

TeamViewer

Half-Year Financial Report

For the First Six Months
of Fiscal Year 2022

TeamViewer AG at a glance

	1 Jan – 30 Jun 2022	1 Jan – 30 Jun 2021
Group performance indicators		
Billings (in EUR million)	299.6	268.1
Adjusted EBITDA (in EUR million)	141.3	147.0
Number of subscribers (LTM) (in thousand)	626	623
Net retention rate (NRR LTM); recurring billings of existing subscription customers (in %)	101	95
Financial performance of the Group		
Revenue (in EUR million)	272.0	241.2
EBIT (in EUR million)	61.9	57.8
EBIT (in % of revenue)	22.7	24.0
EBITDA (in EUR million)	88.4	82.4
EBITDA margin (in % of revenue)	32.5	34.2
Adjusted EBITDA (in EUR million)	141.3	147.0
Adjusted EBITDA margin (in % of billings)	47.2	54.8
Financial position and cash flows of the Group		
Equity ratio (in % of total assets)	9.5	20.7 ¹
Cash flows from operating activities (in EUR million)	65.8	76.0
Cash flows from investing activities (in EUR million)	(5.7) ²	(31.8) ²
Cash and cash equivalents (in EUR million)	383.4	550.5 ¹
Other key figures		
R&D expenses (in EUR million)	(35.0) ²	(30.0) ²
Full-time equivalent employees (as at reporting date)	1,322	1,477 ¹
Basic earnings per share (in EUR)	0.14	0.09
Diluted earnings per share (in EUR)	0.14	0.09

¹ 31 December 2021.

² Negative values in tabular overviews are shown in brackets.

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Gender-related spelling

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

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A_ INTERIM GROUP MANAGEMENT REPORT

01 Group fundamentals

TeamViewer is a global technology company and provider of a cloud-based platform enabling the connectivity of computers, devices, machines and systems of all kinds and digitally supporting work processes along the entire value chain. TeamViewer's global customer base comprises companies of all sizes from a wide range of industries next to the vast

number of private users who can use parts of the product portfolio for non-commercial use free of charge. As at 30 June 2022, the TeamViewer Group employed 1,322 people (full-time equivalents) worldwide. The parent company is TeamViewer AG, which is listed in the MDAX on the Frankfurt Stock Exchange.

The statements made in the Annual Report 2021 regarding the Group's business model, structure, strategy and objectives, management system, research and development, and sustainability in the TeamViewer Group still applied at the time of preparing this interim report with the following exceptions:

With the establishment of TeamViewer Canada, Inc., a wholly owned subsidiary of TeamViewer Germany GmbH, on 21 April 2022, the TeamViewer Group has a total of fifteen subsidiaries.

02 Economic report

Macroeconomic and sector environment

Macroeconomic environment

In its Economic Bulletin Issue 3/2022¹, the European Central Bank noted a robust start of the global economy in the current fiscal year and that it also saw indications that the Omicron variant of the coronavirus would have only a short-

term impact on advanced economies. Due to Russia's war of aggression against Ukraine, however, the outlook for global economic development has since deteriorated significantly. Problems and delays in global supply chains have also intensified. The German Council of Economic Experts has therefore lowered its expectation for global GDP growth in 2022 from 3.3% to 1.8%². In its economic forecast published in March, the Kiel Institute for the World Economy (IfW) also lowered its expectations, projecting growth in 2022 of only 3.5%³ instead of the 4.5% expected in December.

Sector environment

In contrast to the above, the market research institute Gartner⁴ does not expect Russia's war of aggression against Ukraine to have a direct impact on global IT spending. Despite the higher weighted increase in salaries and general prices,

alongside the shortage of skilled workers and procurement uncertainties, Gartner does not foresee a slowdown in investments in technology in 2022 and 2023. On the contrary, it is predicting a 4.0% increase in global spending on IT in 2022, with spending on software (+9.8%) and IT services (+6.8%) accounting for the majority of this increase.

¹ European Central Bank: Economic Bulletin Issue 3/2022.

² German Council of Economic Experts: Updated Economic Forecast 2022 and 2023 of 30 March 2022.

³ Kiel Economic Reports of the Kiel Institute for the World Economy (IfW): World Economy in Spring 2022.

⁴ Gartner, Inc: Gartner Forecasts Worldwide IT Spending to Reach \$4.4 Trillion in 2022.

Business performance

Within this overall environment, TeamViewer continued to grow profitably in the first six months of fiscal year 2022. As a result of the strategic acquisitions made in the past fiscal year, as well as the expansion of important partnerships, the Enterprise segment grew sharply by 36 % year-over-year, with billings standing at EUR 62.1 million (H1 2021: EUR 45.5 million). The SMB (small and medium-sized businesses) segment experienced a more moderate growth of 7 %, with billings in this segment equalling EUR 237.5 million (H1 2021: EUR 222.7 million). Based on these results, the Company increased its billings overall by 12 %.

On 2 February 2022, the Management Board of TeamViewer AG resolved a share buyback programme featuring a volume of up to EUR 300 million and up to 20,000,000 shares, which was just under 10 % of all shares outstanding at the time. The buyback is in line with the authorisation granted at the Extraordinary General Meeting on 3 September 2019, which was renewed at the Annual General Meeting in 2022. The programme was initiated on 3 February 2022 and is expected to be completed within fiscal year 2022. The majority of the repurchased shares were cancelled, which reduced the Company's share capital accordingly. Initially the Company will hold the remaining shares to use at a later time for the purposes permitted under stock corporation law, especially for the "RSU" programme. As at 30 June 2022, a total of 17,177,800 shares had been repurchased, of which 14,555,075 shares were cancelled.

At the Annual General Meeting on 17 May 2022, the proposal to convert the corporate form of TeamViewer AG into an SE (Societas Europaea) was approved by a large majority and is expected to take place during the current fiscal year.

As of 1 September 2022, Michael Wilkens will become a new member of the Company's Management Board and Chief Financial Officer. Mr Wilkens is currently Senior Vice President Group Controlling at Deutsche Telekom AG and will succeed Stefan Gaiser, whose contract expires in August. Stefan Gaiser and Michael Wilkens will work closely together to ensure a smooth transition.

In mid-July 2022, Peter Turner joined the Company's Management Board as Chief Commercial Officer (CCO). As CCO, he is responsible for TeamViewer's marketing, including product offering, pricing and e-commerce. Based on his extensive experience at a growing software company and his superior expertise in aligning a subscription-based business model to drive customer retention and sustainable growth, Peter Turner will further develop TeamViewer's marketing strategy and strengthen the core business.

TeamViewer is firmly committed to the UN Sustainable Development Goals, which are the direct foundation of the Company's own sustainability goals. In April 2022, for the first time, TeamViewer presented its comprehensive c-a-r-e sustainability programme. The name c-a-r-e clearly indicates what TeamViewer stands for, with a programme focusing on climate neutrality, access to technology, reduced emissions and equality, along with concrete measures defined to achieve these goals.

Earnings position of the Group

The key earning figures are as follows:

Key earnings for the TeamViewer Group

In EUR million	1 Jan – 30 Jun 2022			1 Jan – 30 Jun 2021		
	IFRS	Reconciliation	Management view	IFRS	Reconciliation	Management view
Revenue/ billings	272.0	27.6	299.6	241.2	26.9	268.1
EBITDA ¹ / Adjusted EBITDA	88.4	52.9	141.3	82.4	64.6	147.0
EBITDA in % of revenue/ Adjusted EBITDA in % of billings	32.5	14.7 pp ²	47.2	34.2	20.6 pp ²	54.8
EBIT	61.9			57.8		
Profit/(loss) for the year	26.4			17.9		

¹ EBITDA is not a performance measure under IFRS but is included in the table for clarity.

² pp = percentage points

Billings and revenue development

Billings

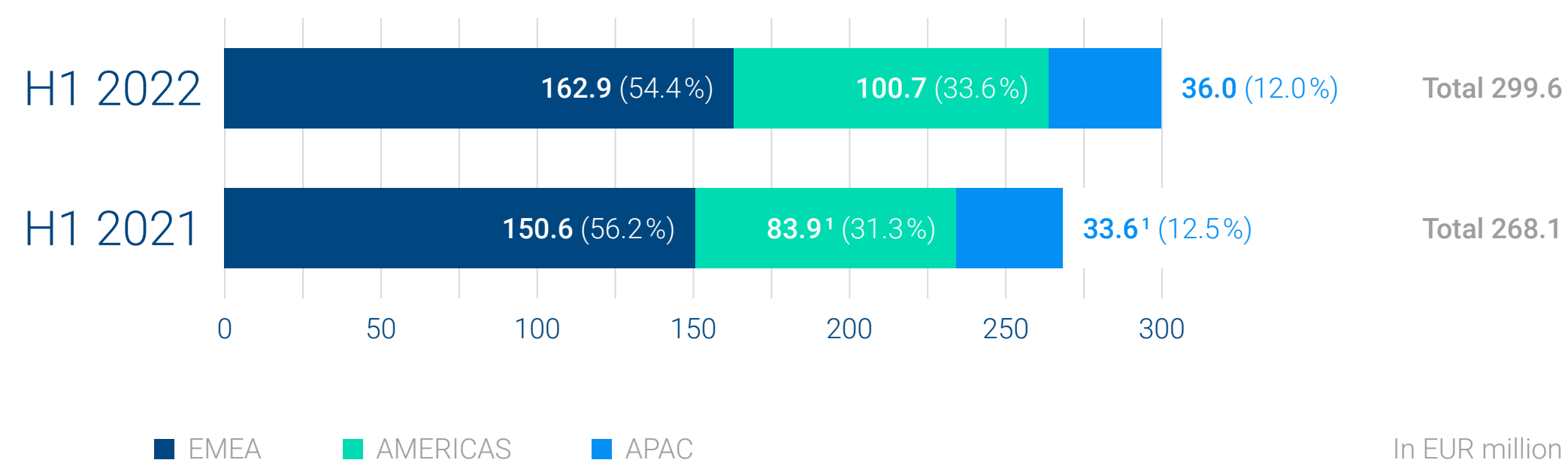
Billings represent the value (net) of goods and services invoiced to customers within a specific period and which constitute a contract as defined by IFRS 15. Billings are derived directly from customer contracts and are not affected by the timing of revenue deferrals. Billings can be calculated mathematically by taking revenue according to IFRS and adjusting it for the change in deferred revenue recognised in profit or loss.

The management of the TeamViewer Group uses billings as a key performance indicator to monitor, measure, and assess the Company's development.

In the first half of 2022, TeamViewer's billings increased by 11.7% year-on-year to EUR 299.6 million (H1 2021: EUR 268.1 million). The AMERICAS region in particular contributed to this positive development with above-average growth in billings compared to the same prior-year period. Adjusted for currency effects, the global increase was 7.6%¹.

The Group's billings by region in the first half of 2022 and in the same prior-year period were as follows:

Breakdown of billings by region

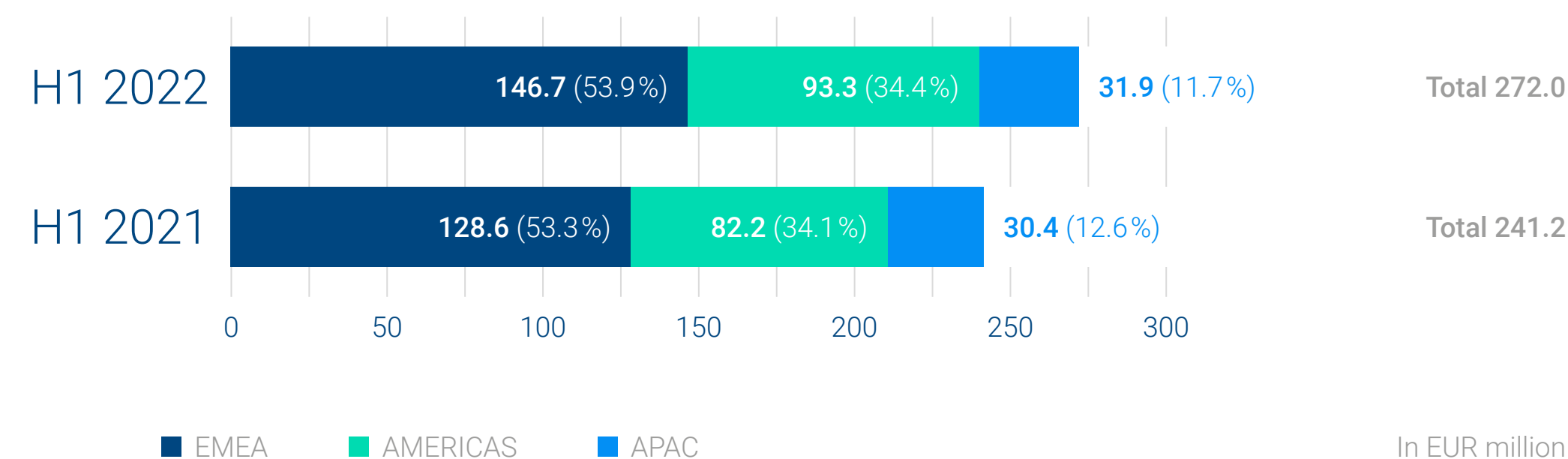


¹ Reclassification EUR 0.5 million in the prior-year period for comparability purposes.

Revenue

The Group's revenue by region in the first half of 2022 and in the same prior-year period was as follows:

Breakdown of revenue by region



Revenue by region

In EUR million	1 Jan – 30 Jun 2022 (Share of total revenue)		1 Jan – 30 Jun 2021 (Share of total revenue)		Change	
EMEA	146.7	53.9%	128.6	53.3%	+18.1	+14.1%
AMERICAS	93.3	34.4%	82.2	34.1%	+11.1	+13.5%
APAC	31.9	11.7%	30.4	12.6%	+1.5	+5.0%
Revenue	272.0	100.0%	241.2	100.0%	+30.8	+12.8%
Of which under subscription model	271.9	100.0%	238.9	99.0%	+32.0	+13.3%
Of which under perpetual licence model	0.1	0.0%	2.3	1.0%	-2.2	-95.7%

¹ To determine the currency-adjusted billings for the fiscal year, the exchange rates used for the billings of the previous year are applied to the billings of the fiscal year. To determine the currency-adjusted growth, the currency-adjusted billings of the fiscal year are set in relation to the billings of the previous year.

In the first half of 2022, TeamViewer generated revenue of EUR 272.0 million, corresponding to year-on-year growth of 12.8% (H1 2021: EUR 241.2 million) and marking a continuation in the Company's revenue growth trajectory of prior years. All regions contributed to revenue growth.

Total costs and other income

The Group's **cost of sales** declined year-over-year by 3.5%, from EUR 37.0 million in the same prior-year period to EUR 35.7 million in the reporting period. The cost of sales as a percentage of revenue decreased from 15.3% to 13.1% in the reporting period. This was primarily attributable to savings in the personnel area.

Gross profit, calculated as revenue less cost of sales, increased 15.7% from EUR 204.2 million to EUR 236.3 million.

Research and development costs increased 16.8% to EUR 35.0 million in the first half of 2022 (H1 2021: EUR 30.0 million). This rise was driven mainly by higher costs for IT and office infrastructure, purchased services and increased personnel expenses.

The rise in **marketing costs** of 102.0% to EUR 63.2 million in the first half of 2022 (H1 2021: EUR 31.3 million) resulted from expenditures on sports sponsorships, which were largely incurred after H1 2021.

Sales expenses decreased 5.0% to EUR 48.3 million in the first half of 2022 (H1 2021: EUR 50.8 million). This decline resulted from lower share-based compensation expenses and capitalised contract acquisition costs.

Operating profit (EBIT) and adjusted EBITDA

Operating profit (EBIT) according to IFRS amounted to EUR 61.9 million in the first half of 2022 (H1 2021: EUR 57.8 million) for a year-over-year increase of 7.0%. The increase was the result of higher revenue which was partially compensated by higher costs. As a percentage of revenue, the EBIT margin declined from 24.0% to 22.7%.

The Company's **EBITDA**, defined as EBIT according to IFRS plus depreciation and amortisation, increased 7.2%, from EUR 82.4 million in the first half of 2021 to EUR 88.4 million in the reporting period. As with the increase in EBIT, this increase was mainly due to a revenue increase. As a percentage of revenue, EBITDA decreased from 34.2% in the first half of 2021 to 32.5% in the first half of 2022.

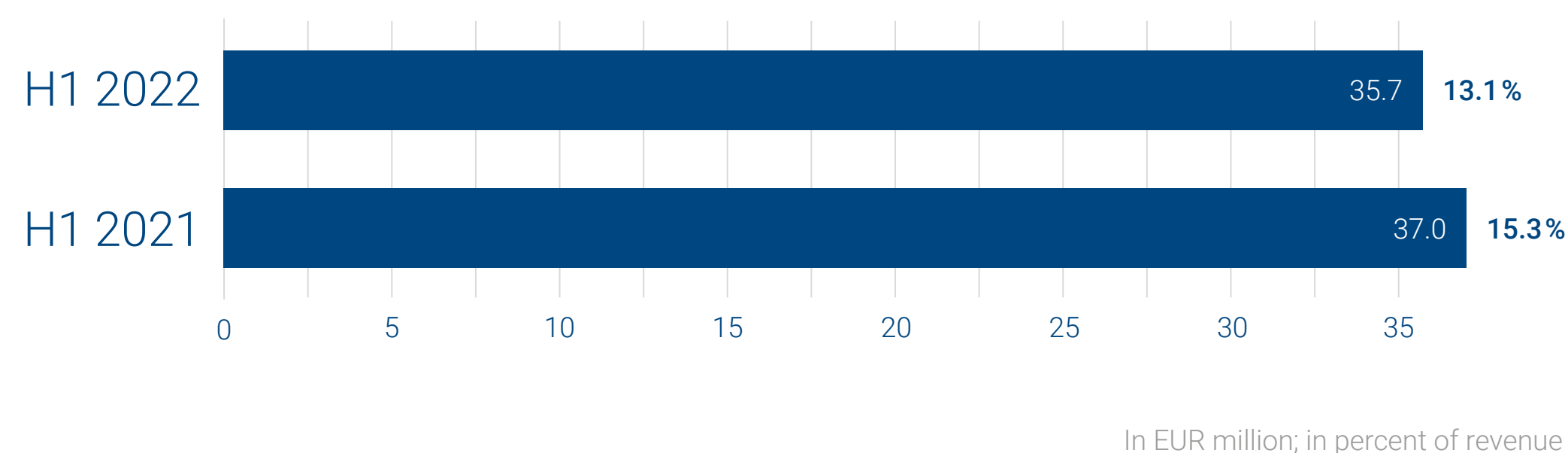
Adjusted EBITDA adjusted for the change in deferred revenue recognised in profit or loss and for certain business transactions decreased by 3.9% to EUR 141.3 million in the first half of 2022 (H1 2021: EUR 147.0 million). The following table shows the reconciliation of EBITDA to adjusted EBITDA for the first half of 2022 and 2021, respectively:

Reconciliation of EBITDA to adjusted EBITDA

In EUR million	1 Jan – 30 Jun 2022	1 Jan – 30 Jun 2021
Operating profit	61.9	57.8
Depreciation and amortisation	26.5	24.6
EBITDA	88.4	82.4
Change in deferred revenue recognised in profit or loss	27.6	27.0
Expenses for share-based compensation	15.5	29.8
Other special items to be adjusted	9.8	7.8
Adjusted EBITDA	141.3	147.0

In addition to the change in deferred revenue recognised in profit or loss in the amount of EUR 27.6 million (H1 2021: EUR 27.0 million), expenses (net of corresponding income) totalling EUR 25.3 million (H1 2021: EUR 37.6 million) were adjusted in the first half of 2022. These adjustments primarily concerned expenses in connection with share-based compensation and thereof again primarily expenses for share-based compensation granted by TigerLuxOne S.à.r.l. (TLO) in the amount of EUR 6.9 million (H1 2021: EUR 13.8 million), which is fully paid by TLO and does not affect the liquidity of the TeamViewer Group. Additionally, equity-settled share-based compensation expenses related to business combinations in the amount of EUR 6.6 million (H1 2021: EUR 14.5 million) were adjusted in the first half of 2022, as well as further equity-settled share-based compensation expenses in the amount of EUR 2.0 million (H1 2021: EUR 1.6 million), which did not result in any cash outflow for the Group.

Cost of sales trend



Other special items to be adjusted concerned mainly reorganisation expenses in the amount of EUR 6.9 million (H1 2021: EUR 0.7 million), as well as expenses for special IT projects in the amount of EUR 1.9 million (H1 2021: income of EUR 1.4 million).

Adjusted EBITDA as a percentage of billings decreased to 47.2% in the first half of 2022 (H1 2021: 54.8%). This decrease resulted from the stronger increase in expenses compared to billings growth.

Finance costs in the first half of 2022 amounted to EUR 16.6 million (H1 2021: EUR 9.9 million). The increase was mainly the result of accelerated recognition of expenses for amortised costs for existing credit facilities for which the related loans will be dissolved based on a new credit agreement entered into by the Company on 14 July 2022.

The balance of **foreign currency income** and **foreign currency costs** amounted to a foreign currency loss of EUR 3.7 million in the reporting period compared to a foreign currency loss of EUR 8.9 million in the same prior-year period. The balance in the reporting period consisted largely of foreign currency losses on liabilities to banks in USD. These however were largely offset by currency income on bank balances and receivables in foreign currencies.

Income tax expense of EUR 15.6 million in the reporting period decreased year-over-year by EUR 6.0 million (H1 2021: EUR 21.6 million). This decrease resulted from a lower tax rate due to lower non-deductible expenses for share-based compensation.

Profit/loss for the period

The **profit/loss for the period** increased to EUR 26.4 million in the 2022 reporting period compared to EUR 17.9 million in the same period of 2021, resulting in **positive earnings per share** of EUR 0.14 (H1 2021: EUR 0.09).

Net assets and financial position of the Group

Group net assets

The structure of TeamViewer's **assets** as at the reporting date for the first half of 2022 and year-end 2021 was as follows:

Assets

In EUR million	30 Jun 2022 (Share of total assets)		31 Dec 2021 (Share of total assets)	
	Value	Share	Value	Share
Non-current assets	960.5	68.0%	970.0	62.7%
Current assets	452.7	32.0%	576.6	37.3%
Total assets	1,413.3	100.0%	1,546.7	100.0%

The Group's **total assets** amounted to EUR 1,413.3 million as at 30 June 2022 (31 December 2021: EUR 1,546.7 million). As in the previous year, non-current assets accounted for the majority of the assets and amounted to EUR 960.5 million as at 30 June 2022 (31 December 2021: EUR 970.0 million). The decrease in total assets is mainly attributable to the decline in current assets.

As at 30 June 2022, the Company's **non-current assets** comprised mainly goodwill, intangible assets, property, plant and equipment, financial assets, and other assets. Goodwill was the largest item within non-current assets and amounted to EUR 668.1 million as at 30 June 2022 (31 December 2021: EUR 667.2 million). The decrease in non-current assets of EUR 9.5 million in the first half of 2022 resulted largely from the scheduled amortisation of intangible assets.

Current assets totalled EUR 452.7 million (31 December 2021: EUR 576.6 million). As at 30 June 2022, TeamViewer's current assets comprised trade receivables, other assets, tax receivables, financial assets, and cash and cash equivalents. The decline in current assets was primarily attributable to lower cash and cash equivalents resulting from the share buyback programme.

Group financial position

Financial management principles

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, as well as counterparty default risks. TeamViewer's financing structure is geared towards maintaining the financial leeway necessary to take advantage of emerging business and investment opportunities. This is achieved through a balanced ratio of equity and debt.

Group capital structure

TeamViewer's **capital structure** as at the reporting date at the end of the first half of 2022 and year-end 2021 is as follows:

Equity and liabilities

In EUR million	30 Jun 2022 (Share of equity and liabilities)		31 Dec 2021 (Share of equity and liabilities)	
	Value	Share	Value	Share
Equity	134.2	9.5%	320.1	20.7%
Non-current liabilities	471.8	33.4%	889.5	57.5%
Current liabilities	807.3	57.1%	337.1	21.8%
Total equity and liabilities	1,413.3	100.0%	1,546.7	100.0%

Equity

Equity amounted to EUR 134.2 million as at 30 June 2022, a decrease of EUR 185.9 million compared to 31 December 2021. This decline is primarily attributable to the share buy-back programme (H1 2022: EUR 230.8 million).

The Group's issued capital decreased to EUR 186.5 million as at 30 June 2022 and was divided into 186.5 million ordinary bearer shares (no-par value shares). As announced with the authorised share buyback programme, the majority of the repurchased shares were cancelled (14.5 million shares).

The reduction in the capital reserve of EUR 170.7 million in the first half of 2022 was primarily a result of the cancellation of shares.

This brought the equity ratio to 9.5% as at 30 June 2022, compared to 20.7% at the end of 2021. The lower equity ratio resulted from the decline in equity due to the reasons described above.

Non-current and current liabilities

The Group's **non-current liabilities** amounted to EUR 471.8 million as at 30 June 2022, which was significantly lower than the level of EUR 889.5 million as at 31 December 2021. Non-current liabilities as a percentage of total liabilities and equity consequently declined to 33.4% (31 December 2021: 57.5%). Within non-current liabilities, financial liabilities recorded a significant decline to EUR 422.4 million (31 December 2021: EUR 842.5 million). Due to the redemption of the existing loans due with bullet maturity on 14 July 2022, all of the corresponding financial liabilities were reclassified as current liabilities as at 30 June 2022.

TeamViewer's **current liabilities** as at 30 June 2022 amounted to EUR 807.3 million, for a year-over-year increase of EUR 470.2 million (31 December 2021: EUR 337.1 million). As previously described, current financial liabilities increased by EUR 452.5 million due to refinancing undertaken on 14 July 2022. Current deferred revenue in the reporting period also increased by an amount of EUR 22.8 million to EUR 267.3 million. Current deferred revenue will be released to profit or loss in subsequent years and make a positive contribution to future earnings.

TeamViewer Group's liabilities to banks as at 30 June 2022 were as follows:

Liabilities to banks

In thousands of euro	30 June 2022				
	Currency	Nominal interest rate in %	Year of maturity	Principal amount (EUR)	Carrying amount (EUR)
Loans					
2019 syndicated loan in USD	USD	3.67	2024	294,599	294,526
2019 syndicated loan in EUR	EUR	1.75	2024	112,500	112,471
2019 syndicated loan in GBP	GBP	3.03	2024	69,820	69,803
2019 syndicated loan revolving credit facility	EUR, USD, GBP	Diverse	2024	–	–
2021 bilateral bank loan in EUR	EUR	1.00	2025	100,000	100,000
Promissory notes					
Promissory note 3-year fixed interest	EUR	1.00	2024	27,000	27,038
Promissory note 3-year variable interest	EUR	1.00	2024	58,000	58,085
Promissory note 5-year fixed interest	EUR	1.20	2026	118,000	118,175
Promissory note 5-year variable interest	EUR	1.20	2026	75,000	75,115
Promissory note 7-year fixed interest	EUR	1.40	2028	13,000	13,024
Promissory note 10-year fixed interest	EUR	1.60	2031	9,000	9,021
Total				876,919	877,257

TeamViewer's **net financial liabilities**, defined as the sum of interest-bearing current and non-current financial liabilities less cash and cash equivalents, amounted to EUR 526.6 million as at 30 June 2022 (31 December 2021: EUR 326.9 million).

The **net leverage ratio**, which represents the Group's net financial liabilities in relation to adjusted EBITDA over the past twelve months, was 2.1 as at 30 June 2022 (31 December 2021: 1.3). The increase in the net leverage ratio resulted largely from the decline in cash and cash equivalents.

Investment and liquidity analysis

The condensed statement of cash flows for TeamViewer for the reporting period of the first half of 2022 and the comparable prior-year period was as follows:

Financial position

In EUR million	1 Jan – 30 Jun 2022	1 Jan – 30 Jun 2021
Cash and cash equivalents at beginning of period	550.5	83.5
Cash flows from operating activities	65.8	76.0
Cash flows from investing activities	(5.6)	(31.8)
Cash flows from financing activities	(243.2)	336.9
Net foreign exchange rate differences	16.7	1.8
Net change from risk provisioning	(0.8)	(0.9)
Cash and cash equivalents at end of period	383.4	465.6

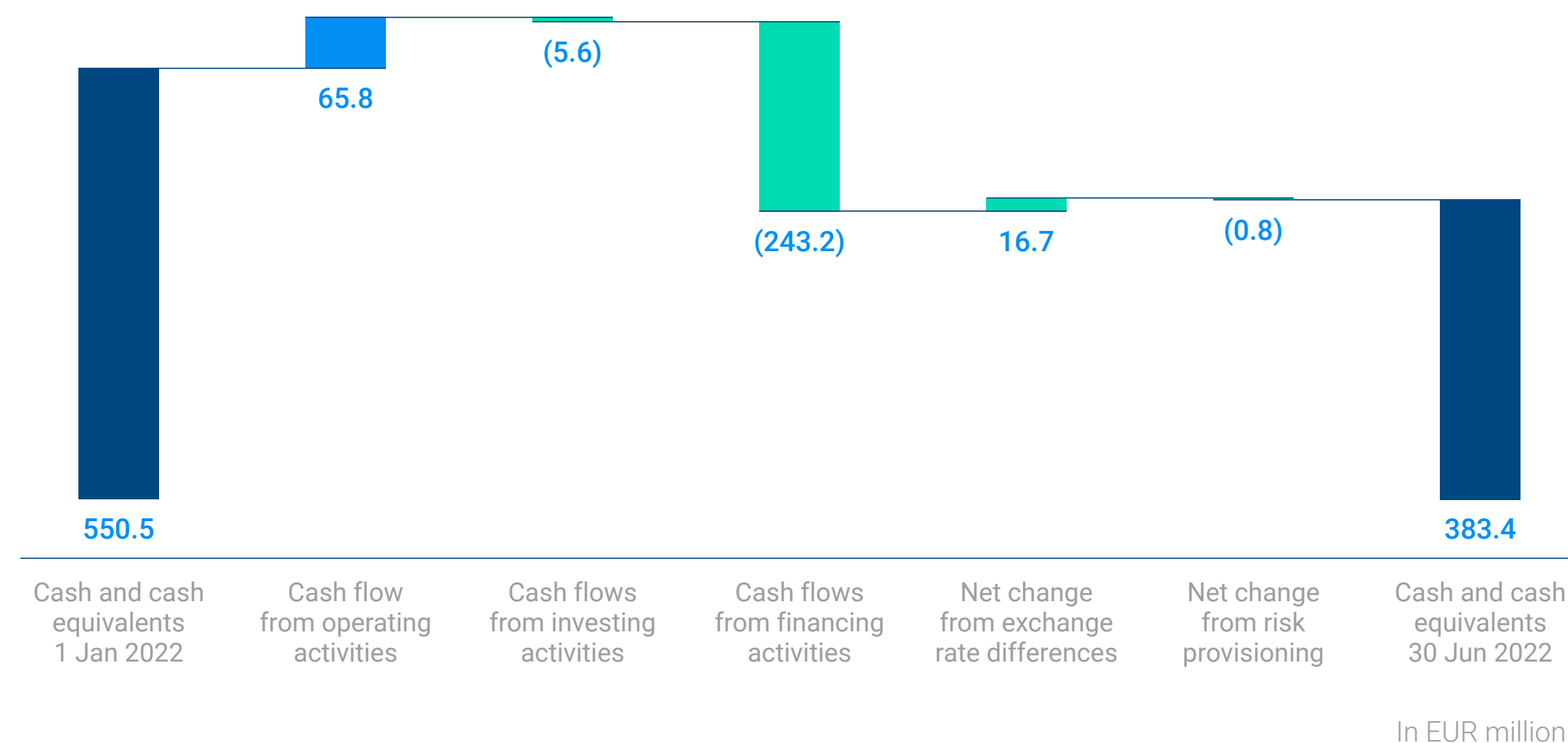
TeamViewer's **cash flows from operating activities** equalled EUR 65.8 million in the first half of 2022 (H1 2021: EUR 76.0 million), amounting to a year-on-year decrease of 13.4%. The decrease stems primarily from the higher payments for sports sponsorships.

Cash flows from investing activities amounted to EUR – 5.6 million in the first half of 2022 (H1 2021: EUR – 31.8 million). Investments in property, plant and equipment and intangible assets amounted to EUR – 3.7 million in the first half of 2022 (H1 2021: EUR – 8.4 million). Investments in company acquisitions amounted to EUR – 2.0 million in the first half of 2022 (H1 2021: EUR – 23.4 million).

Cash flows from financing activities amounted to EUR – 243.2 million in the first half of 2022 (H1 2021: EUR +336.9 million) and resulted primarily from the repurchase of the Company's own shares in the amount of EUR – 231.2 million.

TeamViewer's **cash and cash equivalents** as at 30 June 2022 amounted to EUR 383.4 million, compared to a level of EUR 465.6 million as at the same reporting date in the prior year. The Group was able to meet its payment obligations at all times during the fiscal year.

Key indicators for the financial position of the TeamViewer Group



Employees

As at 30 June 2022, the Group had 1,322 employees worldwide (30 June 2021: 1,472 FTEs). This represented a decline in headcount of around 10% compared to Q2 2021. The EMEA region recorded a decrease of 11%, the AMERICAS region a decline of 10%, and the APAC region a decline of 5%.

Overall statement on the economic situation

The Management Board of TeamViewer AG assesses the Group's business development and economic situation in the reporting period as positive. The Company was able to grow across all customer segments, product categories and regions in the first half of the 2022 fiscal year. Particular attention was paid to the rapidly scalable business with

enterprise customers and the innovative augmented reality and mixed reality applications for the so-called industrial metaverse. In order to fully leverage the resulting potential, TeamViewer has entered into promising partnerships with leading global technology providers such as SAP, Siemens and Google, which are expected to further strengthen new customer acquisitions, particularly in the enterprise sector. In the interaction of the product portfolio, the global sales presence and significant efforts to sharpen the brand, the Management Board sees TeamViewer as excellently

positioned in the decisive strategic dimensions to participate in the growth of future fields of digital transformation. TeamViewer's financial profile, which combines profitability with growth rates, should enable the Group to prepare and implement strategic decisions that drive its further business development, especially in a macro environment that will be challenging in the short to medium term.

03 Subsequent events

There were no significant events after the reporting date that could have a material impact on the presentation of the Group's earnings, net assets and financial position other than the events mentioned here below.

On 14 July 2022, the Group improved its credit facilities and entered into a new loan agreement with several lenders to replace the existing syndicated loans from 2019. As a result, as at 30 June 2022, the 2019 syndicated loan liabilities were classified as current. The amended repayment terms resulted in the immediate recognition of the capitalised transaction costs.

On 2 August 2022, the Company confirmed that it will continue its ongoing share buyback programme until the maximum amount of EUR 300 million is fully invested. For this purpose, the maximum number of shares to be repurchased under the programme was increased to 30 million shares in total.

04 Opportunity and risk report

No significant changes have occurred to the current risk assessment in comparison to the assessment described in the "Opportunities and risks report" contained in the Annual Report 2021.

The Management Board has also assessed the risks and opportunities for the Company, particularly those associated with social and environmental factors, and identified the implications for the Company.

Overall risk assessment

The Management Board is confident that the risks identified currently pose no threat to the continued existence of the Group or any of its major subsidiaries, either individually or as a whole.

05 Outlook

Expected macroeconomic and sector environment

The first half of 2022 was marked by significant uncertainty surrounding global economic development and a major downturn in economic sentiment. The Russian war of aggression against Ukraine and the ongoing disruption of global supply chains as a direct and indirect result of the COVID-19 pandemic have led to exceptionally high inflationary pressures worldwide. In its Summer 2022 Economic Forecast, the European Commission (EC) predicts that in full-year 2022 inflation will reach an all-time high of 8.3% for the European Union. At the same time, the EC significantly reduced its overall economic growth forecasts for 2022 and 2023 to 2.7% and 1.5%, respectively. Inflation also rose in the United States, reaching its highest level in 40 years at 9.1% in June 2022, while growth prospects also dimmed significantly. The same trend can be seen in the Asia-Pacific economies. Longstanding policies of quantitative easing and low to zero interest rates are being followed by increasingly aggressive interest rate moves by central banks amid high inflationary pressures. This could prove to further dampen global economic growth in the near term. Taking all into account, the International Monetary Fund expects a high risk of a global recession in the years 2022 and 2023.

The deteriorating economic environment could also have an impact on global IT investment activity due to a reluctance on the part of companies to engage in strategic procurement processes. It is not yet possible to fully predict the resulting effects, and any implications will depend heavily on further macroeconomic developments. Barring external shocks, the market research company Gartner has forecast a 4.0% increase in IT investments this year to USD 4.4 trillion. Accordingly, the enterprise software segment, which is relevant for TeamViewer, is expected to grow the strongest at 9.8% and account for a share of approximately 15% of global IT expenditure. In terms of spending on cloud solutions, Gartner forecasts growth of approximately 20% worldwide to USD 494.7 billion in 2022. The Software-as-a-Service (SaaS) segment, which includes applications for remote connectivity, is expected to grow by around 16% to approximately USD 176.6 billion¹.

The digital transformation of business and society is set to continue, despite a difficult economic environment. According to a forecast by the market research institute IDC, corporate spending on digital transformation is projected to grow by an average of around 16.6% per year between 2021 and 2025². In these economically challenging times, companies will focus specifically on increasing their productivity and efficiency to gain strategic competitive advantages³.

Amid this environment, TeamViewer is excellently positioned to continue to grow in attractive growth markets in the areas surrounding digitalisation, connectivity and Industry 4.0 and across all customer segments. With the expansion of its product portfolio, particularly in the area of process optimisation through augmented reality, the Company has taken strategically important steps to expand its footprint in these markets.

Future development of the Group

For the full year 2022, TeamViewer continues to expect revenues to increase in the mid-teens to EUR 565m – EUR 580m and an adjusted EBITDA margin within the range of 45% – 47%. Given the impact of pulling out of Russia and Belarus (accounting for approximately one percent of billings) as well as the operating environment experienced year-to-date, TeamViewer expects billings for the full year of 2022 to be at or around the bottom end of its guidance (EUR 630m – EUR 650m).

Overall assessment of future development

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

Göppingen, 2 August 2022

The Management Board



Oliver Steil



Stefan Gaiser



Peter Turner

¹ <https://www.gartner.com/en/newsroom/press-releases/2022-04-19-gartner-forecasts-worldwide-public-cloud-end-user-spending-to-reach-nearly-500-billion-in-2022>

² <https://www.idc.com/getdoc.jsp?containerId=prUS49114722>

³ <https://www.gartner.com/en/newsroom/press-releases/2021-06-22-gartner-says-more-cfos-intend-to-increase-digital-investment-than-any-other-area-in-fy21>

B_ CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

01 Consolidated statement of profit or loss and other comprehensive income

In thousands of euro	Note	1 Jan – 30 Jun 2022	1 Jan – 30 Jun 2021
Revenue	3	271,978	241,160
Cost of sales		(35,658)	(36,954)
Gross profit		236,320	204,207
Research and development		(35,044)	(29,996)
Marketing		(63,237)	(31,302)
Sales		(48,257)	(50,802)
General and administrative		(26,198)	(26,545)
Bad debt expenses		(5,565)	(7,952)
Other income		4,228	2,060
Other expenses		(378)	(1,863)
Operating profit		61,869	57,807
Finance income		474	533
Finance costs		(16,629)	(9,855)
Foreign exchange income		26,685	7,258
Foreign exchange costs		(30,387)	(16,207)
Profit before tax		42,013	39,536
Income taxes		(15,624)	(21,612)
Profit after tax		26,389	17,925

In thousands of euro	Note	1 Jan – 30 Jun 2022	1 Jan – 30 Jun 2021
Other comprehensive income			
Other comprehensive income for the period reclassified to profit or loss in subsequent periods		4,290	604
Hedge reserve		1,574	(0)
Exchange differences on the translation of foreign operations		2,716	604
Total comprehensive income for the period		30,679	18,529
Basic number of shares issued and outstanding ¹		191,189,734	200,000,000
Earnings per share, basic (in EUR)	12	0.14	0.09
Diluted number of shares issued and outstanding ¹		191,356,657	200,491,417
Earnings per share, diluted (in EUR)	12	0.14	0.09

¹ Weighted average.

02 Consolidated statement of financial position

In thousands of euro	Note	30 Jun 2022	31 Dec 2021
Non-current assets			
Goodwill		668,075	667,224
Intangible assets		229,873	248,159
Property, plant and equipment		47,936	45,484
Financial assets		4,860	4,848
Other assets		9,020	3,824
Deferred tax assets		759	496
Total non-current assets		960,524	970,035
Current assets			
Trade receivables	5	12,051	11,560
Other assets		46,358	13,029
Tax assets		9,305	1,513
Financial assets		1,617	–
Cash and cash equivalents		383,396	550,533
Total current assets		452,727	576,635
Total assets		1,413,252	1,546,670

In thousands of euro	Note	30 Jun 2022	31 Dec 2021
Equity			
Issued capital		186,516	201,071
Capital reserve		223,786	394,487
(Accumulated losses)/retained earnings		(250,413)	(276,803)
Hedge reserve		1,586	12
Foreign currency translation reserve		4,036	1,320
Treasury shares	6	(31,333)	–
Total equity attributable to shareholders of TeamViewer AG		134,177	320,087
Non-current liabilities			
Provisions		475	366
Financial liabilities	7	422,440	842,495
Deferred revenue		10,500	6,095
Deferred and other liabilities		1,991	2,032
Other financial liabilities		5,770	8,769
Deferred tax liabilities		30,634	29,764
Total non-current liabilities		471,810	889,521
Current liabilities			
Provisions		2,163	1,893
Financial liabilities	7	487,524	34,973
Trade payables		8,283	7,272
Deferred revenue		267,283	244,480
Deferred and other liabilities		37,402	41,784
Other financial liabilities		3,064	5,911
Tax liabilities		1,546	749
Total current liabilities		807,265	337,062
Total liabilities		1,279,074	1,226,583
Total equity and liabilities		1,413,252	1,546,670

03 Consolidated statement of cash flows

In thousands of euro	Note	1 Jan – 30 Jun 2022	1 Jan – 30 Jun 2021
Profit before tax		42,013	39,536
Depreciation, amortisation and impairment of non-current assets		26,493	24,622
Increase/(decrease) in provisions		379	(140)
Non-operational foreign exchange (gains)/losses		6,783	10,838
Expenses for equity-settled share-based compensation		14,569	28,229
Net financial costs		16,154	9,321
Change in deferred revenue		27,208	22,721
Change in other working capital and other		(45,824)	(29,571)
Income taxes paid		(21,981)	(29,546)
Cash flows from operating activities		65,795	76,011
Investments in tangible and intangible assets		(3,673)	(8,380)
Payments for financial assets		–	–
Payments for acquisitions		(1,977)	(23,383)
Cash flows from investing activities		(5,650)	(31,763)

In thousands of euro	Note	1 Jan – 30 Jun 2022	1 Jan – 30 Jun 2021
Repayments of borrowings	7	–	(52,730)
Proceeds from borrowings	7	–	400,000
Payments for the capital element of lease liabilities		(4,060)	(3,620)
Interest paid for borrowings and lease liabilities	7	(7,976)	(6,744)
Purchase of treasury shares		(231,158)	–
Cash flows from financing activities		(243,194)	336,906
Net change in cash and cash equivalents		(183,049)	381,155
Net foreign exchange rate differences		16,717	1,780
Net change from cash risk provisioning		(805)	(894)
Cash and cash equivalents at beginning of period		550,533	83,531
Cash and cash equivalents at end of period		383,396	465,572

04 Consolidated statement of changes in equity

In thousands of euro	Note	Issued capital	Capital reserve	(Accumulated losses)/ retained earnings	Hedge reserve	Foreign currency translation reserve	Treasury shares	Total equity
Balance as at 1 January 2022		201,071	394,487	(276,803)	12	1,320	-	320,087
Profit/(loss) for the period		-	-	26,389	-	-	-	26,389
Other comprehensive income		-	-	-	1,574	2,716	-	4,290
Share-based compensation	6	-	14,569	-	-	-	-	14,569
Purchase of treasury shares		-	-	-	-	-	(231,158)	(231,158)
Cancellation of treasury shares		(14,555)	(185,270)	-	-	-	199,825	-
Balance as at 30 June 2022		186,516	223,786	(250,413)	1,586	4,036	(31,333)	134,177

In thousands of euro	Note	Issued capital	Capital reserve	(Accumulated losses)/ retained earnings	Hedge reserve	Foreign currency translation reserve	Treasury shares	Total equity
Balance as at 1 January 2021		201,071	366,898	(326,854)	(61)	(343)	-	240,711
Profit/(loss) for the period		-	-	17,925	-	-	-	17,925
Other comprehensive income		-	-	-	(0)	604	-	604
Share-based compensation		-	28,229	-	-	-	-	28,229
Balance as at 30 June 2021		201,071	395,127	(308,930)	(61)	262	-	287,469

05 Selected notes to the condensed interim consolidated financial statements

1. General information

TeamViewer AG is a listed stock corporation headquartered in Göppingen, Germany. The Company is registered in the commercial register of the District Court of Ulm under the number HRB 738852. TeamViewer AG, Göppingen, is the parent company of the TeamViewer Group ("TeamViewer AG" 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 into a European stock corporation (Societas 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 the second half of 2022.

The condensed and unaudited interim consolidated financial statements of TeamViewer AG for the six months ended 30 June 2022 comply with International Financial Reporting Standards (IFRS) as adopted by the EU. These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" in conjunction with IAS 1 "Presentation of Financial Statements" and reviewed by PricewaterhouseCoopers GmbH, Stuttgart (please refer to [page 32 Review Report](#)). The condensed interim consolidated financial statements do not contain all the information or disclosures required for consolidated financial statements as at the end of the fiscal year and should therefore be read in conjunction with the consolidated financial statements as at 31 December 2021.

Terminologies

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.

- ☐ **Retained billings:** Annual recurring billings (renewals, up-sell & cross-sell) to existing customers who were subscribers in the previous twelve-month period.
- ☐ **New billings:** Annual recurring billings attributable to new subscribers.
- ☐ **Non-recurring billings:** Billings that do not recur annually, such as professional services and hardware sales.

The **net retention rate** (NRR LTM) is calculated based on the annual recurring billings over the past twelve months from existing subscribers over the prior twelve-month period (incl. subscription renewals, up-selling and cross-selling activities) divided by the total recurring billings of all subscribers from the previous twelve-month period. The NRR LTM as an indicator for evaluating customer loyalty represents a secondary performance indicator.

Enterprise customers: Customers with invoiced billings within the last twelve months in the amount of at least EUR 10,000 across all products and services. A reallocation is performed when this threshold has not been reached.

SMB (Small and medium-sized business) customers: Customers with invoiced billings within the last twelve months in the amount of at least EUR 10,000 across all products and services. A reallocation is performed when this threshold has been exceeded.

Estimates and judgments related to the COVID-19 pandemic

The COVID-19 pandemic did not have a material effect on planning, assumptions, or assessments.

Estimates and judgments related to the Ukraine conflict

TeamViewer is deeply shocked by Russia's horrific attack on Ukraine. As a global company, TeamViewer upholds the universal values of freedom and democracy, and we condemn any form of violence and aggression. In reaction to the ongoing attacks from Russia and in compliance with all international sanctions, the Company has ceased business with Russia and Belarus. As a consequence, TeamViewer expects its billings to be negatively impacted in the future by approximately 1%. The Company does not expect any significant impact on future development from the price increases fuelled by the conflict, particularly in energy supply and the procurement of raw materials.

2. Accounting policies

The same accounting policies and recognition and measurement methods were applied in the preparation of these financial statements as applied to the consolidated financial statements as at 31 December 2021.

As at 30 June 2022, the income tax expense is determined using the effective tax rate expected for the full year.

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

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

Currency	ISO code	Closing rates		Average rate for period	
		30 Jun 2022	31 Dec 2021	1 Jan – 30 Jun 2022	1 Jan – 30 Jun 2021
US dollar	USD	1.04	1.13	1.09	1.21
Pound sterling	GBP	0.86	0.84	0.84	0.87
Australian dollar	AUD	1.51	1.56	1.52	1.56
Armenian dram	AMD	427.03	546.10	512.73	629.32
Japanese yen	JPY	141.54	130.38	134.30	129.81
Indian rupee	INR	82.11	84.23	83.32	88.45
Singapore dollar	SGD	1.45	1.53	1.49	1.61
Chinese yuan	CNY	6.96	7.19	7.08	7.80
Mexican peso	MXN	20.96	23.14	22.17	24.32

Standards, interpretations and amendments to existing published standards issued and applied

No new standards or other amendments or improvements to standards have been adopted that are mandatory for financial years beginning on 1 January 2022 and expected to have a material impact on the Group's net assets, financial position and results of operations.

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

The expected effects of new and amended standards and interpretations that are effective for reporting periods beginning after 31 December 2021 are disclosed in the 2021 consolidated financial statements. The Group is not voluntarily applying any of the new or amended standards and interpretations ahead of time.

Structure of the Group as at 30 June 2022

On 21 April 2022, TeamViewer Canada Inc., a wholly owned subsidiary of TeamViewer Germany GmbH, was founded. Consequently, the TeamViewer Group now comprises fifteen subsidiaries.

3. Revenue

The reconciliation of billings to revenue in the first half of 2022 and the first half of 2021 is as follows:

Revenue

In thousands of euro	1 Jan – 30 Jun 2022	1 Jan – 30 Jun 2021
Billings	299,594	268,133
Change in deferred revenue recognised in profit or loss	(27,616)	(26,973)
Total revenue	271,978	241,160

For a further breakdown of revenue, please see [9 Operating segments](#).

4. Personnel expenses

Personnel expenses consist of the following items:

Personnel expenses

In thousands of euro	1 Jan – 30 Jun 2022	1 Jan – 30 Jun 2021
Wages and salaries	56,120	53,064
Social security contributions	11,103	9,316
Equity-settled share-based compensation	14,569	28,229
thereof IPO agreement	–	3,250
thereof EPP programme	6,877	10,512
thereof Ubimax	6,576	14,467
thereof RSU	1,116	–
Cash-settled share-based compensation	859	1,593
thereof LTIP	836	1,593
thereof PSU	23	–
Costs for merger and acquisitions	(197)	497
Total personnel expenses	82,455	92,699

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 financial year and vests in four equal parts every 31st of December from 2022 until 2026. 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 2022) was determined based on the Company's share price and amounted to EUR 10.29. 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. The PSU is accounted for as a cash-settled share-based payment.

**PSU valuation**

		30 Jun 2022
Stock price	EUR	9.54
Total carrying amount of liabilities	In thousands of euro	23.4

Development of the number of RSU shares/virtual PSU shares

In units	RSU	PSU
31 December 2021	-	-
Granted	798,469	18,090
Forfeited	-	-
Exercised	-	-
30 June 2022 pending	798,469	18,090
thereof vesting on 31 December 2022	199,618	4,523
thereof vesting on 31 December 2023	199,617	4,523
thereof vesting on 31 December 2024	199,617	4,522
thereof vesting on 31 December 2025	199,617	4,522

5. Trade receivables**Age structure of trade receivables**

In thousands of euro	30 Jun 2022	31 Dec 2021
Under 30 days	10,784	11,068
31 to 60 days	2,881	2,813
61 to 90 days	2,459	1,773
91 to 120 days	2,019	1,416
121 to 150 days	1,448	1,610
More than 150 days	7,913	9,995
Total before valuation allowance	27,504	28,675
Valuation allowance	(15,452)	(17,115)
Trade receivables	12,051	11,560

Expected credit losses on trade receivables

	30 Jun 2022		31 Dec 2021	
	In thousands of euro	Expected default rate in %	In thousands of euro	Expected default rate in %
Past due				
Under 30 days	(1,720)	18	(2,018)	20
31 to 60 days	(1,562)	59	(1,758)	66
61 to 90 days	(1,885)	85	(1,438)	87
91 to 120 days	(1,677)	92	(1,278)	96
121 to 150 days	(1,280)	94	(1,473)	98
More than 150 days	(7,328)	100	(9,150)	100
Total valuation allowance	(15,452)		(17,115)	

Development of valuation allowance on trade receivables

In thousands of euro	30 Jun 2022	31 Dec 2021
Valuation allowance at the beginning of the fiscal year	(17,115)	(18,257)
Release/(addition)	(6,547)	(16,081)
Utilisation	8,210	17,223
Total valuation allowance at end of period	(15,452)	(17,115)

Past due trade receivables are subject to collection measures. Trade receivables are derecognised after one year if no further realisation of the receivable is expected.

On average, invoices in the first half of 2022 were paid 32 days after invoicing (FY 2021: 34 days).

Information about the Group's exposure to credit and market risks from trade receivables is disclosed in [8 Financial instruments – Fair values and risk management](#).

6. Equity

On 2 February 2022, the Management Board of TeamViewer AG approved a share buyback programme with a volume of up to EUR 300 million and up to 20,000,000 shares, corresponding to just under 10% of all shares outstanding. The buyback is in accordance with the authorisation granted at the Extraordinary General Meeting on 3 September 2019.

The share buyback programme began on 3 February 2022 and is expected to be completed within fiscal year 2022. Most of the repurchased shares have been cancelled, reducing the Company's share capital accordingly. The remaining shares will initially be held by the Company for later use for all purposes permitted under stock corporation law, and especially for the "RSU" programme. As at 30 June 2022, 17,177,800 shares were purchased and 14,555,075 shares were cancelled.

7. Financial liabilities

In thousands of euro	30 Jun 2022		
	Current	Non-current	Total
Financial liabilities	487,524	422,440	909,963
thereof from loans	477,926	399,331	877,257
thereof from lease liabilities	9,598	23,108	32,706
Other financial liabilities	3,064	5,770	8,834
Total	490,588	428,210	918,798

In thousands of euro	31 Dec 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

Maturity and repayment structure

Liabilities to banks

In thousands of euro	Currency	Nominal interest rate in %	Year of maturity	30 Jun 2022	
				Principal amount (EUR)	Carrying amount (EUR)
Loan					
2019 syndicated loan in USD	USD	3.67	2024	294,599	294,526
2019 syndicated loan in EUR	EUR	1.75	2024	112,500	112,471
2019 syndicated loan in GBP	GBP	3.03	2024	69,820	69,803
2019 syndicated loan revolving credit facility	EUR, USD, GBP	Diverse	2024	–	–
2021 bilateral bank loan in EUR	EUR	1.00	2025	100,000	100,000
Promissory note					
Promissory note 3-year fixed interest	EUR	1.00	2024	27,000	27,038
Promissory note 3-year variable interest	EUR	1.00	2024	58,000	58,085
Promissory note 5-year fixed interest	EUR	1.20	2026	118,000	118,175
Promissory note 5-year variable interest	EUR	1.20	2026	75,000	75,115
Promissory note 7-year fixed interest	EUR	1.40	2028	13,000	13,024
Promissory note 10-year fixed interest	EUR	1.60	2031	9,000	9,021
Total				876,919	877,257

Liabilities to banks

In thousands of euro	Currency	Nominal interest rate in %	Year of maturity	31 Dec 2021	
				Principal amount (EUR)	Carrying amount (EUR)
Loan					
2019 syndicated loan in USD	USD	1.88	2024	270,175	266,051
2019 syndicated loan in EUR	EUR	1.50	2024	112,500	110,722
2019 syndicated loan in GBP	GBP	1.93	2024	71,309	70,216
2019 syndicated loan revolving credit facility	EUR, USD, GBP	Diverse	2024	–	–
2021 bilateral bank loan in EUR	EUR	1.00	2025	100,000	100,000
Promissory note					
Promissory note 3-year fixed interest	EUR	1.00	2024	27,000	27,025
Promissory note 3-year variable interest	EUR	1.00	2024	58,000	58,051
Promissory note 5-year fixed interest	EUR	1.20	2026	118,000	118,144
Promissory note 5-year variable interest	EUR	1.20	2026	75,000	75,087
Promissory note 7-year fixed interest	EUR	1.40	2028	13,000	13,022
Promissory note 10-year fixed interest	EUR	1.60	2031	9,000	9,020
Total				853,984	847,338

Refinancing in July 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 agreement (2022 syndicated loan) with several lenders to replace the 2019 syndicated loan.

New loan 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	After 12 months +0.15% After 18 months +0.25% +/- adjustment to leverage ratio
Utilisation fee	0.1% – 0.4% ²	–
Commitment fee	35% ³	–
Currency	EUR	
Interest period	1, 3 or 6 months	
Reference rate	EURIBOR	
Floor	0%	
Repayment	On maturity date	
ESG margin adjustment	Based on ESG scoring +/- 2x2 basis points	

¹ Option to extend twice for one year each with the bank's consent.

² Based on utilisation.

³ The commitment fee is to be paid on the unutilised portion and amounts to 35% of the margin currently applicable.

As at 30 June 2022, the liabilities from the syndicated loans are recognised as current. The change in repayment terms resulted in the immediate recognition of a portion of the capitalised transaction costs:

Effects from refinancing

In thousands of euro	Carrying amounts as at 30 June 2022		
	Revised value	Original value	Expense
2019 syndicated loan in USD	294,526	290,916	3,609
2019 syndicated loan in EUR	112,471	111,049	1,422
2019 syndicated loan in GBP	69,803	68,943	860
Total	476,799	470,909	5,890

After the repayment of the 2019 syndicated loan, the accompanying USD interest rate cap was sold.

In July 2022, the Group entered into new EUR interest rate caps with a strike price of 2%, based on the six-month EURIBOR rate. The new interest rate caps are contracted over the remaining term and the total amount of the promissory note 3-year variable and the promissory note 5-year variable and are designated as a cash flow hedge and a hedge ratio of 1.

8. Financial instruments – Fair values**(a) Classification and fair values**

All assets and liabilities for which a fair value is determined or recognised are classified as follows:

- ☐ **Level 1:** Quoted prices in active markets for identical assets or liabilities.
- ☐ **Level 2:** Input factors other than quoted prices within Level 1 that are either directly or indirectly observable for the asset or liability.
- ☐ **Level 3:** Input factors 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 along with their respective level in the fair value hierarchy.

Carrying amount and fair value level of financial assets and liabilities as at 30 June 2022

Classification according to IFRS 9	Carrying amount		Fair value level	
	At fair value through profit or loss	At amortised cost	Fair value	Level
In thousands of euro				
Financial assets				
thereof derivatives	1,611			2
Total financial assets measured at fair value	1,611			
Trade receivables		12,051		
Cash and cash equivalents		383,396		
Other financial assets		4,866		2
Total financial assets not measured at fair value		400,313		
Other financial liabilities, contingent purchase price payments	4,561			3
Total financial liabilities measured at fair value	4,561			
Trade payables		8,283		
Lease liabilities		32,706		
Liabilities to banks		877,257	863,180	2
Other financial liabilities		4,273		
Total financial liabilities not measured at fair value		922,519		

Carrying amount and fair value level of financial assets and liabilities as at 31 December 2021

Classification according to IFRS 9	Carrying amount		Fair value level	
	At fair value through profit or loss	At amortised cost	Fair value	Level
In thousands of euro				
Financial assets				
thereof derivatives	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		2
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		

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 is calculated using an option pricing model in which the most relevant inputs are interest yield curves and, in the case of foreign currency derivatives, realised and expected changes in exchange rates.

The fair values of financial liabilities allocated to Level 2 are calculated as the present value of the payments related to the liabilities. The interest rate used is based on interest yield curves of IT companies with a BB rating and similar maturity.

Trade receivables, loan receivables, cash and cash equivalents, trade payables, liabilities due and other financial liabilities all generally have short-term maturities. For this reason, their carrying amounts are almost equal to their fair values.

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:

Valuation of contingent purchase price payment as at 30 June 2022

	Measurement method	Relevant unobservable input factors	Earn-out relevant billings (In EUR million)	Sensitivity analysis +/- 10% ¹ (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	DCF method	Contractually defined billings	9.2	+/- 0.4
Contingent purchase price payment for Viscopic acquisition	DCF method	Contractually defined billings	1.6	+/- 0.0

¹ Change in contingent purchase price liability based on a +/- 10% change in contractually defined earn-out relevant billings.

Valuation of contingent purchase price payment as at 31 December 2021

	Measurement method	Relevant unobservable input factors	Earn-out relevant billings (In EUR million)	Sensitivity analysis +/- 10% ¹ (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

¹ Change in contingent purchase price liability based on a +/- 10% change in contractually defined earn-out relevant billings.

The main input factors are in line with expectations as at the reporting date.

The estimates of the fair values of the liabilities for the outstanding contingent purchase price payments are also based on the contractually defined factors that the future payments are based on and the expectations that the TeamViewer Group has for these factors (Level 3). The TeamViewer Group assesses the probability based on the achievement of the defined targets and their timing. The assumptions made are reviewed at regular intervals.

The changes in the fair values of financial instruments classified in Level 3 in the first half-year of 2022 are presented below:

Outstanding contingent purchase price payments for acquisitions

In thousands of euro	
1 January 2022	8,430
Additions	-
(Other income)/other expenses	(3,631)
Payouts	(238)
30 June 2022	4,561

No transfers between fair value levels took place in the first half of 2022.

9. Operating segments

The Group is managed as a single-segment company, with the TeamViewer connectivity platform as the basis for segmentation. The decision for segmentation follows the internal organisation 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 comprehensive income already shows segment revenues and expenses, while the consolidated statement of financial position already shows segment assets and segment liabilities. All revenue reported in the consolidated statement of comprehensive income was generated with external customers.

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 thousands of euro	1 Jan – 30 Jun 2022	1 Jan – 30 Jun 2021
EMEA	162,914	150,568
AMERICAS	100,651	83,891
APAC	36,029	33,674
Billings	299,594	268,133
Changes in deferred revenue recognised in profit or loss	(27,616)	(26,973)
Total revenue	271,978	241,160

Billings by country

In thousands of euro	1 Jan – 30 Jun 2022	1 Jan – 30 Jun 2021
USA	80,489	65,940
Germany	48,935	43,731
Great Britain	18,089	17,258
France	17,947	16,557
Other countries	134,133	124,647
Billings	299,594	268,133

Billings by category

In thousands of euro	1 Jan – 30 Jun 2022	1 Jan – 30 Jun 2021
Retained	264,580	212,326
New	33,212	54,372
Non-recurring	1,801	1,435
Billings	299,594	268,133

Billings by customer group

In thousands of euro	1 Jan – 30 Jun 2022	1 Jan – 30 Jun 2021
SMB customers	237,536	222,653
Enterprise customers	62,057	45,480
Billings	299,594	268,133

The NRR LTM for the past twelve-month period is as follows:

Net retention rate (NRR LTM)

In percent	30 Jun 2022	30 Jun 2021
Annually recurring billings of existing subscription customers	101	95

Revenue by region

In thousands of euro	1 Jan – 30 Jun 2022	1 Jan – 30 Jun 2021
EMEA	146,685	128,538
AMERICAS	93,346	82,208
APAC	31,947	30,414
Revenue	271,978	241,160

Revenue by country

In thousands of euro	1 Jan – 30 Jun 2022	1 Jan – 30 Jun 2021
USA	68,584	63,697
Germany	42,765	37,193
Great Britain	16,166	14,271
France	15,071	13,269
Other countries	129,392	112,730
Revenue	271,978	241,160

Revenue by customer group

In thousands of euro	1 Jan – 30 Jun 2022	1 Jan – 30 Jun 2021
SMB customers	222,263	211,545
Enterprise customers	49,715	29,616
Revenue	271,978	241,160

Revenue is allocated to individual countries based on the location of the respective customer.

Non-current assets relate mainly to Germany.

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:

Adjusted EBITDA

In thousands of euro	1 Jan – 30 Jun 2022	1 Jan – 30 Jun 2021
Operating profit	61,869	57,807
Depreciation and amortisation	26,493	24,622
EBITDA	88,363	82,429
Change in deferred revenue recognised in profit or loss	27,616	26,973
Further items to be adjusted	25,322	37,597
Adjusted EBITDA	141,300	146,999

Other items to be adjusted

In thousands of euro	1 Jan – 30 Jun 2022	1 Jan – 30 Jun 2021
Expenses for share-based compensation	(15,488)	(29,823)
thereof expenses for share-based compensation offset by capital instruments	(14,569)	(28,229)
thereof cash-settled share-based compensation to own employees	(919)	(1,593)
Further items for adjustment	(9,834)	(7,774)
Reorganisation expenses	(6,897)	(668)
Expenses from special IT projects	(2,532)	(1,509)
Expenses for special legal disputes	(1,628)	(300)
Measurement of financial instruments	–	(2,704)
Expenses from financing and M&A	(254)	(1,935)
Earn-out adjustments ¹	3,768	200
Other	(2,290)	(858)
Total	(25,322)	(37,597)

¹ Amount included in "Other income".

10. Related party disclosures

TeamViewer identifies the related parties of TeamViewer AG in accordance with IAS 24. TigerLuxOne S.à.r.l. (TLO), with a share of 20.1 % as at 30 June 2022, is a related party as defined by IAS 24.

No material transactions were conducted with related parties in the first half of 2022.

Transactions involving key management personnel**Management Board remuneration according to IFRS**

In thousands of euro	30 Jun 2022	30 Jun 2021
Short-term employee benefits	2,169	855
Share-based compensation	807	3,688
thereof IPO bonus	–	3,250
thereof LTIP	807	438
Total	2,976	4,543

No other transactions took place with key management personnel during the reporting period (as in the comparative period of 2021), and no balances were outstanding as at 30 June 2022 or 31 December 2021.

11. Contractual obligations and contingencies

TeamViewer has contractual obligations related to sponsorship agreements. The remaining durations of these contracts are as follows:

Contractual liabilities from sponsoring agreements

In thousands of euro	30 Jun 2022	31 Dec 2021
Due within 1 year	76,230	71,524
Due in 1 to 5 years	222,373	287,980
Due in more than 5 years	–	–
Total	298,602	359,504

Contractual obligations and contingencies from other agreements

In thousands of euro	30 Jun 2022	31 Dec 2021
Due within 1 year	23,505	21,489
Due in 1 to 5 years	36,681	25,942
Due in more than 5 years	–	–
Total	60,186	47,431

Other contractual obligations and contingencies largely consist of **rental costs for IT infrastructure**.

There were no contingent liabilities as at 30 June 2022 or 31 December 2021.

12. Earnings per share

Basic earnings per share are calculated by dividing the profit or loss attributable to holders of ordinary shares of the parent company by the weighted average number of ordinary shares outstanding during the year.

Earnings per share (basic)

In EUR	1 Jan – 30 Jun 2022	1 Jan – 30 Jun 2021
Profit/(loss) for the period	26,389,336	17,924,696
Shares outstanding as at 30 June	186,515,856	201,070,931
Effect of clawback of "Ubimax" share-based compensation	(713,954)	(1,070,931)
Effect from share buyback programme	5,387,832	–
Weighted average number of shares outstanding	191,189,734	200,000,000
Earnings per share EUR (Profit/(loss) for the period/no. of shares)	0.14	0.09

The calculation of basic earnings per share excludes 713,954 recoverable ordinary shares issued by TeamViewer to the seller upon the acquisition of Ubimax GmbH. These new shares are subject to clawback in the event that they are not earned under the "Ubimax" share-based compensation if the founders have not performed the required work. These shares are pledged to TeamViewer AG and subject to a three-year vesting period. They are scheduled to be released in three annual tranches as soon as they are earned as part of the share-based compensation.

The share buyback programme impacted the weighted average number of outstanding shares by +5,387,832 shares.

Diluted earnings per share are calculated by dividing the net profit attributable to the holders of outstanding ordinary shares of TeamViewer AG by the weighted average number of outstanding ordinary shares, plus the weighted average number of ordinary shares that would result from the conversion of all potential ordinary shares with dilutive effect into ordinary shares.

Earnings per share (diluted)

In EUR	1 Jan – 30 Jun 2022	1 Jan – 30 Jun 2021
Profit/(loss) for the period	26,389,336	17,924,696
Weighted average number of shares outstanding	191,189,734	200,000,000
Dilution effects of "Ubimax" share-based compensation	163,160	491,417
Dilution effects of "RSU" share-based compensation	3,763	–
Weighted average number of shares outstanding adjusted for dilution effects	191,356,657	200,491,417
Earnings per share in EUR (Profit/(loss) for the period /no. of shares)	0.14	0.09

To calculate diluted earnings per share, the weighted average number of shares outstanding is increased by the number of potentially dilutive shares from the "Ubimax" and the "RSU" share-based compensation. The number of potentially dilutive shares is determined as the difference between the following two figures:

- ☐ (a) The number of ordinary shares issued under the "Ubimax" and the "RSU" share-based compensation arrangement; and
- ☐ (b) the number of ordinary shares that would have been issued at their average market price during the period.

In order to determine the latter figure, an assumption is made that an amount equal to the future expense still to be incurred from the share-based compensation transaction is used to repurchase the issued ordinary shares at their average market price during the period (referred to as "the treasury stock method").

13. Subsequent events

Aside from the following, no significant events occurred after the reporting date that could have a material effect on the presentation of the Group's financial position, cash flows and financial performance.

On 14 July 2022, the Company improved its credit facilities and entered into a new loan agreement with several lenders. For further information, see [7 Financial liabilities](#). On 2 August, the Company confirmed that it will continue its ongoing share buyback programme until the maximum amount of EUR 300 million is fully invested. For this purpose, the maximum number of shares to be repurchased under the programme was increased to 30 million shares in total.

Göppingen, 2 August 2022

The Management Board



Oliver Steil



Stefan Gaiser



Peter Turner

C_ FURTHER INFORMATION

01 Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the Group's earnings, assets and financial position, and the interim group management report includes a fair review of the development and performance of the business and the Group's position, together with a description of the principal opportunities and risks associated with the Group's expected development for the remainder of the fiscal year.

Göppingen, 2 August 2022

The Management Board



Oliver Steil

Stefan Gaiser

Peter Turner

02 Review report

To TeamViewer AG

We have reviewed the interim condensed consolidated financial statements of TeamViewer AG, Göppingen, which comprise the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and notes to the condensed consolidated interim financial statements, and the interim group management report for the period from 1 January 2022 to 30 June 2022, which are part of the half-year financial report pursuant to Sec. 115 WpHG [“Wertpapierhandelsgesetz”: German Securities Trading Act]. The executive directors are responsible for the preparation of the interim condensed consolidated financial statements in accordance with IFRSs on interim financial reporting as adopted by the EU and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports. Our responsibility is to issue a report on the interim condensed consolidated financial statements and the interim group management report based on our review.

We conducted our review of the interim condensed consolidated financial statements and of the interim group management report in compliance with German Generally Accepted Standards for the Review of Financial Statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance in our critical appraisal to preclude that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU and that the interim group management report is not prepared, in all material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to making inquiries of the Company’s employees and analytical assessments and therefore does not provide the assurance obtainable from an audit of financial statements. Since, in accordance with our engagement, we have not performed an audit of financial statements, we cannot issue an auditor’s report.

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU or that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

Stuttgart, 2 August 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Jürgen Schwehr
Wirtschaftsprüfer
[German Public Auditor]

Jens Rosenberger
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03 Financial calendar



Further dates and scheduling updates can be found at ir.teamviewer.com

04 Publication credits

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