordance with IFRS

In EUR thousands	**31 Dec 2022**	31 Dec 2021
Short-term employee benefits	3,579	1,800
Severance benefits	510	1,259
Share-based compensation	606	4,385
Total	**4,695**	**7,444**

Share-based compensation includes expenses for IPO bonuses of EUR 0.0 million (2021: EUR 4.8 million) and liabilities as at 31 December 2022 of EUR 0.0 million (31 December 2021: EUR 0.0 million) and expenses related to the long-term incentive programme (LTIP) of EUR 0.6 million (2021: income of EUR 0.4 million) and liabilities as at 31 December 2022 of EUR 1.1 million (31 December 2021: EUR 0.4 million).

Management Board remuneration in accordance with GAS 17 (1 January 2022–31 December 2022)

In EUR thousands	2022	2021
Fixed remuneration	1,706	1,708
Fringe benefits	73	93
Total	**1,779**	**1,800**
Third-party benefits	–	–
One-year variable remuneration	1,650	–
Multi-year variable remuneration	1,342	1,589
Other	660	–
Subtotal variable remuneration	**3,652**	**1,589**
Pension costs	–	–
Total compensation current Management Board members	**5,431**	**3,389**

The remuneration of a former member of the Management Board amounted to EUR 0.5 million in the 2022 fiscal year (2021: EUR 1.1 million).

Further details on share-based compensations/third-party benefits granted to key management personnel are provided in *Note 7 Personnel expenses*.

There were no other transactions with key employees during the period (as in 2021) and no outstanding balances as at 31 December 2021 or 31 December 2022.

In addition to the abovementioned programmes, expenses for share-based compensations from the Employee Participation Programme (EPP) amounting to EUR 13.2 million (2021: EUR 0.4 million) for employees outside the Management Board were also recognised in fiscal year 2021.

The compensation paid to the Supervisory Board consisted of short-term benefits in the amount of EUR 720 thousand (2021: EUR 708 thousand), with liabilities or provisions amounting to EUR 0 thousand (2021: EUR 0 thousand) as at 31 December 2022. No consulting services were provided by a member of the Supervisory Board in 2022 or 2021.

The members of the Supervisory Board are active in the following comparable supervisory bodies:

Supervisory Board member	Occupation	Company and type of mandate
Dr Abraham Peled (Chairman of the Supervisory Board)	Partner at Peled Ventures LLC and industry advisor to Hg Capital Private Equity	Chairman of the Board of Directors of CyberArmor Ltd.
Axel Salzmann (Deputy Chairman of the Supervisory Board)	Member of the Management Board and Chief Financial Officer at BestSecret Group (since July 2022)	None
Jacob Fonnesbech Aqraou (Deputy Chairman of the Supervisory Board) (until 22. August 2022)	Entrepreneur and investor	Member of the Board of Directors of Telenor ASA (until May 2022) Chairman of the Board of Directors of Loopia Group Member of the Board of Directors of Wallapop SL Chairman of the Board of Directors of Denmark Bridge Member of the Board of Directors of Acqraou Invest ApS Chairman of the Board of Directors of PhaseOne Group ApS Chairman of the Board of Directors of Chronext AG (since February 2021) Chairman of the Board of Directors of BoatsGroup, LLC Member of the Advisory Board of Lego Ventures
Stefan Dziarski	Partner at Permira	Member of the Supervisory Board of P&I Personal & Informatik AG Member of the Advisory Board of FlixMobility GmbH Member of the Board of Directors of McAfee TopCo, Inc (since February 2022)
Hera Kitwan Siu	Consultant	Member of the Board of Directors of Goodyear Tire & Rubber Company Member of the Board of Directors of Vallourec S.A. Member of the Board of Directors of ASMPT Limited (since October 2022)

Supervisory Board member	Occupation	Company and type of mandate
Dr Jörg Rockenhäuser	Partner and Chairman at Permira	Member of the Advisory Board of Best Secret GmbH (formerly: Schustermann & Borenstein GmbH) Chairman of the Advisory Board of neuraxpharm Arzneimittel GmbH (since December 2020) Member of the Advisory Board of Engel & Völkers Holding GmbH (since October 2021)
Ralf W. Dieter (since 17 October 2022)	Entrepreneur and managing partner of RWD Vermögens- und Beteiligungs-gesellschaft mbH	Member of the Supervisory Board of Körber AG Member of the Supervisory Board of Schuler Group GmbH Chairman of the Advisory Board of ADAMOS GmbH Chairman of the Advisory Board of Dantherm Group A/S Member of the Advisory Board Leadec Holding BV

25. Events after the reporting date

After the end of the 2022 fiscal year, the following events occurred that could have a material effect on the future net assets, financial position and result of operations of TeamViewer:

In January 2023, a total of 237,452 shares in TeamViewer AG were transferred to eligible employees as part of the Group-wide RSU programme. The shares were taken from the pool of treasury shares held by TeamViewer AG, reducing it accordingly.

On 6 February 2023, the Company's Management Board approved a new share buyback programme with a total volume of up to EUR 150 million. The announced buyback programme is TeamViewer's second share buyback as a listed company following the successful completion of the EUR 300 million buyback in 2022. The buyback will be carried out in two independent tranches over the stock exchange and is expected to be completed in the course of 2023. The programme's first tranche, with a volume of up to EUR 75 million but not exceeding 9,112,985 shares, started on 15 February 2023 and will be executed under the existing authorisation of the Annual General Meeting 2022. As a result of the share buyback, the Company exceeded the reportable threshold for treasury shares of 5 % on 15 February 2023.

There were no other events of material significance after the 31 December 2022 reporting date.

26. Contractual obligations and contingent liabilities

Other financial obligations

TeamViewer has other financial obligations in connection with sponsorship agreements. The remaining terms of these contracts are as follows:

Contractual obligations arising from sponsorship agreements

In EUR thousands	31 December 2022	31 December 2021
Due within one year	66,422	71,524
Due in 1– 5 years	209,915	287,980
Due in more than five years	–	–
Total	**276,338**	**359,504**

Contractual obligations and contingent liabilities from other contracts

In EUR thousands	31 December 2022	31 December 2021
Due within one year	27,338	21,489
Due in 1– 5 years	23,970	25,942
Due in more than five years	–	–
Total contractual obligations and contingent liabilities	**51,308**	**47,431**

The other contractual obligations and contingent liabilities consist primarily of leasing costs for IT infrastructure.

There were no contingent liabilities as at 31 December 2022 or 31 December 2021.

27. Earnings per share

For the purpose of calculating basic earnings per share, net income/loss attributable to the parent company's ordinary shares is divided by the weighted average number of ordinary shares outstanding during the year.

Earnings per share (basic)

In EUR	2022	2021
Group net income/(loss) for the period	67,600,265	50,051,429
Shares issued as at 31 December	186,515,856	201,070,931
Effect of clawback of Ubimax share-based compensation	(583,877)	(940,854)
Weighted effect of treasury shares	(1,313,442)	–
Weighted average number of shares outstanding	184,618,537	200,130,077
Earnings per share (Net income/(loss)/number of shares)	**0.37**	**0.25**

In determining basic earnings per share, 1,070,931 ordinary shares issued by TeamViewer to the seller in connection with the acquisition of Ubimax GmbH are excluded as long as they are subject to potential clawback for lack of vesting. These new shares are subject to a clawback in the event that they are not vested under the "Ubimax" share-based compensation because the founders do not perform the required work. They are pledged to TeamViewer AG and are subject to a vesting period of three years. They are scheduled to be released in three annual tranches and will be released as soon as they are earned as part of the share-based compensation. The latter applied to 713,954 of the 1,070,931 new ordinary shares. These were vested under share-based compensation on 21 August 2021 (first tranche: 356,977 shares) and on 21 August 2022 (second tranche: 356,977 shares) and consequently released. For additional information on the share-based compensation transaction "Ubimax", see *Note 4 (b) Company acquisitions* and *Note 7 Personnel expenses*.

For the purpose of calculating diluted earnings per share, net income/loss attributable to ordinary equity holders of TeamViewer AG is divided by the weighted average number of ordinary shares outstanding, plus the weighted average number of ordinary shares that would result from the conversion of all potentially dilutive ordinary shares into ordinary shares.

Earnings per share (diluted)

In EUR	**2022**	2021
Group net income/(loss) for the period	67,600,265	50,051,429
Weighted average number of shares outstanding	184,618,537	200,130,077
Dilutive effect of Ubimax share-based compensation	293,297	481,209
Dilutive effect of RSU share-based compensation	149,030	–
Weighted average number of shares outstanding adjusted for dilutive effect	185,060,864	200,611,286
Earnings per share (Net income/(loss)/number of shares)	**0.37**	**0.25**

For the calculation of diluted earnings per share, the weighted average number of shares outstanding is increased by the number of potentially dilutive shares from the “Ubimax” and “RSU” share-based compensation. The number of potentially dilutive shares is determined as the difference between the following two figures:

a) the weighted average number of ordinary shares issued but not yet vested under the “Ubimax” and “RSU” share-based compensation plan
b) the number of ordinary shares that would have been issued at their average market price during the period

To determine the latter figure, it is assumed that an amount equal to the future expense still to be incurred from the share-based compensation transaction is used to repurchase the issued ordinary shares at their average market price during the period (so-called treasury stock method).

No other transactions involving ordinary shares or potential ordinary shares have taken place in the period between the reporting date and the release date for publication of the consolidated financial statements.

28. Auditor’s fees

The fees for the services of the Group’s auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, totalled EUR 475 thousand in fiscal year 2022 and include audit services in the amount of EUR 470 thousand and other consulting (access to online IFRS training) in the amount of EUR 5 thousand. In addition to the audit of the consolidated financial statements and the annual financial statements of TeamViewer AG, the audit services also include the statutory and voluntary audits of subsidiaries and audit reviews of interim financial statements.

29. Declaration of Conformity with the German Corporate Governance Code

In December 2022, the Management Board and Supervisory Board of TeamViewer AG issued the declaration of conformity required by § 161 of the German Stock Corporation Act (Aktiengesetz, AktG) and made it available on the Company’s Investor Relations website under the Governance & ESG chapter.

6 Release Date for Publication

The consolidated financial statements were released for publication on 8 March 2023.

8 March 2023

The Management Board

Oliver Steil   Michael Wilkens   Peter Turner

D_ Non-financial Report

This chapter has not been audited by the auditor.

1 Fundamentals of the Non-financial Report

With the non-financial report according to §§ 289b to 289e, 315b and c of the German Commercial Code (Handelsgesetzbuch – HGB) and the requirements of the Corporate Social Responsibility Directive Implementation Act (CSR-RUG), TeamViewer provides information about the aspects of environmental concerns, employee concerns, social concerns, combating corruption and bribery as well as respect for human rights and the focal points to be reported within the framework of the EU Taxonomy Regulation for the fiscal year 2022. If further relevant non-financial aspects can be derived from the economic performance of the Company, these are listed in accordance with § 289 c (2) HGB.

In preparing the non-financial report, the reporting principles set out by the Global Reporting Initiative (GRI) were taken into account in determining the content and quality of the report. Where useful for comparability and comprehensibility, some chapters also include data from the previous year in order to show changes over time. An overview of the GRI references can be found in the Section E (Further Information) in the Annual Report 2022.

The aim of the non-financial report is to transparently meet the relevant needs and requirements of TeamViewer's stakeholders, including shareholders, customers, partners, employees, suppliers, rating agencies, vulnerable groups, local communities, non-governmental organisations and other civil society organisations, and to communicate material and relevant non-financial aspects with integrity.

The topic of security and data protection is important for TeamViewer, along with the sub-aspects of infrastructure and product security, and can be found as a separate chapter in the combined management report of the Annual Report 2022. Non-financial performance indicators as defined by § 289 (3) of the German Commercial Code (HGB) on the aspects of employees and the environment are also listed in the combined management report and dealt with in greater detail in the Company's Non-financial Report.

The Non-financial Report was reviewed and approved by the Supervisory Board of TeamViewer AG in accordance with § 171 (1) AktG.

2 Sustainability at TeamViewer

As a global technology company, TeamViewer offers a cloud-based platform to connect computers, machines and industrial equipment and digitally supports work processes along the entire value chain in both the industrial and service sectors. Through its core business, the Company makes a valuable contribution to a more sustainable world:

- TeamViewer connects people who help others with private applications worldwide – millions of times, every day and free of charge.
- TeamViewer helps businesses and their workforces employ flexible work models to achieve a better work-life balance.
- TeamViewer's solutions enable millions of corporate customers and free users to maintain or increase their productivity despite physical distance.
- TeamViewer enables users to reduce climate-damaging greenhouse gas emissions by avoiding travel.

A detailed description of TeamViewer's business model can be found in the combined management report.

Our corporate values, next to climate and environmental protection and respect for human rights, form the basis for our actions. We complement these values by practicing good corporate governance and upholding our social responsibility.

Our customers' trust in the security of their personal data and critical information, as well as the reliability and availability of our software solutions and services, are the basis of our sustainable growth. We consider it our greatest responsibility to guarantee these requirements at all times. We describe how we fulfil this responsibility in the sub-chapter "Data protection" contained in the combined management report.

As a signatory to the UN Global Compact, TeamViewer supports the ten principles of the UN Global Compact and the Sustainable Development Goals (SDGs) of the United Nations. The SDGs are a central conceptual framework for our materiality analysis and our sustainability goals and important guidelines for the Group's sustainability strategy. The following SDGs play a special role in this respect: #4 (Quality Education), #5 (Gender Equality), #8 (Decent Work and Economic Growth), #9 (Industry, Innovation and Infrastructure), #10 (Reducing Inequalities), #12 (Responsible Consumption and Production), #13 (Climate Action) and #17 (Partnerships for the Goals). TeamViewer has also pledged its commitment to the UN Women's Empowerment Principles.

Materiality analysis

Based on the multi-stage materiality analysis conducted in the 2020 fiscal year, which identified the relevant and material non-financial topics specific to TeamViewer, a review of the results of the materiality analysis was conducted in the 2022 fiscal year. This review did not result in any changes in the materiality of non-financial aspects.

To identify possible relevant topics, TeamViewer evaluated internal documents, three non-financial ratings (MSCI, Sustainalytics, ISS ESG), benchmarks, competitors, industry benchmarks and resources, regulatory issues, ESG and other reporting (particularly GRI, SASB, SDGs). By including stakeholder-oriented standards, the demands of various interest groups were thoroughly considered in the materiality analysis. An overview of 70 topics and sub-topics relevant to TeamViewer was derived from this external approach. In an internal expert workshop (participants: sustainability manager, compliance and risk manager, general counsel), the overview was further enhanced with the addition of relevant internal aspects. In particular, a qualitative assessment was made of whether and to what extent TeamViewer's economic activities have an impact on the economy, the environment, employees and society.

To validate the results, an extended internal expert group consisting of the Group's Communications, Compliance, Corporate Operations, Corporate Development, CSR, Finance, Human Resources, Investor Relations, Legal, Marketing and Public Relations departments quantified and qualified the results on a scale of 0 to 20. The prioritisations made previously were essentially confirmed and left unchanged.

As a result of the classification process, six overarching fields of action were defined:

1. Governance and integrity
2. Trust and security
3. Environment and climate protection
4. Attractive employer
5. Equality
6. Corporate citizenship

The six defined fields of action group the non-financial aspects that TeamViewer fundamentally classifies as relevant or material.

Non-financial topics are considered relevant when, from the perspective of the stakeholders (outside-in perspective), at least a high or very high significance is attributed to them, or when they can have a high or very high impact (inside-out perspective) on the relevant protected assets. For TeamViewer, the analysis conducted results in nine non-financial topics that are to be classified as material. These can be visualised with the help of a materiality matrix illustration on the following page).

Relevant and material issues

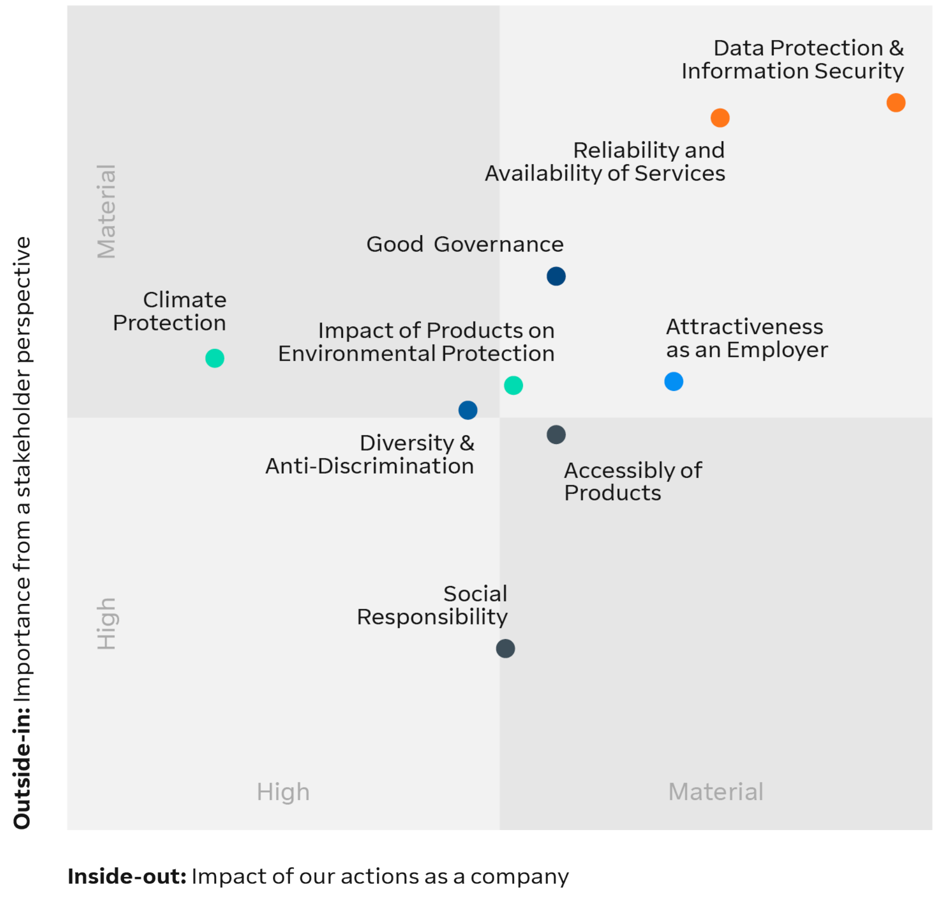
Material non-financial aspects of TeamViewer

The following non-financial topics were identified as material in relation to at least one of the two perspectives of outside-in and inside-out:

- Good corporate governance (see “Corporate Governance Statement” in the combined management report)
- Data protection and information security (see “Security and data protection” in the combined management report)
- Reliability and availability of systems and services (see “Security and data protection” in the combined management report)
- Product impact on environmental protection (see “Environmental and climate protection” in the non-financial report)
- Climate protection (see “Environmental and climate protection” in the non-financial report)
- Attractiveness as an employer (see “Employees” in the non-financial report)
- Diversity and anti-discrimination (see “Employees” in the non-financial report)
- Accessibility of products (see “Environmental and climate protection” in the non-financial report)
- Social responsibility (see “Social Responsibility” in the non-financial report)

Based on the materiality analysis, resources such as time, effort and budget are allocated to the material non-financial topics in order to make further progress on these topics in the future. They thus shape the sustainability strategy and our reporting. As TeamViewer is particularly committed to these concerns, this non-financial report also reports on non-financial topics that are classified as not relevant according to the materiality analysis. This concerns in particular the chapters “Transparency and Cooperation”, “Health and Well-being” as well as “Energy, Waste and Water Management”.

Material non-financial aspects



Sustainability targets

The 2030 Agenda for Sustainable Development, adopted by all United Nations member states in 2015, is an action plan for people, planet and prosperity. TeamViewer is committed to the Sustainable Development Goals (SDGs) and recognises the importance of all 17 goals. TeamViewer believes that the potential for technological innovation is fundamental to leading our society to a more sustainable way of working and living.

To optimally deploy its energies and resources, TeamViewer concentrates on the eight SDGs where it believes it can make a significant contribution to achieving the targets.

1. Quality Education (SDG #4)
2. Gender Equality (SDG #5)
3. Decent Work and Economic Growth (SDG #8)
4. Industry, Innovation and Infrastructure (SDG #9)
5. Reduced Inequalities (SDG #10)
6. Responsible Consumption and Production (SDG #12)
7. Climate Action (SDG #13)
8. Partnerships for the Goals (SDG #17)

Based on the eight defined focus SDGs, TeamViewer has set itself the following key sustainability goals, which the Company is working to achieve with concrete measures and a binding timeframe:

- Achieve climate neutrality no later than 2025
- Provide better access to technology and education
- Support our customers in achieving their climate protection goals using our technology
- Promote participation of women in leadership positions

Sustainability management

For TeamViewer, corporate responsibility in all areas of sustainability is of central importance, but particularly in relation to the topics of climate protection and equal opportunity. The deep anchoring of these topics in TeamViewer's sustainability management has been ensured through targeted measures and a separate sustainability budget to finance Group-wide sustainability efforts. The measures implemented include the c-a-r-e sustainability programme, the 2025 climate neutrality goal, the monitoring of sustainability management by the Supervisory Board and Audit Committee, and pledging our commitment to the UN-WEPs programme as well as to the Science-Based Targets Initiative (SBTi).

TeamViewer's Sustainability department reports directly to the Chief Financial Officer (CFO). The half-year reporting to the Supervisory Board and Sustainability Committee establishes the reporting line to the two highest business bodies of TeamViewer AG, underlining the priority of the topic of sustainability. Regular reports to the Management Board and the Supervisory Board on the progress and planning surrounding the main sustainability topics allow to promptly address the set priorities. The Sustainability department acts as an interface and coordinates the non-financial topics; submits analyses, decision papers and recommendations; facilitates strategic and operational development and ensures sustainability reporting in cross-functional dialogue. It is also the point of contact for ESG rating agencies.

To strategically manage sustainability topics, the Group-wide Senior Leadership Team (in total 10 members, including the Management Board and the first leadership layer below the Management Board) assumes the function of a Sustainability Steering Board. Within the Audit Committee of the Supervisory Board, a Sustainability Committee was established under the leadership of Hera Kitwan Siu.

ESG governance facilitates sound decision-making accompanied by the Audit Committee acting as a sustainability committee

Supervisory Board/Sustainability Committee

1 – 2 x p. a.

Addressing

- ESG related topics, particularly with regard to Nomination and Renumeration Committee
- Review sustainability/ non-financial reporting

Biweekly alignment

CFO

Head of Sustainability

Addressing

- Climate neutrality roadmap
- Emissions reduction
- Equality/diversity
- ESG ratings
- ESG funds and IR/ESG communication
- Sustainability reporting

2 – 4 x p. a.

SLT/Sustainability Steering Board

Addressing

- ESG topics related to product development, sales and marketing
- Implementation for ESG ratings‘ relevant initiatives
- Monitoring of ESG priorities of overriding importance

Periodic alignment

HR

PR and Communications

Governance

IR

Operations

Sustainability programme c-a-r-e

TeamViewer's sustainability programme c-a-r-e serves to communicate the Group-wide sustainability priorities in a targeted, easy-to-understand and ongoing manner and is linked to clear commitments, targets and measures.

The word c-a-r-e is an acronym for the terms

- C – Climate neutrality
- A – Access to technology
- R – Reduced emissions
- E – Equality

c-a-r-e combines TeamViewer's ambition, "Creating a world that works better", with its sustainable business model, products and corporate culture, which are also characterised by a sense of responsibility combined with sustainable thoughts and actions.

With the publication of the c-a-r-e sustainability programme, concrete measures and goals were communicated:

- C – Climate neutrality:
    1. Achieve climate neutrality no later than 2025
    2. Support the SBT initiative ("1.5°C target")
- A – Access to technology
    1. Provide free use of our solutions for private and socially beneficial purposes
    2. Increase access to education and technology
- R – Reduction of emissions
    1. Enable customers to avoid emissions
    2. Deliver climate-neutral products sourced 100 % from renewable energies
- E – Equality
    1. Increase the proportion of women in all management levels
    2. Celebrate cultural diversity with a zero-tolerance discrimination policy

Our employees are actively involved in the development and implementation of sustainability measures to achieve the set goals through their participation in internal company workshops. Around 390 employees participated in the first workshops in 2022. Four working groups were formed and have already been actively involved in sustainability efforts through their first specific actions:

- Female Empowerment (promotion of women)
- Climate Action (Climate Protection)
- LGBTQIA+ (Lesbian, Gay, Bisexual, Transgender, Queer, Inter, Asexual, +)
- Parents@TeamViewer (Parents with TeamViewer)

Details on these work groups and the measures they are undertaking can be found in the sub-chapter "Employees" of the non-financial report.

Sustainability opportunities and risks

The opportunities and risk assessment associated with sustainability topics at TeamViewer are derived from the company-wide opportunity and risk management as well as the materiality analysis of non-financial topics.

Since the opportunity and risks report (part of the combined management report) lists only material risks, this sustainability report supplements it with all non-financial topics. The quantification follows the same evaluation logic that is used for the recording and evaluation of financial risks.

Climate change

Risks from climate change will increasingly affect areas of life and the economy in the future. The impact on the business environment and products of TeamViewer is currently rated as "medium". By taking climate protection measures, such as the commitment to the SBTi goals, TeamViewer is assuming an active role in keeping the impacts of climate change as low as possible. At the same time, opportunities arise when TeamViewer actively invests in climate protection, as this makes the "TeamViewer" brand more attractive to employees and customers alike.

Net zero strategy

A net zero business model means that the carbon emissions generated by an activity are reduced to a minimum that is unavoidable, and the remaining balance is offset by carbon removal activities. The risk that TeamViewer does not achieve its set net zero targets within the envisioned timeframe is assessed as ‘Medium’. Non-achievement could lead to a loss of reputation. Numerous companies also have a net zero strategy, which also presents TeamViewer with opportunities by supporting its partners and customers in achieving their own net zero targets.

Diversity and anti-discrimination

With its “Diversity, Inclusion & Non-Discrimination Policy”, TeamViewer has set its own standards leading to an open and inclusive corporate culture. The positive effects of this can be observed in the daily interaction between employees, as well as with partners and customers. This is accompanied by the risk of not fulfilling the Company’s own policy. This risk is rated as “medium”. Regular training of employees reduces this risk.

Unethical behaviour

Our unique corporate culture is underpinned by our corporate values and the company-wide Code of Conduct and is an important element in our engagement with employees. Unethical behaviour that ignores our values and violates our Code of Conduct represents a “medium” risk. Regular training of our employees reduces this risk.

Disclosure of confidential information

The disclosure of confidential information and the associated possible competitive disadvantages is classified as a risk and rated as “medium”. This risk is mitigated by employing high security standards and providing regular training for employees.

Regulatory framework

Particularly within the realm of sustainability reporting, the regulatory framework is in a constant process of change. Especially in the global context, this requires continuous monitoring of the relevant regulations and amending the Company’s own disclosures. The risk of not meeting the changing standards is rated as “medium”. Continuous internal training and the inclusion of external expertise reduce this risk.

Social responsibility

TeamViewer is aware of its social responsibility and is involved in numerous projects (see the sub-chapter “Social Responsibility”). The risk of a loss of reputation due to insufficient social commitment is rated “low”.

Accessibility of our products

The easy accessibility and associated wide distribution of our products have been a success factor since the foundation of our company. We rate the restriction of this accessibility as a “low” risk because, among other factors, free private use will continue to exist.

No material non-financial risks with a potential impact on our business, revenue and cost base were identified in the risk analysis we conducted in the 2022 fiscal year.

Risk assessments

Non-financial risks	Group risk assessment (gross risk)	Trend[1]
Climate change	Medium	→
Net zero strategy	Medium	→
Diversity and anti-discrimination	Medium	→
Unethical behaviour	Medium	→
Disclosure of confidential information	Medium	→
Official regulations	Medium	→
Social responsibility	Low	→
Accessibility of our products	Low	→

[1] Trend: Net risk level compared to previous year

Legend:
Decreased net risk ↗
Unchanged net risk ↗
Increased net risk ↗

EU Taxonomy

In view of the worsening climate crisis, the European Union (EU) has committed itself to a sustainable growth strategy with the “European Green Deal”. The EU Sustainable Finance Taxonomy (EU Taxonomy) aims to guide investment flows into environmentally sustainable economic activities and, as such, represents an EU-wide classification system for sustainable economic activities.

In a first step, **taxonomy eligibility** is examined by analysing whether a company’s economic activity is listed in the delegated act of the EU Taxonomy. If this is the case and the company’s business activity contribute to the potential achievement of at least one of the following six environmental objectives, the economic activity can be considered taxonomy-eligible. The environmental objectives as defined by the EU Taxonomy are:

- Climate change mitigation
- Climate change adaptation
- Stainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

The second step is to assess **taxonomy alignment**. An economic activity is considered taxonomy-aligned if the following three conditions are met:

- Substantial contribution to at least one of the environmental targets through alignment with the evaluation criteria defined for the respective economic activity (e.g. CO_2 emissions saved for the environmental target of climate protection).
- Significant harm to at least one other environmental objective is excluded by complying with the Do-No-Significant-Harm (DNSH) criteria of the EU Taxonomy.
- A minimum level of protection (Minimum Safeguards) of human and consumer rights, anti-corruption, taxation and fair competition is observed.

We analysed all business activities of TeamViewer and assessed which of those are taxonomy-eligible and taxonomy-aligned in accordance with the EU Taxonomy Annex I and II of the delegated act ((EU) 2021/2139). For TeamViewer, as a provider of data-based remote connectivity solutions, one of the economic activities listed in the EU Taxonomy is considered to be material:

- **Data-based solutions to reduce greenhouse gas emissions** (Annex 1, 8.2)

The economic activity “8.2 – Data-based solutions to reduce greenhouse gas emissions” covers remote access, remote control and remote maintenance that works with almost all desktop and mobile platforms, including Windows, macOS, iOS and Android. With TeamViewer solutions, computers, mobile devices or machines – i.e. any technical device that holds a data connection to the Internet – can be remotely controlled and used anywhere in the world. Our data-based solution is provided from 100 % renewable energy. Taxonomy-wise, this activity has a clear potential to avoid travel activities and associated greenhouse gas emissions, in particular, if these activities are primarily intended to provide data and analysis to enable the reduction of greenhouse gas emissions. Avoiding climate-harming CO_2 emission is an important ESG measure for TeamViewer, which has been collected since 2020 and verified by external advisers. It measures how many (business) travels are actually avoided and calculates the corresponding CO_2 emissions saved.

All revenue, operating expenses (OpEx) and capital expenditures (CapEx) as defined by the EU Taxonomy that are associated with our taxonomy-eligible products and services are allocated to the “climate protection” objective as defined by the EU Taxonomy.

Taxonomy eligibility of business activities

	Revenue	OpEx as defined by EU Taxonomy	CapEx as defined by EU Taxonomy
8.2 Data-based solutions to reduce greenhouse gas emissions (in EUR million)	543.3	35.3	16.8
Non-taxonomy compliant activities (in EUR m)	22.6	11.7	5.6
Total (in EUR m)	565.9	47.1	22.4
Share of taxonomy-eligible activities (in %)	**96 %**	**75 %**	**75 %**

The EU Taxonomy Regulation and the related delegated act comprise formulations and terms that are still subject to considerable interpretation uncertainties. For the allocation of activities and the respective calculation of the KPIs, other evalutations may arise in subsequent years as a result of interpretation decisions.

Compared to the previous year, this uncertainty of interpretation has led us to no longer consider activity 8.1. “Data processing, hosting and related activities” to be material because it does not generate direct revenue, although third-party servers and hosting services are an integral part of our solution offering.

In the 2022 fiscal year, we have changed the calculation methodology and do not apply a fixed discount in the determination of **taxonomy-eligible revenue** anymore, but used an application-based approach to determine the KPIs. In 2021, a fixed discount of 15 % was applied resulting in 85 % taxonomy-eligible revenue. For 2022, the application-based determination results in a 96 % share of taxonomy-eligible revenue, meaning that only 4 % of the use cases failed to demonstrate a clear potential to reduce GHG emissions.

When calculating **OpEx** and **CapEx** in 2021, a fixed discount of 15 % was used as well. For 2022, the methodology was also replaced by an application-based approach, which is essentially driven by the largest cost factor (personnel costs) in research and development (see operating expenses for the 2022 fiscal year).

Significant contribution to climate protection

In accordance with the EU Taxonomy, it must be verified whether the information and communication technology solutions are used primarily to reduce GHG emissions and what emission savings can be achieved by TeamViewer compared with the “best performing alternative solution” on the market. TeamViewer started to develop a comprehensive GHG Life Cycle Assessment in 2022 and will continue to work on demonstrating the GHG emission reduction potential in a competitive comparison in 2023.

Do-No-Significant-Harm (DNSH) and Minimum Safeguards

The key contribution criteria for Activity 8.2 were not met in fiscal year 2022. For this reason, no further investigation of the DNSH criteria and “Minimum Safeguards” were conducted and TeamViewer’s business activity can only be validated under taxonomy eligibility.

KPIs according to the EU Taxonomy Regulation

The EU Taxonomy defines the revenue, OpEx and CapEx KPIs. Mandatory disclosures on taxonomy eligibility and alignment are to be made for the 2022 fiscal year. The financial data relevant for TeamViewer are derived from its consolidated financial statements for the 2022 fiscal year.

Revenue 2022 fiscal year

The Group’s revenue according to IFRS of EUR 565.9 million, as reported in the consolidated financial statements of TeamViewer (sub-chapter 1 – Consolidated statement of profit and loss and other comprehensive income (p. 91); details of the accounting policies relating to net revenue might be found in part 5.3 (b) of the consolidated financial statements (pp. 99 ff.)) serves as the basis. TeamViewer develops and distributes software for remote access to/remote maintenance of devices to digitize work processes, increase process efficiency on the customer side and help to avoid travel and GHG emissions. However, some of our solutions focus primarily on increasing efficiency and quality assurance rather than avoiding travel (e.g. in the context of workflow optimisation in logistics). Therefore, only the use cases for remote access, remote control, and remote management solutions were classified as taxonomy-eligible. These account for 96 % of total revenues (see table: “Taxonomy eligibility of business activities”).

Operating expenses (OpEx) in the 2022 fiscal year

The consolidated financial statements according to IFRS are the basis for determining operating expenses (OpEx) as defined by EU Taxonomy. Operating expenses essentially comprise:

- All direct, non-capitalised research and development costs.
- Non-capitalised lease expenses for short-term leases in accordance with IFRS 16.
- Maintenance and repair costs and other direct expenses relating to the day-to-day servicing of property, plant and equipment, determined on the basis of our internal cost centres.

At 92 %, direct, non-capitalised research and development costs of EUR 43.1 million account for the largest share of operating expenses as defined by the EU Taxonomy. Of this, around 95 % is accounted for by personnel costs. About 25 % of the FTEs in R&D are focusing on the development of solutions that do not make a substantial contribution to the reduction of greenhouse gas emissions. As a result, we only account 75 % of the total operating expenses of EUR 47.1 million as taxonomy-eligible under the EU Taxonomy. This corresponds to EUR 35.3 million (see table: "Taxonomy Eligibility of Economic Activities").

Overview of operating expenses (OpEx) 2022 as defined by EU Taxonomy

	In EUR m
Research & Development (recurring)	43.1
Non-capitalised lease expenses for short-term leases in accordance with IFRS 16	1.0
Maintenance and repair costs and other direct expenses relating to the day-to-day maintenance of property, plant and equipment	3.0
Total	**47.1**

Capital expenditures (CapEx) 2022 fiscal year

Capital expenditure (CapEx), as defined by the EU Taxonomy, is determined based on the consolidated financial statements according to IFRS. In particular, this includes additions to intangible assets and property, plant and equipment. The data can be determined from the financials reported in the consolidated statement of cash flows within the consolidated statement of financial position (p. 93).

In the 2022 fiscal year, additions totalled EUR 22.4 million. This comprises the reported investments in property, plant and equipment and intangible assets of EUR 8.8 million, supplemented by the capitalised rights of use in accordance with IFRS 16 of EUR 13.6 million. The breakdown of additions to intangible assets and property, plant and equipment is as follows:

- EUR 3.7 million additions to intangible assets
- EUR 18.7 million additions to property, plant and equipment

Further details on our accounting policies for additions under IAS 16, IAS 38 and IFRS 16 are described in the consolidated financial statements of our Annual Report 2022 (pp. 102 ff.), note 5.3 (f).

As the capital expenditures of EUR 22.4 million cannot be directly incurred and determined in connection with individual products, we use the allocation of 75 % determined on the basis of revenue to determine taxonomy eligibility. This results in total taxonomy-eligible CapEx of EUR 16.8 million.

Further details on our taxonomy-eligible activities can be found in the detailed reporting forms on revenue, OpEx and CapEx as defined by the EU taxonomy presented below.

Revenue

				Substantial Contribution Criteria						DNSH Criteria										
Economic activities (1)	Code(s) (2)	Absolute Turnover (3)	Proportion of Turnover (4)	Climate Change Mitigation (5)	Climate Change Adaption (6)	Water and Marine Resources (7)	Circular Economy (8)	Pollution (9)	Biodiversity and Ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaption (12)	Water and Marine Resources (13)	Circular Economy (14)	Pollution (15)	Biodiversity and Ecosystems (16)	Minimum Safeguards (17)	Taxonomy-aligned proportion of Turnover year N (18)	Taxonomy-aligned proportion of Turnover year N-1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
		EUR m	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0 %																	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)																				
8.2 Data-based solutions to reduce greenhouse gas emissions	J62. 01	543.1	96 %																	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		543.1	96 %																	
Total Turnover of Taxonomy eligible activities (A.1 + A.2) (A)		543.1	96 %														0 %			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		22.6	5 %																	
Total (A + B)		565.9	100 %																	

OpEx

				Substantial Contribution Criteria						DNSH Criteria										
Economic activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Climate Change Mitigation (5)	Climate Change Adaption (6)	Water and Marine Resources (7)	Circular Economy (8)	Pollution (9)	Biodiversity and Ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaption (12)	Water and Marine Resources (13)	Circular Economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum Safeguards (17)	Taxonomy-aligned proportion of OpEx year N (18)	Taxonomy-aligned proportion of OpEx year N-1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
		EUR m	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0 %																	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)																				
8.2 Data-based solutions to reduce greenhouse gas emissions	J62.01	35.3	75 %																	
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		35.3	75 %																	
Total OpEx of Taxonomy eligible activities (A.1 + A.2) (A)		35.3	75 %														0 %			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities (B)		11.7	25 %																	
Total (A + B)		47.1	100 %																	

CapEx

				Substantial Contribution Criteria						DNSH Criteria										
Economic activities (1)	Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water and Marine Resources (7)	Circular Economy (8)	Pollution (9)	Biodiversity and Ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water and Marine Resources (13)	Circular Economy (14)	Pollution (15)	Biodiversity and Ecosystems (16)	Minimum Safeguards (17)	Taxonomy-aligned proportion of CapEx year N (18)	Taxonomy-aligned proportion of CapEx year N-1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
		EUR m	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0 %																	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)																				
8.2 Data-based solutions to reduce greenhouse gas emissions	J62. 01	16.8	75 %																	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		16.8	75 %																	
Total CapEx of Taxonomy eligible activities (A.1 + A.2) (A)		16.8	75 %														0 %			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities (B)		5.6	25 %																	
Total (A + B)		22.4	100 %																	

Sustainability ratings

For TeamViewer, ESG ratings and the annual feedback process that accompanies the review and revision of the rating results are particularly helpful in evaluating and improving its own sustainability efforts. The independent rating analyses are critically evaluated and the outcomes are used to derive the appropriate actions to take for improvement. In 2022, TeamViewer was rated with regard to its performance in the areas of environment, social and governance (ESG) by several ESG rating agencies, including the following:

- **MSCI:** TeamViewer was able to improve its ESG rating from the leading global analysis institute MSCI compared to the previous year. For the year 2022, TeamViewer received a rating of AAA (2021: AA), moving it up into the highest category. This rating places TeamViewer among the top 8 % of companies in the software and services industry worldwide. The rating analyses the business practices of companies in the areas of environmental, social, and governance and gives each of these pillars a score from 0 to 10. For 2022, TeamViewer received a score of 6.0 for its environmental activities, 5.8 for social aspects and 8.0 for its governance practices. In the area of governance, TeamViewer has one of the best global ratings of all companies in its industry.[35]

- **Sustainalytics:** TeamViewer improved its ESG risk rating again in the 2022 fiscal year awarded by Morningstar Sustainalytics, the leading independent ESG market research and rating company. Sustainalytics' ESG risk rating assesses a Company's exposure to material industry-specific ESG topics and evaluates how well the Company manages the identified risks. With this multi-dimensional measurement, Sustainalytics arrives at an overall ESG risk score that is comparable across all industries. Companies are classified in five different risk categories, ranging from negligible (0 to 10), low (10 to 20), medium (20 to 30) and high (30 to 40) to severe (40+). In 2022, Sustainalytics gave TeamViewer an ESG risk rating of 9.9 points (2021: 12.8). This rating reflects Sustainalytics' assessment that the risk of TeamViewer facing material adverse financial effects from ESG factors negligible. With this rating, TeamViewer is now one of the top 3 from a total of 419 rated companies within the industry "Enterprise & Infrastructure Software".[36]

- **ISS ESG:** In 2021, TeamViewer received the "Prime" status rating from ISS ESG Corporate Rating. An update of this rating was not conducted in 2022 but is planned for 2023.[37]

It is our goal to continuously improve our sustainability positioning, which will also have a positive influence on our ESG rating results.

[35] https://www.teamviewer.com/de/unternehmen/presse/teamviewer-erhaelt-aaa-bewertung-im-msci-esg-rating-2/ (retrieved 31 December 2022).
[36] https://ir.teamviewer.com/websites/teamviewer/English/3480/news-details.html?newsID=2356291#:~:text=In%20September%202022%2C%20TeamViewer%20received,financial%20impacts%20from%20ESG%20factors (retrieved 31 December 2022).
[37] https://ir.teamviewer.com/websites/teamviewer/German/3280/ir-news.html?newsID=1907329 (retrieved on 31 December 2022).

3 Governance and Integrity

Good corporate governance

At TeamViewer, we believe it is our responsibility to maintain and deepen the trust of our shareholders, customers and employees in line with our high standards of corporate governance and responsibility. This trust is an essential prerequisite for our entrepreneurial actions and helps us to measure our success. Further details on this topic can be found in the “Corporate Governance Statement” chapter of the combined management report.

Respect for human rights

As a responsible global enterprise, TeamViewer is committed to ensuring that human rights are not violated in its own operations, throughout its value chain, or by its products. TeamViewer respects the international standards for protecting human rights and is committed to observing these standards within its scope of influence. The provisions to this effect are set out in our Code of Conduct and Supplier and Business Partner Code of Conduct, which must be recognised by all suppliers and other business partners.[38] They are also encouraged to analyse and access their own conduct, and TeamViewer reserves the right to conduct its own random checks. In the past fiscal year, there were no anomalies that required taking action.

To fully meet its commitments, TeamViewer adheres to the human rights standards highlighted in the United Nations Universal Declaration of Human Rights (UDHR), the European Convention for the Protection of Human Rights and Fundamental Freedoms, and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. As a signatory to the United Nations Global Compact, the world’s largest and most important initiative for sustainable and responsible corporate governance, TeamViewer also reaffirms its commitment to the integration of the ten universal principles of the UN Global Compact (focus areas: Human Rights, Labour, Environment and Anti-Corruption) into its own business operations, particularly the principles related to compliance with human rights standards.

TeamViewer’s Code of Conduct formalises these beliefs and commitments and applies them internally, globally, and to all entities and employees. The Code reflects the existing guidelines ensuring a basic standard of business conduct, which is intended to prevent potential human rights violations. TeamViewer has several functions tasked with performing ongoing due diligence on human rights. This helps to identify and if possible, prevent human rights violations in the Company and in the value chain, facilitate the reporting of risks and actual violations, terminate potentially negative human rights impacts of business activities and provide reparations where appropriate.

TeamViewer employees receive periodic training at least once each year on human rights policies and procedures. A whistle-blower system is in place to allow for the anonymous reporting of potential human rights violations, among other things.

In the 2022 fiscal year, as in the prior year, there were no significant incidents of human rights violations reported at TeamViewer.

[38] The current version can be displayed via the following web link:
https://ir.teamviewer.com/websites/teamviewer/English/4700/sustainability-and-corporate-social-responsibility.html.

Combating corruption and bribery

TeamViewer is committed to complying with the applicable laws and guidelines when conducting its business activities. The Company has adopted mandatory internal guidelines in an effort to combat any forms of corruption and bribery.

Ethical and transparent conduct in business and between employees, suppliers and business partners is an absolute must. Alongside compliance with statutory anti-corruption provisions, this also includes fairness in business, marketing and competition. The principles, processes and reporting channels are set out in the Code of Conduct, the Anti-Bribery and Corruption Policy, the Supplier and Business Partner Code of Conduct, and the Anti-trust and Fair Competition Policy. All employees receive routine training at least once annually (at least once a year). Performing due diligence on our suppliers and partners is also intended to ensure regulatory compliance.

To ensure compliance with the principles of the Anti-Bribery and Corruption Policy, the heads of the Compliance department carry out a review as part of their regular reporting activities. Observations and violations can also be reported anonymously via the whistle-blower system.

In the 2022 fiscal year, as in the prior year, TeamViewer was not aware of any identified or reported material cases of violations of the provision of the Anti-corruption and Bribery Policy.

Transparency and collaboration

TeamViewer firmly believes that behind every successful business lies transparent communication and open cooperation with the relevant organisations and authorities. TeamViewer aims to maintain the highest possible level of transparency and disclosure possible consistently in all aspects of its business activities, while continuing to comply with the regulatory requirements. Information security and privacy are of particular importance in this context (see Security and data privacy in the combined management report). Communication with external stakeholders, such as ESG rating agencies, will also continue in an open and transparent manner.

Tax transparency

Tax payments are an important part of TeamViewer's economic and social contribution to society. In the 2022 fiscal year, the TeamViewer Group paid a total of EUR 46.4 million in income taxes. Fair and equitable tax systems play an essential role for TeamViewer in every country the Company operates. TeamViewer takes a transparent and responsible approach to all tax matters and ensures this by paying its fair share of taxes and cooperating with local tax authorities worldwide in a spirit of trust.

TeamViewer is in support of a goal of a global tax system that promotes stability and fair taxes for all the countries and companies involved. TeamViewer monitors tax developments, particularly at OECD level, and aligns its tax strategy accordingly.

Tax strategy

The Company's tax strategy encompasses the following main principles:

- Comply with applicable tax laws
- Establish an organisational structure appropriate to the size of the Company for adequate tax management
- Apply effective tax risk and compliance management
- Act as a responsible taxpayer

The tax strategy is in line with TeamViewer's business and sustainability strategy. The payment of its "fair share" of taxes has an indirect influence on the achievement of the Company's sustainability goals in the respective countries, and TeamViewer rejects tax practices that contradict these goals. This approach incorporates the following practices:

No aggressive tax planning

TeamViewer applies the current tax regulations based on their prevailing interpretation. This also applies to the avoidance of double taxation through corresponding intergovernmental agreements.

The tax practices applied by TeamViewer, as well as transactions with and between Group companies, are disclosed to the respective tax authorities in the context of tax returns and other notification requirements. The Company also ensures that the pricing of intercompany activities is in line with the OECD arm's length principle and local transfer pricing rules to ensure it pays the appropriate taxes on profits in the countries involved. TeamViewer does not practice aggressive tax planning, such as creating entities without an underlying business purpose or substantial economic substance.

No engagement in tax havens

TeamViewer does not relocate business activities to tax havens in order to avoid taxes that would be incurred elsewhere. The term "tax haven" refers to those jurisdictions contained in the "EU list of non-cooperative jurisdictions for tax purposes".

Tax governance, tax compliance and tax risk management

Tax governance

TeamViewer's tax activities are the responsibility of the finance function, which reports to the CFO. The tax function monitors compliance with the overall tax strategy, ensures alignment on tax issues across the Group, and coordinates local tax requirements within the Group. The remuneration of the employees working in the tax function is in no way linked to the Company's tax rate.

Tax compliance

TeamViewer operates in most countries worldwide. In addition to paying taxes on its own income, TeamViewer also withholds sales taxes or other withholding taxes on customer and supplier payments. Tax payments therefore represent a significant portion of the Company's contribution to society. The tax department provides guidance to the entire Group on how to comply with local tax regulations.

The Company's employees also have access to Group-wide mechanisms, such as a whistleblowing system, to report existing unethical or unlawful behaviour and activities with tax relevance.

Tax risk management

Tax risk management is integrated into the overall Group-wide risk management. The internal tax department identifies, assesses, monitors and manages potential tax risks. The tax department exchanges regularly with the Head of Finance regarding tax risks and external tax experts are consulted in the event of uncertainties.

Stakeholder dialogue and advocacy

TeamViewer believes that responsible tax compliance also benefits economic and social development. TeamViewer supports efforts to sustain a better and more equitable tax system domestically and internationally to balance the different interests of society, politics and the economy. The Company underscores this belief by working cooperatively with the responsible tax authorities.

The Group's responsible persons are not currently members of any tax interest groups or have any related political exchanges.

4 Employees

Human resources management and corporate culture

A central element in the fulfilment of our corporate goals is our employees. In times of a general shortage of skilled workers and the continuing trend of “Great Resignation”, our future success is based more than ever on attracting, developing and, above all, retaining highly qualified and motivated employees.

Despite the challenging economic developments, we were again perceived as an attractive employer in the 2022 fiscal year and were able to attract and retain valuable employees.

In such a rapidly changing environment, our value-based corporate culture is an essential basis for our sustainable growth. This is one reason why anchoring our values within our work environment and shaping a sustainable, value-based corporate culture remains a high priority.

We strive to create a work environment characterised by openness and honesty that enables our employees to thrive with the agility and reach required in a digital work environment. This commitment is also reflected in our work practices and the daily exchange employees can have with our management team and leaders across the Company.

Development of employee headcount

As at 31 December 2022, the TeamViewer Group employed 1,386 FTEs worldwide (31 December 2021: 1,477 FTEs). Consequently, the number of employees was approximately 6 % lower than the prior year’s year-end reporting date. The decrease was related to the Group-wide ReMax programme, which was completed in the first half of 2022. In the second half of 2022, TeamViewer strengthened the Group’s growth areas with new talent through selective hiring, making a targeted and sustainable investment in the Company’s future capabilities. New hires were made in the APAC and AMERICAS regions, in particular, as well as in the sales organisation.

Employees by function

Function	**2022**	2021	YoY change
Distribution	572	605	-5 %
Research & Development	404	460	-12 %
Administration	243	239	+1 %
Marketing	98	86	+13 %
Technical Customer Service	69	86	-20 %
FTEs Total	**1,386**	**1,477**	**-6 %**

Status: 31 December 2022 (2021) in full-time equivalents (FTEs)

Employees by region

Region	**2022**	2021	YoY change
EMEA	947	1,061	-11 %
AMERICAS	260	245	+6 %
APAC	179	171	+5 %
FTEs Total	**1,386**	**1,477**	**-6 %**

Status: 31 December 2022 (2021) in full-time equivalents (FTEs)

Employee retention

With a view to a future-proof and sustainable employee structure, the topic of employee retention remains of great importance. TeamViewer employees are often knowledge carriers. Training new employees is therefore often associated with a significant time commitment and high costs. Yet, this is not the only reason why it is important to us to retain as many motivated employees as possible for the long term. To this end, we offer competitive remuneration and other employee benefits, flexible work schedules, a positive and dynamic working environment, and personal development opportunities. Our offers are aimed at attracting and retaining the best employees, both globally and locally.

In addition to competitive remuneration within the respective role and depending on the respective regional circumstances, all employees are granted a company bonus based on the achievement of operational and financial targets. A separate bonus system applies to our sales staff.

In addition, we introduced an employee share programme for the first time in 2022. As part of the programme, employees worldwide will be granted shares which, for the time they remain an employee of a TeamViewer Group company, will be transferred to the employees. The transfer takes place over a period of 4 years, meaning the shares are initially subject to a vesting period. Once the shares have been transferred to the employees, all restrictions cease to apply.

We will carry out the granting and subsequent transfer of shares once a year, so that employees are continuously granted additional share quotas. Through this programme, we strengthen both short- and long-term employee loyalty.

The flexible work scheduling programmes introduced by TeamViewer in 2021 also turned out to be a major competitive advantage in the recruitment market in 2022. The hybrid work model is particularly advantageous for attracting and retaining employees, but the offer to work part of the year away from home was also popular in 2022. A total of 167 employees worldwide took advantage of this offer. We were able to extend this offer to many more locations in 2022, provided this was permitted under the applicable local regulations.

In addition to location flexibility, our part-time programme also offers time flexibility. At the end of the 2022 fiscal year, 92 employees were participating in this programme.

TeamViewer is in a position to offer secure jobs, maintain an attractive remuneration and benefits package, and provide individual flexible working options.

Diversity and anti-discrimination

In the 2021 fiscal year, we created an important foundation for diversity and anti-discrimination with the publication of a company-wide “Diversity, Inclusion and Non-Discrimination Policy”, our participation in the “Target Gender Equality Programme” of the UN Global Compact and becoming a signatory of the “Female Empowerment Principles” of the United Nations. Building on these commitments, we created multiple opportunities for our employees to participate in these relevant topics in 2022. With the launch of our c-a-r-e sustainability programme (see chapter “Sustainability programme c-a-r-e”), our intention is to give employees an opportunity to get involved in the area of ESG and make a contribution to achieving our sustainability goals. With this in mind, we formed the following four work groups during the year:

- Female Empowerment (promotion of women)
- Climate Action (Climate Protection)
- LGBTQIA+ (Lesbian, Gay, Bisexual, Transgender, Queer, Inter, Asexual, +)
- Parents@TeamViewer (Parents with TeamViewer)

These groups are open to all TeamViewer employees and are led by at least two volunteer “ambassadors”. Employees join the groups on their own initiative and activities take place alongside their main job at TeamViewer, but can be integrated into their regular work schedules. A total of 390 employees worldwide took part in the first meetings of these groups. The following is a brief overview of the agenda and activities of the four groups to date:

Female Empowerment (promotion of women)
This group is dedicated to the visibility and targeted promotion and networking of women at TeamViewer. It addresses not only the topic of women in leadership positions but also other topics. The group’s first step is to create more visibility for women at the Company and provide information about different career paths through various internal and external campaigns. One of these campaigns is the interview series “She Leads”, which portrays different women in leadership positions at TeamViewer. The group is also planning campaigns and events to raise awareness of the problem of unconscious bias, especially in

relation to gender. Other plans include local and global networking events as well as a mentoring programme in cooperation with other work groups.

Climate Action (Climate Protection)

This group is focused on raising awareness of climate change issues and how each employee and TeamViewer as a company can behave in a more (more) sustainable way. It is planning awareness-raising campaigns on energy saving, recycling and the use of resources. The group initiated and organised its first TeamViewer Clean-Up Day in November 2022. The majority of TeamViewer sites participated, with employees taking time out to collect and remove trash and litter around the offices.

LGBTQIA+ (Lesbian, Gay, Bisexual, Transgender, Queer, Inter, Asexual, +)

The aim of the group is to promote an inclusive workplace for employees from the LGBTQIA+ community. In June, the group launched an internal and external visibility campaign around the “Pride Month” (traditionally celebrated in the LGBTQIA+ community with campaigns, marches, celebrations, etc. to honour the LGBTQIA+ movement). The group also organised TeamViewer’s participation in an audit conducted by an external service provider to evaluate the current status of various LGBTQIA+ issues at TeamViewer. It also organised various local events related to “Pride Office Day” in October 2022. The group also acts as a point of contact for employees from the LGBTQIA+ community with questions and uncertainties, which has evolved into the initial idea for a mentoring programme in cooperation with the Female Empowerment group.

Parents@TeamViewer (Parents with TeamViewer)

This group is primarily concerned with the issue of reconciling family and work. Its goal is to identify initiatives that improve the workplace environment for parents and contribute to more flexibility. The group is specifically aimed at fathers and mothers and therefore differentiates itself from the Female Empowerment group in terms of content. The group is planning visibility campaigns on parenthood and work, a survey on childcare options and possible problems at the various locations, networking events for parents and children, improved onboarding after parental leave, and participation in the mentoring programme described above.

Equality between women and men

The equal position of women and men at different levels is of great importance to TeamViewer. In 2022, we continued to recruit women whenever possible, especially in previously underrepresented areas. TeamViewer applies the principle of equal treatment in all recruitment activities and grants equal remuneration for women and men. Furthermore, we use inclusive language in our job advertisements and provide training on equal treatment and inclusivity to the managers involved in recruitment processes. In addition to providing equal pay for new hires, TeamViewer is also committed each year to reviewing and achieving gender pay equality. As part of our *Diversity, Inclusion and Non-Discrimination Policy,* we are committed to taking concrete action if the salary difference within a comparable group of employees with the same qualifications, professional experience, company affiliation and regional location exceeds 3 %.

As at 31 December 2022, the proportion of women in our global workforce was 34.3 %, an increase of 0.4 % compared to the previous year. Our goal is to continue to increase the proportion of women and to be one of the top companies in this area when compared with other leading companies in our industry.

Women and men as percentage of employee workforce

	2021	In %	**2022**	**In %**
Women	522	33.9 %	493	34.3 %
Men	1,016	66.1 %	943	65.7 %
	1,538	**100 %**	**1,436**	**100 %**

Note: Calculation of the women and men as percentage of total workforce is based on TeamViewer's total headcount.

With a 33.5 % share of women in management positions, we have already reached our 2024 target early in the 2022 fiscal year. TeamViewer expects this trend to continue, which has resulted from the Company’s current recruitment and development measures. These measures include a target of a minimum of 33 % women in management training courses. The proportion of women recruited across all hierarchy levels was 38 %, unchanged from the previous year.

The target by the end of 2023 is to increase the proportion of women on both the Supervisory Board and the Management Board to 25 %.

Proportion of women in leadership positions

	2022	Target	Deadline
Supervisory Board	16.7 %	33 %	31 December 2023
Board of Directors	0 %	25 %	31 December 2023
Women in leadership positions	33.5 %	33 %	31 December 2024

In addition, we are aiming for a quota of a minimum of 33 % women in our career and leadership training programmes in the 2023 fiscal year. In 2022, 28 % of women took part in career and leadership training.

Employee training and development

In 2022, employees participated in virtual and face-to-face training for an average of 5.5 days. New employees were trained for an average of two months as part of our onboarding process. For us, the (further) qualification and development of our employees is a decisive building block for the security and sustainability of the Group. In 2022, TeamViewer invested in new basic infrastructure for learning and further development. This included a learning management system, which we can use to provide our employees globally with both mandatory online training and content for self-directed online learning on a central platform and to present the content in such a way that it is easy for the various target groups to find the relevant topics. This includes our own internal training on our products and solutions as well as content from external providers. In this learning environment, employees have access to a catalogue of various topics to choose from, which includes the following:

Compliance: This catalogue bundles all mandatory courses in the area of compliance, such as risk management, occupational health and safety, IT security, data protection and anti-bribery. Selected courses are organised as learning plans so that employees automatically receive a refresher on the topic at regular intervals. Other topics are provided with new content on an annual basis. This catalogue also includes courses on all TeamViewer policies, which all employees must agree to.

TeamViewer products: This catalogue includes all training courses for our own products. These courses are created internally and primarily aimed at employees in functional areas with direct customer contact. These employees receive separate learning plans with compulsory courses.

Systems: In this topic area, employees can find training on the IT systems used at TeamViewer with information on basic functionality as well as the possibilities for advanced use.

Technical knowledge: Two different catalogues summarise training and education on technical content that employees in Research & Development and Technical Customer Service can use for self-directed development.

Soft skills: In addition to technical competences and product knowledge, soft skills are also essential for collaborating both internally and externally. In this catalogue, employees will find content and training to expand their knowledge and skills in this area in a self-directed manner.

Managers: Two different catalogues are available for managers at TeamViewer. One bundles content and training surrounding the topic of leadership competence. This includes not only online training but also registration for the qualification programmes described below. Another catalogue is dedicated to the topics of the hiring process and interviewing, with helpful resources about TeamViewer's hiring and interviewing processes.

Compliance Training

In the area of compliance, we rolled out a total of seven new training courses on various topics to all employees in the 2022 fiscal year. Employees received a total average of four hours of compliance training in 2022. As part of TeamViewer's onboarding process, new employees are required to complete all of the existing courses, if they are still current, and to begin all their learning plans. The compliance training portion of the onboarding programme for new employees consists of 3.5 hours of training.

Product training

Every employee is encouraged to use up to 6 days per year for professional and personal development beyond the obligatory training. The use of the offers from our learning platform are supplemented by the option of taking advantage of external training. In 2022, an average of 5 days per employee was invested in product training and around 14 days in sales training, which surpassed the company-wide average.

Onboarding for new employees

In the 2022 fiscal year, we were able to hold our onboarding programme in person again after conducting it online in 2021. The modular process first covers general topics important for all departments. This is followed by product training, which is adapted to the respective functional department, and takes place before starting to become familiar with the department.

For our managers, in addition to the content and resources within our learning platform, we also have three different qualification programmes that are conducted virtually or on a hybrid basis that are taught annually by external trainers:

Junior managers: Our programme for junior managers is aimed at employees who have recently taken on a management role, or will do so in the near future. In 2022, the focus of participation had shifted to upcoming managers so that more and more junior managers can start their new role well prepared. During the past year, a total of 26 junior managers participated in the programme, with the proportion of women participating remaining unchanged at 35 %.

Experienced leaders: Our programme for experience leaders consists of a hybrid programme consisting of various full-day modules offering further in-depth training in all areas related to managing people and coping with an agile environment. A total of 11 experienced executives participated in this programme in 2022, 36 % of whom were women, a slight increase compared to the previous year.

Senior level executives: This hybrid programme was designed in cooperation with INSEAD Business School to last a total of one year and is conducted hybrid over several modules. In 2022, 32 managers participated in the programme, 19 % of whom were women.

All of our leadership programmes are interdisciplinary and global in nature. This approach promotes networking across departments and disciplines as well as across our different locations.

In 2023, we intend to further expand our range of self-directed learning offered by our online learning platform in all areas in order to make the content even more diverse and individually relevant. We also plan to further expand and standardise the offers available outside of the learning platform, including centralised offers on the topics of soft skills and project management.

Health and well-being

Compared to previous fiscal years, 2022 was significantly less affected by measures due to the COVID-19 pandemic. This allowed us to revive proven programmes in the area of good health. In September, after a two-year break, we held our *TeamViewer Health Days* in again in cooperation with various external partners, including health insurance companies and the company physician. At our headquarters in Göppingen, employees had the opportunity to take advantage of various preventive or general medical diagnostic examinations on-site. The programme also held virtual events on various health topics such as stress management, nutrition and exercise, as well as practical courses such as yoga classes, which were also open to all other employees.

Flexible work models

For TeamViewer, flexible work models are an integral part of the offers provided by desirable employers. Examples include flexible work schedules, attractive part-time offers and a hybrid work model. With the hybrid work model, employees have an opportunity to find the right balance between working from home and from the respective office location. They also have the option to work part of the year independently away from their place of residence. In the

2022 fiscal year, 92 employees participated in the part-time programme. In addition, 167 employees made use of the offer to work abroad.

In order to promote the compatibility of family and career, TeamViewer offers various forms of maternity or parental leave within the framework of the legal possibilities and depending on the location, and actively promotes the reintegration of mothers and fathers after their return to work.

Feedback and employee engagement

Engagement opportunities in the form of structured feedback are important, highly desirable factors for our motivated and committed employees. At 82 %, the percentage of permanent employees who took part in our annual employee survey continued to be high. TeamViewer used the comprehensive, diverse insights gained from the survey to create a company-wide action plan at several levels, both locally and globally. This plan will be implemented in the upcoming year in the form of various optimisation projects.

After completing the initial planning in 2021, we have worked on the implementation of a central global feedback process at TeamViewer in the 2022 fiscal year. The introduction of this process is in line with our goal of providing employees individual evaluations of performance as well as structured appreciation and feedback on development potential. In preparation, we have provided all managers with comprehensive training on the topics of individual feedback and performance evaluation. All non-managerial staff have also been fully informed of the process, especially to enable them to effectively use the self-reflection phase that is part of the process. We plan to continue this process in the 2023 fiscal year and tailor it even more specifically to individual roles and introduce further levels of feedback (upward feedback, feedback from colleagues).

Openness and organisational transparency are important to us so that we can keep our employees up to date on both strategic and operational issues. We use regular staff meetings (all-hands meetings) to help accomplish this. Frequent interactions within teams as well as across departments are important for employee engagement. We encourage this interaction through our collaboration platforms. Regular updates allow employees to network on a global level and develop a better sense of the open and diverse TeamViewer culture.

5 Environmental and Climate Protection

Climate strategy

Protecting the environment and the climate are important concerns for TeamViewer and were classified as material topics for the Company in its materiality analysis. Climate and environmental protection are also topics that have a high priority in our c-a-r-e sustainability programme.

As a provider of remote connectivity software, TeamViewer considers it its duty to help customers save CO_2 emissions while ensuring its own business operations are environmentally friendly and climate neutral. TeamViewer's own business operations have been climate-neutral since 2018 by using 100 % renewable energy for operating its software applications and office buildings.

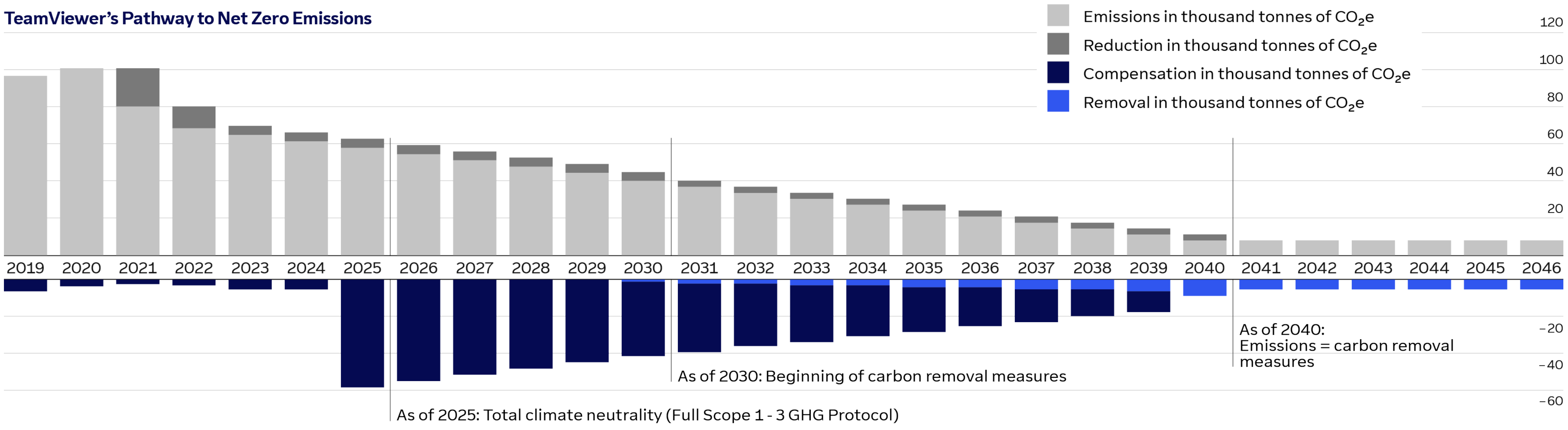
As the climate crisis continues to progress and environmental and climate concerns are incorporated into the Company's own opportunity and risk management, climate protection has taken on special significance for TeamViewer. As part of this, the Company has been calculating its product-related CO_2 footprint since the 2019 fiscal year.

By collecting, validating and analysing the relevant data, CO_2 emissions, reduction targets are derived while quantifying the emissions avoided through the use of our products. TeamViewer is committed to making its entire business operations (Scope 1, 2, 3) climate neutral as of 2025 (see sub-chapter “Environmental and climate protection” in the non-financial report).

The Group's previous emission reduction targets, which set the emissions relative to employees and revenue, were already achieved in the 2021 and 2022 fiscal years.

To ensure that the climate and environmental protection measures continue to be optimised, TeamViewer created the role of sustainability manager in the 2022 fiscal year. The sustainability manager reports to the head of sustainability. Among the tasks of the sustainability manager is the bundling of the existing measures to create an environmental management system and continuously optimising them.

TeamViewer's Pathway to Net Zero Emissions



We use industry standards and regularly undergo external assessments to permanently validate our climate strategy. Participation in Carbon Disclosure Project (CDP) reporting since 2021 and the improvement in our score from 'B-' to 'B' in 2022 substantiates TeamViewer's active management of environmental issues.

As an important next step on our pathway to climate neutrality and net zero emissions, we have joined the Science Based Targets Initiative (SBTi). With the publication of our SBTi reduction targets in the course of the 2023 fiscal year, we are committing to verifying our climate targets according to scientific standards, aligning them with limiting global warming by a maximum of 1.5 °C and thereby meeting the targets of the Paris Agreement. In 2022, we agreed with SBTi on a mid-term target for 2030 and net zero emissions in 2040 as part of the "Business Ambition for 1.5°C". We are currently assuming a linear reduction of about -5 % per year, increasing up to about -90 % in 2040 versus the 2021 baseline year. TeamViewer has set itself a target to achieve the net zero commitment 10 years earlier than required by SBTi, underlining TeamViewer's readiness to engage in carbon removal activities. In concrete terms, this means that, as of 2040, TeamViewer is committed to removing CO_2 from the atmosphere equal to the amount CO_2 it is emitting. TeamViewer will take into account its complete CO_2 footprint of all GHG scopes, including all products it provides to users.

We want to take a pioneering role with our more ambitious goals, which should also encourage other companies to take responsibility and act.

Climate protection and climate neutrality

When TeamViewer was founded in 2005, overcoming physical distances by allowing users to connect remotely to computers and other devices was already a key ambition. Accomplishing this not only delivers more efficiency to our customers in terms of time and money savings, but it also contributes to reducing carbon emissions by avoiding travel.

It is our ultimate environmental goal to enable other businesses and individuals to reduce their carbon emissions by providing easy-to-use green technology to connect remotely to any device, anytime, from anywhere. At the same time, TeamViewer is committed to reducing its own emissions and has achieved carbon neutrality in its own business operations by offsetting CO_2 emissions since 2018.

Environmental protection is an important topic throughout the Company's entire value chain. Basic principles on actions to conserve resources are anchored in our Code of Conduct as well as in our Supplier and Business Partner Code of Conduct, which is aimed at upstream and downstream business partners. TeamViewer strives to use energy, water and other natural resources responsibly across all of its business operations. The Company commits to optimise its energy efficiency and gives preference to renewable energy sources when feasible.

Climate education is also seen as a key factor influencing future improvements, which is why projects to promote climate education are supported annually in coordination with the TeamViewer framework on social responsibility (see the chapter "Social responsibility"). We also train our employees internally to teach resource-conserving behaviour.

In 2022, no environmentally relevant incidents occurred, and no corresponding fines were imposed.

Carbon footprint

TeamViewer places a special emphasis on transparent value chains in carrying out its global climate strategy. In the 2022 fiscal year, the Company once again determined its greenhouse gas emissions in accordance with the Greenhouse Gas (GHG) Protocol and plans to continue to carry out this measurement annually. TeamViewer used a certified software solution to calculate the CO_2 footprint in 2022.

The central ambition within the climate strategy is to achieve climate neutrality and the net zero emissions target, extended to GHG Protocol Scopes 1-3. The five steps of the climate strategy – measure, set targets, avoid, compensate, communicate – were defined as the control approach.

Emission reduction measures

TeamViewer solutions continue to enjoy solid demand. While this increases revenue and the length of time our products are used, it also increases the level of CO_2 emissions attributed to the Group from its business operations.

In order to keep the increase in these emissions as low as possible, in 2022, TeamViewer worked with SBTi on science-based targets to reduce greenhouse gas emissions (GHG). Targets are considered "science-based" when they are consistent with the reduction pathway that current climate science believes is necessary to achieve the goals of the Paris Climate Agreement – limit global warming to well below 2°C above pre-industrial levels and work to limit warming to 1.5°C.

TeamViewer has defined five key measures to achieve its reduction targets:

1. Renewable energy
   Obtain data services with 100 % renewable energy
   → Operation of the office buildings with 100 % renewable energies

2. Influence the supply chain
   Require suppliers to define climate neutrality targets

3. Increase product efficiency
   Reduce the data intensity of our services and thereby reduce energy demand along the entire value chain

4. Emission-efficient business travel
   Increase the use of rail and public transport, be more conscious of flying

5. Hybrid working model
   Reduce emissions of work commuting by increasing work from home of up to 60 %
   (+10 % compared to previous year)

In the 2022 fiscal year, the entire energy requirement for business operations, which included. Energy for offices and providing products was already covered by 100 % renewable energy. We verify this through electronically documented Energy Attribute Certificates (EACs).

Environmental protection is an essential topic in TeamViewer's value chain. Basic principles for resource-conserving actions are anchored in TeamViewer's Code of Conduct as well as in the Supplier and Business Partner Code of Conduct, which is aimed at upstream and downstream business partners. TeamViewer strives to use energy, water and other natural resources responsibly throughout its business operations.

For the reasons described, the remuneration of the Management Board is also linked to clearly defined ESG targets. As of the 2023 fiscal year, the plan is to include clearly measurable reductions in CO_2 emissions as personal performance criteria for individual Management Board members, in addition to the ESG targets already included (employee satisfaction, proportion of women and NPS).

TeamViewer technology protects the environment

Remote connectivity can have a significant, positive effect on achieving global climate goals. In order to quantify this effect, TeamViewer worked together with an established climate research institute to determine the CO_2 savings attributable to the use of TeamViewer products and extrapolated this data to one calendar year.

As part of the study on "avoided emissions" prepared in 2019 (study results are also valid in the 2022 fiscal year), a corporate carbon footprint (CCF) was first determined for the 2019 base year in accordance with the GHG Protocol followed by a product carbon footprint (PCF) based on this data. An evaluation of anonymous connection data was then combined with feedback from more than 1,000 private and commercial users on their usage and associated travel behaviour and verified by further expert interviews.

According to this study, TeamViewer products are responsible for avoiding approximately 37 million tonnes of CO_2 in a single year. This is roughly equivalent to the compensation of 3.5 billion trees, or the entire tree population of Austria. This means that approximately 500 times the amount of emissions is saved than is required annually for the development and operation of the software. This demonstrates the significant contribution TeamViewer's products make to achieving global climate goals.

The results of the study were verified by evaluating the underlying connection data. The results were reaffirmed for the year 2022. A further recalculation was not carried out, but is planned for 2023.

Emissions

With the support of a certified software solution and external advice, TeamViewer calculated its own CO_2 emissions in 2022.

The emissions were determined in t CO_2 are allocation to scopes 1 to 3 as follows.

Development of CO_2 emissions

Figures in tonnes CO_2 change in %	2019	2020	2021	**2022**	YoY % change
Scope 1	283	266	222	**73**	-67 %
Scope 2	1,049	986	255	**54**	-79 %
Total Scope 1 & 2	**1,332**	**1,252**	**477**	**127**	**-73 %**
Scope 3 – operational emissions	4,673	2,211	1,909	**4,770**	+150 %
Total operational					
Total (Scope 1, 2 and 3 Operations)[1]	**6,005**	**3,463**	**2,386**	**4,897**	**+105 %**
Scope 3 – remaining emissions	87,926	94,366	76,112	**61,362**	-19 %
Total Scope 3	**92,598**	**96,557**	**78,021**	**66,131**	**-15 %**
CCF total[3]	93,931	97,829	78,499[2]	**66,259**	-16 %

[1] Since 2018, TeamViewer has achieved climate neutrality for its business activities by purchasing certificates to offset them.

[2] A change in the underlying assumptions for the calculation of Scope 3.11 "Use of sold products" has led to an underestimation of emissions. The correction has increased the total CO_2 footprint from 45,000 t CO_2 to 78,500 t CO_2. The changed in approach was used for the calculation of emissions in 2022 and will continue to be applied in the future.

[3] As of 2025, TeamViewer will make all emissions (Scope 1, 2, 3) climate-neutral by offsetting all emissions not avoided by then with certificates.

The Company's total carbon footprint decreased by 16 % in the 2022 fiscal year compared to the previous year. This corresponds to a saving of around 12,000 t CO_2. This was achieved mainly by transitioning to 100 % renewable energy through the use of Energy Attribute Certificates (EACs). EACs allow companies to track the origin of electricity, demonstrate renewable energy consumption and meet clean energy targets. This allows TeamViewer to offer its customers a 100 % "green" product that is generated and provided entirely with renewable energy. An increase in emissions was recorded in Scope 3.06. "Business Travel" and is attributable to an increase in the number of flights following the COVID-19 pandemic. An adjusted travel policy was already rolled out in 2022 and relies on the increased use of public transport and lower booking classes for air and train travel to reduce emissions associated with travel activities.

As explained in more detail in the chapter “Climate strategy”, we have also set ourselves ambitious targets in the year ahead with the science-based targets to further save climate-damaging CO_2 emissions.

Development of CO_2 emissions per million of EUR revenue

Figures in tonnes CO_2 change in %	2019	2020	2021	**2022**	YoY % change
Scope 1	0.7	0.6	0.4	0.1	-71 %
Scope 2	2.7	2.1	0.5	0.1	-81 %
Total Scope 1 & 2	**3.4**	**2.7**	**1.0**	**0.2**	**-76 %**
Scope 3 – operational emissions	12.0	4.8	3.8	8.4	+121 %
Total Operations Total (Scope 1, 2 and 3 Operations)[4]	**15.4**	**7.5**	**4.8**	**8.7**	**+82 %**
Scope 3 – remaining emissions	225.0	205.0	77.2	108.4	+29 %
Total Scope 3	**237.0**	**210.0**	**155.7**	**116.9**	**-25 %**
CCF total	241.0	213,0	156.7	117.1	-25 %

[4] By the year 2025, TeamViewer aims to reduce the emissions caused by its own business activities, converted into one million in revenue, by 50 % relative to the baseline year of 2019.

The development of CO_2 emissions measured against turnover shows an overall decrease of -25 %. This also means that the goal of reducing the emissions caused by the Company’s own business activities by 50 % by 2025, based on turnover, has been achieved ahead of schedule, relative to the year 2019.

6 Energy, Waste and Water Management

Energy

As one of the most important measures to reduce our emissions, we are forging ahead with our transition to renewable energy sources. The goal of having all TeamViewer-operated buildings run on 100 % CO_2-neutral energy by 2025 was already achieved in the 2022 fiscal year. Energy consumption in 2022 was as follows:

Year	Absolute energy consumption (in kWh)	YoY % change	Relative energy consumption per employee	YoY % change	Relative energy consumption per EUR million (in kWh)	YoY % change
2022	**3,256,292**	**-2**	**2,349**	**4**	**5,754**	**-13**
2021	3,328,197	-23	2,306	-44	6,643	-29
2020	4,309,053	-1	4,088	-44	9,386	-29
2019	4,336,024	–	5,036	-19	11,112	-16

By using 100 % renewable energy, we could save a total of around 6,365 t CO_2 in 2022.

In line with the achievement of our reduction targets, we also oblige our suppliers to achieve greater efficiency and a rapid transition to renewable energy sources. This is monitored through a due diligence process as part of the globally binding Supplier & Business Partner Code of Conduct.

Waste

Waste separation options have already been introduced at all German sites over the past several years and are increasingly being rolled out and implemented globally.

To avoid disposable plastic, we make available washable and reusable tableware, cutlery and drinking vessels and water dispensers at almost all locations.

It is particularly important to us to extend the life cycles of our IT and electrical equipment. After an average of three years, our equipment is sorted out but not scrapped. Instead, it is sold to secondary recycling partners (in some cases donated locally) and can be used again after a technical and data protection overhaul.

Year	Absolute waste quantity (in kg)	YoY % change	Relative waste volume per employee (in kg)	YoY % change	Relative waste volume per EUR million revenue (in kg)	YoY % change
2022	**111,418**	**3**	**80**	**7**	**197**	**-8**
2021	107,720	+193 %	75	+113 %	215	+169 %
2020	36,817	-18 %	35	-33 %	80	-30 %
2019	44,864	–	52	–	115	–

Water management

Waste and wastewater are further optimised despite their low contribution (< 5 %) to our CO_2 footprint. The efficient use of resources is increasingly promoted at all TeamViewer locations, among others, through employee training.

Year	Absolute wastewater quantity (m^3)	YoY % change	Relative wastewater volume per employee	YoY % change	Relative wastewater volume per EUR million revenue	YoY % change
2022	**11,275**	**-2 %**	**16**	**2 %**	**40**	**-13 %**
2021	11,500[1]	83 %	16	167 %	46	229 %
2020	6,298	+1 %	6	-14 %	14	-13 %
2019	6,257	–	7	–	16	–

[1] The change in the calculation method results in a correction of the 2021 values (23,100 m^3).

7 Social Responsibility

Our understanding

TeamViewer's mission is to create a world that works better (Purpose: Creating a world that works better). We want to be a role model as a local, regional, national and international partner.

To make the best use of time, effort and budget, TeamViewer bases its social responsibility strategy and projects on the following four main pillars:

Technology

As a global player in the technology sector, TeamViewer uses its solutions to make life easier for customers worldwide. We know that collective efforts are important and use our position to facilitate targeted positive change.

Local engagement

TeamViewer values not only its ability to assert itself as a global player but also the opportunity to share its success for the benefit of its immediate neighbourhood. Therefore, we try to be actively involved outside of politics in the regions where we are located.

Education

Companies like TeamViewer only stand to benefit from the academic and innovative efforts of schools and universities, which is why we make a conscious effort to support educational systems that strive to advance society through research and learning.

Diversity

With around 80 nationalities comprising our workforce, diversity is one of our core values at TeamViewer. We benefit from the creativity that comes from the intentional and accidental intertwining of diverse people and ideas. Diverse experiences and perspectives have allowed us to develop ideas and products that reflect our differences, which is something we want to see in society and the world at large.

Our contribution

Based on the four pillars of our social responsibility strategy, we are involved in numerous projects and initiatives. The following are among the concrete activities we carried out this year:

TeamViewer for Good

The TeamViewer for Good initiative has long enjoyed a quiet but central position in our sales and marketing departments. Under this initiative, TeamViewer grants licences at a greatly reduced rate or even for free to non-profit institutions (NGOs). With more than 3,400 licences donated to NGOs in 2022, this initiative has already helped many users looking for a digital solution to facilitate their non-profit work.

Partnership with the Esslingen University of Applied Sciences

The Göppingen campus is not far from our corporate headquarters. We support several projects dedicated to the promotion of technology degree programmes and, most importantly, the promotion of women. This commitment encompasses all our social responsibility pillars: Technology, Education, Local Engagement and Diversity. Through this initiative, many students have been introduced to our company.

The following projects were organised and implemented as part of the partnership with the Esslingen University of Applied Sciences:

Scholarships

In 2022, scholarships were made available to two students (one female and one male) at Esslingen University of Applied Sciences under the umbrella of the Germany Scholarship. We want to encourage outstanding young talent to continue their academic development. In this way, we also support students who are committed to conducting research studies and experiments, which are essential for technological innovations.

Girls' Digital Camp

The transfer programme "Girls' Digital Camp" is an initiative sponsored by the Esslingen University of Applied Sciences. It aims to engage young female students and school pupils and encourage them to get involved in STEM subjects (mathematics, computer science, nature and technology). As STEM subjects are predominantly pursued by male students, it has become essential to promote the appeal of STEM subjects to female students and demystify these subjects as a whole. TeamViewer is a major sponsor of this initiative, committing not only to financially supporting the programme for a three-year period but also to providing opportunities for interaction between the students and TeamViewer's staff. To kick off the partnership, TeamViewer organised an online event led by two female employees who shared their own experiences in the tech industry and offered career tips. Our sponsorship and involvement in this programme are in line with our corporate goal to promote and increase the employment of women in the technology sector.

Education Partner Network Göppingen

We support academic institutions in our local neighbourhoods and promote academic excellence. We are an official education partner in various elementary and secondary schools in Göppingen. Through our support, we hope to involve many more schools in this partnership and form a stronger school network in Göppingen. We believe this will be an effective way to help students early to make more conscious career decisions by giving them insight into the potential career paths that exist at a technology leader.

Social facilities

With the common goal of promoting diversity, TeamViewer continued to make a commitment to financially support some local projects in 2022. The focus of the projects was on the areas of education and youth work.

Sponsorship in elite sport

TeamViewer recognises the importance of employee health as a key part of corporate longevity and sustainable employment. We therefore strive to promote a movement-oriented culture within the Company.

This has strengthened our commitment to promoting sporting activities in Göppingen. For example, we have been the main sponsor of the handball Bundesliga team Frisch Auf Göppingen since 2020. This sponsorship helps us successfully harmonise our sponsorship activities with our local social commitment in Göppingen.

A common understanding of social and local responsibility is particularly important to us in this commitment.

Our other two sponsoring activities are also designed to be compatible with the sustainability goals set by TeamViewer.

Manchester United

With Manchester United, TeamViewer shares a focus on diversity, education and talent development. Our expert groups exchange regularly to ensure our close cooperation.

Mercedes-AMG Petronas Formula 1 Team

The Mercedes-AMG Petronas Formula 1 Team describes itself and its work in racing as the "fastest laboratory in the world". We share the view that technology can be a key driver of change in global climate strategy and can positively influence the mitigation of the climate crisis. Both TeamViewer and the Formula 1 racing team, as well as the parent company Mercedes-Benz Group AG, are committed to climate neutrality and aim to achieve this by 2025 (Mercedes-AMG Petronas Formula 1 Team and TeamViewer) and 2039 (Mercedes-Benz Group AG).

Other and local sports activities

Sponsoring top-class sports is not the only area that fits in with our social responsibility strategy. We also sponsor amateur sports activities in a variety of ways, combining the health of our employees with local social commitment. For example, we support a local women's football club as well as a tennis club, both of which are located in the region of the Company's headquarters in Göppingen, Germany.

Core values

Based on our core values and our understanding of global cooperation, we condemn Russia's terrible war against Ukraine. We have therefore immediately stopped all new business in Russia and Belarus and are not renewing any contracts with customers from these countries. We have stopped all non-commercial connections to and from Russia and Belarus and have also made our software available to local organisations in Ukraine free of charge. TeamViewer has also donated approximately EUR 750,000 to Red Cross organisations for humanitarian aid on the ground.

E_ Further Information

1 Responsibility Statement

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

Göppingen, 8 March 2023

The Management Board

Oliver Steil Michael Wilkens Peter Turner

2 Index for GRI, SDG, UN Global Compact, WEPs and SASB

Chapter in Non-Financial Report	GRI	SDGs	UNGC Principles	WEPs
01 Fundamentals of the Non-Financial Report				
02 Sustainability at TeamViewer	102–15	12, 13	9	
Materiality analysis	102–15 103–1 201–2			1, 2
Sustainability targets				2
Sustainability management	102–29 103–2			1
03 Governance and Integrity				
Respect for human rights		5, 8, 10	1, 2, 3, 4, 5, 6	2
Combating corruption and bribery	205, 206	16	10	
Transparency and collaboration				
Tax transparency	207	17		
04 Employees				
Human resource management and corporate culture	102–8	8		1, 2
Employee recruitment	405, 406	5, 8	6	
Employee retention			6	
Diversity and anti-discrimination	405, 406	5, 8	6	2, 6
Equality of women and men	405, 406	5, 8	6	2, 5, 6, 7
Employee training and development	404	4, 8		2, 4
Health and well-being	403	3, 8		3
Flexible working	401–2	8		2, 3

Chapter in Non-Financial Report	GRI	SDGs	UNGC Principles	WEPs
Employee engagement and feedback	102–43 403–4	8	2	
05 Environment and climate protection				
Climate strategy	103–2 308	12, 13	7	
Climate protection and carbon neutrality	305	12, 13	7	
Carbon footprint	305	13		
Emissions	305	12, 13	7	
Targets and measures	103–2 305	12, 13	7	
06 Energy management, waste management and water management				
Energy	302, 303	12, 13, 15	7	
Waste	302, 303	12, 13, 15	7	
Water	302, 303	12, 13, 15	7	
07 Social responsibility				
Our view	413	4, 8, 10, 12, 13	8	
Our contribution	413	4, 5, 17		

Overview of the references to relevant Sustainability Accounting Standards Board (SASB) Standards

References Annual Report 2022	SASB
Group fundamentals (Combined management report)	TC-SI-000.A
Financial statement TeamViewer AG	TC-SI-000.A
Security and data protection (Combined management report)	TC-SI-000.B
Financial statement TeamViewer AG	TC-SI-000.B
Security and data protection (Combined management report)	TC-SI-000.C
Financial statement TeamViewer AG	TC-SI-000.C
Energy management, waste management and water management (Non-financial report)	TC-SI-130a.1
Energy management, waste management and water management (Non-financial report)	TC-SI-130a.2
Climate protection and carbon neutrality (Non-financial report)	TC-SI-130a.3
Security and data protection (Combined management report)	TC-SI-220a.1
Markets and distribution (Combined management report)	TC-SI-220a.5
Respect for human rights (Non-financial report)	TC-SI-220a.5
Security and data protection (Combined management report)	TC-SI-230a.2
Employees (Combined management report and non-financial report)	TC-SI-330a.1
Employees (Combined management report and non-financial report)	TC-SI-330a.2
Diversity and anti-discrimination (Non-financial report)	TC-SI-330a.3
Combating corruption and bribery (Non-financial report)	TC-SI-520a.1
Opportunities and risks report (Combined management report)	TC-SI-550a.1
Opportunities and risks report (Combined management report)	TC-SI-550a.2

3 Independent Auditor's Report

To TeamViewer AG, Göppingen

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

Audit Opinions

We have audited the consolidated financial statements of TeamViewer AG, Göppingen, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of TeamViewer AG, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2022. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2022, and of its financial performance for the financial year from 1 January to 31 December 2022, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

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

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

❶ Recoverability of goodwill and the trademark

❷ Share-based payment

❸ Measurement of deferred tax assets

Our presentation of these key audit matters has been structured in each case as follows:

① Matter and issue

② Audit approach and findings

③ Reference to further information

Hereinafter we present the key audit matters:

❶ **Recoverability of goodwill and the trademark**

① In the Company's consolidated financial statements goodwill amounting in total to EUR 667.9 million (57% of total assets) is reported under the "Goodwill" item in the consolidated statement of financial position. In addition, the trademark in the total amount of EUR 105.1 million (9% of total assets) is reported under the "Intangible assets" item in the consolidated statement of financial position. Goodwill and the trademark are tested for impairment by the Company once a year or when there are indications of impairment to determine any possible need for write-downs. The impairment test is carried out at the level of the individual cash-generating unit or at the level of the Company's trademark. In the context of the impairment test, both for goodwill and for the trademark, the carrying amount of the cash-generating unit (including goodwill) and the carrying amount of the trademark is compared with the corresponding recoverable amount. The recoverable amount is generally determined using the value in use. The present value of the future cash flows from the cash-generating unit or the trademark normally serves as the basis of valuation. The present value is calculated using a discounted cash flow model. For this purpose, the adopted medium-term business plan of the Group forms the starting point which is extrapolated based on assumptions about long-term rates of growth. Expectations relating to future market developments and assumptions about the development of macroeconomic factors are also taken into account. The discount rate used is the weighted average cost of capital for the cash-generating unit. The impairment test determined that no write-downs were necessary.

The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors with respect to the future cash inflows from the cash-generating unit and the trademark, the discount rate used, the rate of growth and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

② As part of our audit, we assessed the methodology used for the purposes of performing the impairment test, among other things. After matching the future cash flows used for the calculation against the adopted medium-term business plan of the Group, we assessed the appropriateness of the calculation, in particular by reconciling it with general and sector-specific market expectations. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value of the entity and of the trademark calculated in this way, we focused our testing in particular on the parameters used to determine the discount rate applied, and assessed the calculation model. In order to reflect the uncertainty inherent in the projections, we evaluated the sensitivity analyses performed by the Company. Taking into account the information available, we determined that the carrying amounts of the cash-generating unit (including the allocated goodwill) and of the trademark were adequately covered by the discounted future cash flows.

Overall, the measurement inputs and assumptions used by the executive directors are in line with our expectations and are also within the ranges considered by us to be reasonable.

③ The Company's disclosures on goodwill and the trademark are contained in section 10 of the notes to the consolidated financial statements.

❷ **Share-based payment**

① The total expense for equity-settled share-based payment transactions for 2022 amounted to EUR 27.6 million (EUR 0.3 million for cost of sales, EUR 7.9 million for research and development costs, EUR 1.9 for marketing costs, EUR 11.1 for sales costs, EUR 6.4 for general and administrative costs). In financial years 2019 to 2022, various share-based payment programs were launched for employees, executives and the Management Board. From our perspective, two programs were of particular significance in the financial year. Prior to the IPO conducted by the then-parent company of TeamViewer AG, TigerLuxOne S.à r.l. (TLO) in financial year 2019, a program to grant share appreciation rights (referred to as "EPP units") was launched for selected Group executives (EPP Program). The payout was broken down into various partial payments (tranches). The first partial payment (first tranche) was made on the date of the IPO. The second and third tranches are linked to the sale of the shares that TLO still holds in TeamViewer AG. The program was modified for some executives during the financial year and additional EPP units were granted. Recognition of the related expense is subject to the estimate of the expected vesting period, since the respective executives only receive their second and third tranches if they are still employed at TeamViewer when TLO sells its shares. The expected vesting period for the second and third tranches ends on 31 December 2023, as a complete sale of TeamViewer shares by TLO is not expected before that date. In addition, the Company launched a restricted stock unit (RSU) plan in May 2022 to grant staff performance-related remuneration. The claim to shares of the Company under the plan is granted to staff in the respective financial year. Of that, one-quarter respectively vests at the end of that financial year and then at the end of each of the following three financial years. The fair value of the shares granted in financial year 2022 was calculated based on the share price as of the grant date.

Given the estimation of the expected vesting period, the modification of the EPP Program, the launch of the RSU plan and the amount by which these programs impact profit or loss, we consider the accounting treatment of share-based payment transactions to be a key audit matter.

② As part of our audit, we assessed, among other things, the Company's procedure to identify new share-based payment programs. In this context, we also inspected the minutes of meetings of the Remuneration Committee.

We also obtained and inspected the related documents such as award letters, the plan terms of the programs including the measurement parameters, and the market values provided by the executive directors for the underlying data such as share prices used to measure fair value as of the date of awards under the program. Together with our valuation specialists, we assessed the models used by the executive directors to measure fair value. To assess the assumptions in the models, we compared the relevant data such as grant date, number of units granted and vesting date with the contractual bases and award letters, and reconciled the underlying share price with observable stock market data. To assess the underlying vesting period for the EPP Program, we obtained, as audit evidence, a written confirmation from the executive directors of TLO concerning the estimated timing of the complete sale of TeamViewer shares. In addition, we reconciled the calculations with the underlying accounting documents.

We were able to satisfy ourselves that the estimates and assumptions made by the executive directors are substantiated and sufficiently documented for the purpose of recognizing expenses under share-based payment programs.

③ The Company's disclosures relating to share-based payment are contained in section 7 of the notes to the consolidated financial statements.

❸ Measurement of deferred tax assets

① Deferred tax assets amounting to EUR 2.1 million after netting are reported in the consolidated financial statements of the Company. Deferred tax assets amounting to EUR 38.1 million were recognized before netting with matching deferred tax liabilities. Of this amount, EUR 26.9 million relates to an interest carryforward in Germany. These items were measured in the extent to which the executive directors consider it probable that taxable profit will be available in the foreseeable future which will enable the deductible temporary differences, unused tax losses and interest carryforwards to be utilized. For this purpose, insofar as sufficient deferred tax liabilities are not available, future taxable profits are projected on the basis of the adopted business plan. No deferred tax assets were recognized in respect of deductible temporary differences, unused tax losses and interest carryforwards amounting in total to EUR 29.8 million since it is not probable that they will be utilized for tax purposes in the foreseeable future by means of offset against taxable profits.

From our point of view, the measurement of deferred taxes was of particular significance in the context of our audit, as it depends to a large extent on the estimates and assumptions made by the executive directors and is therefore subject to uncertainties.

② As part of our audit, we assessed, among other things, the internal processes and controls for recording tax matters as well as the methodology used for the determination, accounting treatment and measurement of deferred taxes. We also assessed the recoverability of the deferred tax assets relating to deductible temporary differences, unused tax losses and interest carryforwards on the basis of the Company's internal forecasts of its future earnings situation, and the appropriateness of the underlying estimates and assumptions.

Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors are substantiated and sufficiently documented.

③ The Company's disclosures relating to deferred taxes are contained in section 9 of the notes to the consolidated financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the group management report:

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB included in section "10 corporate governance statement" of the group management report,
- the non-financial statement to comply with §§ 289b to 289e HGB and with §§ 315b to 315c HGB included in section "11 Non-Financial statement" of the group management report,
- the remuneration report pursuant to § 162 AktG [Aktiengesetz: German Stock Corporation Act], for which the supervisory board is also responsible, included in section "08 Remuneration report" of the group management report.

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

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

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

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

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

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

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

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

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

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

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

We exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

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

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

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file TeamViewer_AG_KA_KLB_2022-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2022 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (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 renderings of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 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 § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

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

Group 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 § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional scepticism throughout the assurance work.

We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation
We were elected as group auditor by the annual general meeting on 17 May 2022. We were engaged by the supervisory board on 23 September 2022. We have been the group auditor of the TeamViewer AG, Göppingen, without interruption since the financial year 2022.

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

REFERENCE TO AN OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Jürgen Schwehr.

Stuttgart, 8 March 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Jürgen Schwehr Wirtschaftsprüfer (German Public Auditor)	ppa. Jens Rosenberger Wirtschaftsprüfer (German Public Auditor)

4 Report of the Independent Auditor on the Formal Audit of the Remuneration Report pursuant to § 162 Abs. 3 AktG

To TeamViewer AG, Göppingen

Opinion

We have formally audited the remuneration report of the TeamViewer AG, Göppingen, for the financial year from 1 January to 31 December 2022 to determine whether the disclosures pursuant to § [Article] 162 Abs. [paragraphs] 1 and 2 AktG [Aktiengesetz: German Stock Corporation Act] have been made in the remuneration report. In accordance with § 162 Abs. 3 AktG, we have not audited the content of the remuneration report.

In our opinion, the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the accompanying remuneration report. Our opinion does not cover the content of the remuneration report.

Basis for the opinion

We conducted our formal audit of the remuneration report in accordance with § 162 Abs. 3 AktG and IDW [Institut der Wirtschaftsprüfer: Institute of Public Auditors in Germany] Auditing Standard: The formal audit of the remuneration report in accordance with § 162 Abs. 3 AktG (IDW AuS 870). Our responsibility under that provision and that standard is further described in the "Auditor's Responsibilities" section of our auditor's report. As an audit firm, we have complied with the requirements of the IDW Quality Assurance Standard: Requirements to quality control for audit firms [IDW Qualitätssicherungsstandard – IDW QS 1]. We have complied with the professional duties pursuant to the Professional Code for German Public Auditors and German Chartered Auditors [Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer – BS WP/vBP], including the requirements for independence.

Responsibility of the Management Board and the Supervisory Board

The management board and the supervisory board are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of § 162 AktG. They are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our objective is to obtain reasonable assurance about whether the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the remuneration report and to express an opinion thereon in an auditor's report.

We planned and performed our audit to determine, through comparison of the disclosures made in the remuneration report with the disclosures required by § 162 Abs. 1 and 2 AktG, the formal completeness of the remuneration report. In accordance with § 162 Abs 3 AktG, we have not audited the accuracy of the disclosures, the completeness of the content of the individual disclosures, or the appropriate presentation of the remuneration report.

Stuttgart, 8 March 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Jürgen Schwehr	ppa. Jens Rosenberger
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

5 List of Abbreviations

ACV	Annual contract value
AEMR	Universal Declaration of Human Rights, Allgemeine Erklärung der Menschenrechte
AG	Stock Corporation, Aktiengesellschaft
AGM	Annual General Meeting
AktG	Stock Corporation Act, Aktiengesetz
AI	Artificial intelligence
AMERICAS	North, Central and South America
APAC	Asia-Pacific
AR	Augmented Reality
ARR	Annual recurring revenue
ARUG II	German act implementing the second shareholder rights directive, Gesetz zur Umsetzung der zweiten Aktionärsrichtlinie
ASP	Average selling price
BGB	German civil code, Bürgerliches Gesetzbuch
CAGR	Compound annual growth rate
c-a-r-e	Climate neutrality, Access to technology, Reduced emissions, Equality
CC	Constant currency
CCF	Corporate carbon footprint
CCO	Chief Commercial Officer
CDS	Credit default swap
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIPP/E	Certified information privacy professional/Europe
CGU	Cash-generating unit
CISO	Chief information security officer
CoC	Code of conduct
COSO	Committee of sponsoring organizations of the treadway commission
CRM	Customer relationship management
CSIRT	Computer security incident response team
CSR	Corporate social responsibility
CSR-RUG	CSR directive implementation act, CSR-Richtlinie-Umsetzungsgesetz
CVE	Common vulnerabilities & exposures
DCGK	German corporate governance codex
DD	Director's dealings
GDP	Gross domestic product
EAC	Energy attribute certificate
EBIT	Earnings before interest & taxes
EBITDA	Earnings before interest, taxes, depreciation & amortisation
EMEA	Europe, Middle East, Africa
EONIA	Euro overnight index average
EPP	Employee participation programme
EPS	Earnings per share
ERP	Enterprise resource planning
ESG	Environmental, social, governance
EU	European Union
EUR	Euro
FCFE	Levered free cashflow
FED	Federal Reserve
FIRST	Forum of incident response and security teams
FTE	Full time equivalent
GBP	British Pound
GDPR	General data protection regulation

GHG	Greenhouse gas emission
GmbH	Limited liability company
GRI	Global reporting initiative
Hapibot	Hapibot Studio Unipessoal Lda
HGB	German commercial code, German accounting standards
HoldCo	TigerLuxOne Holdco S.C.A.
IAPP	International association of privacy professionals
IAS	International accounting standards
IASB	International accounting standards board
IDW	Institute of public auditors in Germany, Institut der Wirtschaftsprüfer in Deutschland
IFRS	International financial reporting standards
IFRS IC	IFRS interpretations committee
IfW	Kiel Institute for the World Economy
ILO	International Labour Organization
IoT	Internet of Things
IPO	Initial public offering
IR	Investor Relations
IT	Information technology
LGBTQIA+	Lesbian, Gay, Bisexual, Transgender, Queer, Intersexual, Asexual, +
KPI	Performance indicator
LTI	Long-term incentive component
LTIP	Long-term incentive plan for Management Board members of the company
LTM	Last twelve months
MAR	Market abuse regulation
MEP	Management equity participation
MR	Mixed Reality
MYD	Multi-year deals
NGO	Non-governmental organization
NPS	Net promoter score

NRR	Net Retention Rate
OEM	Original equipment manufacturer
OT	Operational technology
PC	Personal computer
PCF	Product carbon footprint
PEC	Preferred equity certificates
PPA	Purchase price allocation
PSIRT	Product security incident response team
PSU	Phantom stock unit
PwC	PricewaterhouseCoopers GmbH auditor
R&D	Research and Development
RaaS	Remote-as-a-Service
RCF	Revolving credit facility
RSU	Restricted stock units, employee shares
SARs	Share appreciation rights
SBTi	Science Based Targets initiative
SDG	Sustainable development goals
SE	Societas Europaea
SIC	Standing interpretations committee
SLT	Senior leadership team
SMB	Small and Medium-sized Businesses
SOC	Security-operations-center
S-SDLC	Secure software development life cycle
STEM	Science, technology, engineering and mathematics
STI	Short term incentive
TLO	Tiger LuxOne S. à r.l.
TOM	Technical and organisational measures
TR	Total remuneration
TSR	Total shareholder return

UFCF	Unlevered free cash flow
UK	United Kingdom
UmwG	German transformation act, Umwandlungsgesetz
UN	United Nations
UNGC	United Nations Global Compact
USA	United States of America
USD	US dollar
VDP	Vulnerability-disclosure-policy
WACC	Weighted average cost of capital
WEP	Women empowerment principles

6 KPI Glossary

This KPI glossary contains alternative performance measures (APM) that are not defined under IFRS. The APMs (non-IFRS) can be reconciled to the key performance indicators included in the IFRS consolidated financial statements and should not be viewed in isolation, but only as supplementary information for assessing the operating performance. TeamViewer believes that these APMs provide an additional, deeper understanding of the Company's performance. TeamViewer has defined each of the following APMs as follows:

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

Adjusted EBITDA (definition until 2022, also referred to as Adjusted (Billings) EBITDA) is defined as operating income (EBIT) according to IFRS, plus depreciation and amortisation of tangible and intangible fixed assets (EBITDA), adjusted for the change in deferred revenue recognised in profit or loss in the period under review and for certain business transactions (income and expense) defined by the Management Board in agreement with the Supervisory Board. Business transactions to be adjusted relate to share-based compensation schemes and other material special items that are presented separately to show the underlying operating performance of the business.

Adjusted EBITDA margin (definition until 2022, also referred to as Adjusted (Billings) EBITDA Margin) means Adjusted EBITDA as a percentage of Billings.

Adjusted EBITDA (definition from FY 2023 onwards, also referred to as Adjusted (Revenue) EBITDA) is defined as operating income (EBIT) according to IFRS, plus depreciation and amortisation of tangible and intangible fixed assets (EBITDA), adjusted for certain business transactions (income and expense) defined by the Management Board in agreement with the Supervisory Board. Business transactions to be adjusted relate to share-based compensation schemes and other material special items of the business that are presented separately to show the underlying operating performance of the business.

Adjusted EBITDA margin (definition from FY 2023 onwards, also referred to as Adjusted (Revenue) EBITDA Margin) means Adjusted EBITDA as a percentage of revenue.

Retained Billings means recurring Billings (renewals, cross- and upselling) attributable to retained subscribers who were subscribers in the previous twelve-month period.

New Billings means recurring Billings attributable to new subscribers.

Non-recurring Billings means Billings that do not recur, such as professional services and hardware reselling.

Net Retention Rate (NRR) means the Retained Billings of the last twelve months (LTM), divided by the total recurring Billings (Retained Billings + New Billings) of the previous twelve-month period (LTM-1). The total recurring Billings of the LTM-1 period are adjusted for multi-year deals (MYD).

Annual Recurring Revenue (ARR) are annualised recurring Billings for all active subscriptions at the reporting date.

Number of subscribers means the total number of paying subscribers with a valid subscription at the reporting date.

SMB customers mean customers with ACV across all products and services of less than EUR 10,000 within the last twelve-month period. If the threshold is exceeded, the customer will be reallocated.

Enterprise customers mean customers with ACV across all products and services of at least EUR 10,000 within the last twelve-month period. Customers who do not reach this threshold will be reallocated.

Churn (subscriber) is calculated by dividing the number of retained subscribers at the reporting date by the total number of subscribers at the previous year's reporting date.

Average Selling Price (ASP) is calculated by dividing the total SMB/Enterprise Billings of the last twelve months (LTM) by the total number of SMB/Enterprise subscribers at the reporting date.

Annual Contract Value (ACV) is used to distinguish different pricing buckets within SMB and Enterprise. The ACV is defined as the annualised value of one SMB/Enterprise contract.

Net financial liabilities are defined as financial liabilities (without other financial liabilities) less cash and cash equivalents.

Net leverage ratio means the ratio of net financial liabilities to Adjusted EBITDA of the last twelve-month period.

Levered Free Cash Flow (FCFE) means net cash from operating activities less capital expenditure for property, plant and equipment and intangible assets (excl. M&A), payments for the capital element of lease liabilities and interest paid for borrowings and lease liabilities.

Cash Conversion (FCFE) means the percentage share of Levered Free Cash Flows (FCFE) in relation to the Adjusted EBITDA.

Adjusted Net Income is the net income adjusted for certain income and expenses. These adjustments are: share-based compensation, amortisation related to business combinations, other non-recurring income and expenses and related tax effects.

7 Financial Calendar

3 May 2023

Q1 2023 Results

24 May 2023

Annual General Meeting

1 August 2023

Q2 2023 Results/Half-year Report 2023

31 October 2023

Q3 2023 Results

8 Imprint

Investor Relations
ir@teamviewer.com

Public Relations
press@teamviewer.com

Publisher
TeamViewer AG
Bahnhofsplatz 2
73033 Göppingen
Germany

www.teamviewer.com

Design
HGB Hamburger Geschäftsberichte
GmbH & Co. KG

www.hgb.de

9 Disclaimer

Certain statements in this report may constitute forward-looking statements. These statements are based on assumptions that are believed to be reasonable at the time they are made, and are subject to significant risks and uncertainties, including, but not limited to, those risks and uncertainties described in TeamViewer's disclosures. You should not rely on these forward-looking statements as predictions of future events.

TeamViewer's actual results may differ materially and adversely from any forward-looking statements discussed in this report due to several factors, including without limitation, risks from macroeconomic developments, external fraud, lack of innovation capabilities, inadequate data security and changes in competition levels. TeamViewer undertakes no obligation, and does not expect to publicly update, or publicly revise, any forward-looking statement, whether as a result of new information, future events or otherwise.

Percentage change data and totals presented in tables throughout this report are generally calculated on unrounded numbers. Therefore, numbers in tables may not add up precisely to the totals indicated and percentage change data may not precisely reflect the change data of the rounded figures for the same reason.

This document contains alternative performance measures (APM) that are not defined under IFRS. The APMs (non-IFRS) can be reconciled to the key performance indicators included in the IFRS consolidated financial statements and should not be viewed in isolation, but only as supplementary information for assessing the operating performance. TeamViewer believes that these APMs provide an additional, deeper understanding of the Company's performance.

TeamViewer

TeamViewer AG
Bahnhofsplatz 2
73033 Göppingen
Germany

www.teamviewer.com