HALF-YEAR FINANCIAL REPORT

For the First Six Months of Fiscal Year 2021

TeamViewer

TeamViewer AG at a glance

	1 Jan – 30 Jun 2021	1 Jan – 30 Jun 2020
Group key performance indicators		
Billings (EUR m)	268.1	225.7
Adjusted EBITDA (EUR m)	147.0	131.1
Number of subscribers (LTM) (in thousands)	623	534
Annual recurring billings of existing subscription customers/net retention rate (NRR LTM) (in %)	95	109
Financial performance of the Group		
Revenue (EUR m)	241.2	217.4
EBIT (EUR m)	57.8	81.9
EBIT (in % of revenue)	24.0	37.7
EBITDA (EUR m)	82.4	101.2
EBITDA margin (in % of revenue)	34.2	46.5
Adjusted EBITDA (EUR m)	147.0	131.1
Adjusted EBITDA margin (in % of billings)	54.8	58.1
Financial position and cash flows of the Group		
Equity ratio (in % of total assets)	19.1	22.6 [1]
Cash flows from operating activities (EUR m)	76.0	110.0
Cash flows from investing activities (EUR m)	(31.8) [2]	(15.0) [2]
Cash and cash equivalents (EUR m)	465.6	83.5 [1]
Other key figures		
R&D expenses (EUR m)	30.0	19.1
Employees (full-time equivalents)	1,472	1,256 [1]
Basic earnings per share (EUR)	0.09	0.21
Diluted earnings per share (EUR)	0.09	0.21

1 31 Dec 2020
2 Negative values are shown in brackets in tabular overviews.

Interactive PDF
Optimised for display with Adobe Acrobat.

This PDF document is optimised for use on screen.

By clicking on the information in the tables of contents, the headings in the headers or on page references, you can jump directly to the desired content.

Navigation buttons
- Search
- Table of contents
- Page back
- Page forward
- Previous page view

References in the text
- Page reference
- Website
- Email address

A_ INTERIM GROUP MANAGEMENT REPORT

B_ CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

C_ FURTHER INFORMATION

A_ INTERIM GROUP MANAGEMENT REPORT

01 Group fundamentals

TeamViewer is a global technology company and provider of a cloud-based platform enabling the digital connectivity of people and devices and the digital support of industrial work processes. Next to the vast number of private users, who can use parts of the product portfolio free of charge, TeamViewer's customer base comprises companies of all sizes from a wide range of industries. As of 30 June 2021, the TeamViewer Group employed 1,472 people (full-time equivalents) worldwide. TeamViewer AG is the Group's parent company, and its shares are listed on the Frankfurt Stock Exchange and included in various indices, including the MDAX and TecDAX.

The statements made in the Annual Report 2020 regarding the Group's business model, structure, strategy and objectives, as well as the management system, research and development, and the topic of sustainability in the TeamViewer Group, still apply at the time of preparing this interim report.

02 Economic report

MACROECONOMIC[1] AND SECTOR ENVIRONMENT

Macroeconomic environment

In June 2021, the Kiel Institute for the World Economy (IfW) recorded an upturn in the first half of 2021 despite pandemic-related headwinds. Overall, macroeconomic output for the current fiscal year is expected to increase to an average of 6.7 % on the back of an expansive monetary policy and significant fiscal policy stimulus in the United States. In 2022, the pace of global economic activity is expected to expand strongly again by 4.8 %. In view of rapidly advancing vaccination campaigns, the seasonality and infection control measures throughout Europe, the IfW expects gross domestic product (GDP) in the eurozone to grow by 5.3 % in the current year. The United States, which is also seeing a subsidence of the pandemic, is expected to generate GDP growth of 6.7 %.

Sector environment

The acceleration in digitalisation at companies triggered by the COVID-19 pandemic continued in the first half of 2021. Accompanying this is a shift in office operations to home offices and performing work processes remotely. This trend can also be seen in the anticipated increase in global IT spending in the current year, following a decline in the prior year. As a result of the pandemic, the IT market continues to be strongly driven overall by the trend in "remote working". This too is reflected by the strong growth in the areas of IT hardware and software for Enterprise customers.[2]

1 Kiel Economic Reports of the Kiel Institute for the World Economy (IfW): Economic Outlook World in Summer 2021.
2 https://www.gartner.com/en/newsroom/press-releases/2021-04-21-gartner-forecasts-worldwide-public-cloud-end-user-spending-to-grow-23-percent-in-2021

The market for public cloud services has also received a sustained boost from the COVID-19 pandemic. On-demand cloud solutions, which are scalable and can be adapted as needed, are more cost-efficient and an ideal solution for companies making a digital transformation. Market research firm Gartner projects this segment will grow by 23 %. [1]

Another aspect of the ongoing remote work trend is the fact that IT security is playing an increasingly important role. For example, Gartner is forecasting a 12.4 % increase in global spending on information security and risk management technologies and services in the current year, compared to growth of only 6.4 % in 2020. The fastest growing segments in this area are cloud security, data security and infrastructure protection. [2]

BUSINESS PERFORMANCE

TeamViewer further expanded its target market in the first quarter and invested in its long-term growth through strategic acquisitions. TeamViewer acquired **Upskill, Inc.** (Upskill), the U.S. pioneer for augmented reality (AR) solutions for the industrial workforce. With this acquisition, TeamViewer strengthens its market position in enterprise AR solutions across all industries and significantly expands its awareness and reach in the U.S., TeamViewer's largest market.

With Munich-based start-up **Viscopic GmbH** (Viscopic), TeamViewer has acquired a specialist in the field of interactive 3D visualisation as well as mixed reality solutions. Viscopic's innovative technology can be used to further optimise industrial processes, especially in the areas of quality assurance, maintenance, training and the layout planning of industrial plants. Viscopic's technology perfectly complements TeamViewer's AR and Frontline offerings and creates further added value for customers. In the training use case, for example, new employees in the areas of manufacturing and inspection were able to practice complex tasks using interactive 3D holograms, making it easier for them to understand the processes and learn immersively with the model. The acquisitions of Upskill and Viscopic rounded out TeamViewer's AR portfolio.

With the acquisition of **TeamViewer Austria GmbH** (Xaleon), TeamViewer broadened its portfolio to include the area of customer engagement applications. In the three months since the acquisition, the company and its technology have already been fully integrated. With its new product TeamViewer Engage, TeamViewer enables its subscribers to engage in complete digital customer interaction from the initial point of contact to contract conclusion.

The acquisition of the software development and digital design agency **Hapibot Studio Unipessoal Lda** (Hapibot) lays the foundation for the new software development hub located in Portugal's tech hotspot Porto. The team in Porto currently consists of around 20 employees. Hapibot's expertise lies primarily in the emerging areas of app development, AR, Internet of Things (IoT) and artificial intelligence (AI). The team has already worked with renowned brands on a number of innovative digital experience projects. By establishing the new development hub in Portugal, TeamViewer is reinforcing its strategic focus to drive forward the development of innovative technologies in Europe as a research location.

In the first quarter of 2021, TeamViewer successfully continued its financing activities by placing a **promissory note** in the amount of EUR 300 million. This note features a sustainability component and is linked to the Environmental, Social, Governance (ESG) management score of the research firm Sustainalytics. By taking this step, TeamViewer has also embedded the important topic of sustainability into its capital structure. In addition, the Company took out a **bilateral bank loan** of EUR 100 million at very favourable conditions. The net proceeds were used to repay the drawn portion of the revolving credit facility in the amount of EUR 52.7 million and also to increase the financial flexibility for the implementation of the Company's comprehensive growth initiatives.

TeamViewer strengthened its senior management team in April 2021 by appointing **Lisa Agona** as the new chief marketing officer (CMO) and board member. Her addition will drive the Company's global brand building and accelerate its expansion and growth in the Americas.

TeamViewer and SAP entered into a strategic partnership in June 2021. TeamViewer's augmented reality-based software suite Frontline will be integrated into SAP solutions and included in SAP's partner programme.

As already described, the COVID-19 pandemic has significantly changed earlier trends in demand. While the Company was able to retain most of the new subscribers from the first wave of the 2020 lockdown, the volume of individual contract renewals in April and May 2021 was lower than expected. Business momentum improved in June of the reporting period, driven by a very strong increase in new contracts with Enterprise customers.

1 https://www.gartner.com/en/newsroom/press-releases/2021-04-21-gartner-forecasts-worldwide-public-cloud-end-user-spending-to-grow-23-percent-in-2021
2 https://www.gartner.com/en/newsroom/press-releases/2021-05-17-gartner-forecasts-worldwide-security-and-risk-managem

GROUP FINANCIAL PERFORMANCE

The key performance indicators are as follows:

Key figures of the TeamViewer Group's operating results

	1 Jan – 30 Jun 2021			1 Jan – 30 Jun 2020		
In EUR millions	IFRS	Reconciliation	Management view	IFRS	Reconciliation	Management view
Revenue/ billings	**241.2**	26.9	268.1	**217.4**	8.3	225.7
EBITDA[1]/ Adjusted EBITDA	**82.4**	64.6	147.0	**101.2**	29.9	131.1
EBITDA in % of revenue/ Adjusted EBITDA in % of billings	**34.2**	20.6 pp[2]	54.8	**46.5**	11.6 pp[2]	58.1
EBIT	**57.8**			**81.9**		
Profit/(loss) for the year	**17.9**			**42.5**		

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

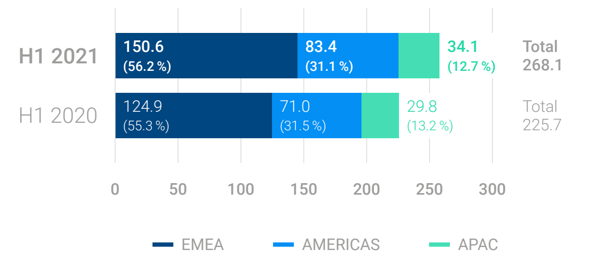
Billings

Billings represent the value (net) of invoiced goods and services that are billed to customers in a certain period and constitute a contract under 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 2021, TeamViewer's billings increased year-on-year by 18.8% to EUR 268.1 million (H1 2020: EUR 225.7 million), and 22.2%[3] on a currency-adjusted basis. All regions contributed to this positive development with year-on-year double-digit percentage growth in billings. The increase in billings is attributable to a rise in subscriptions.

Breakdown of billings by regions

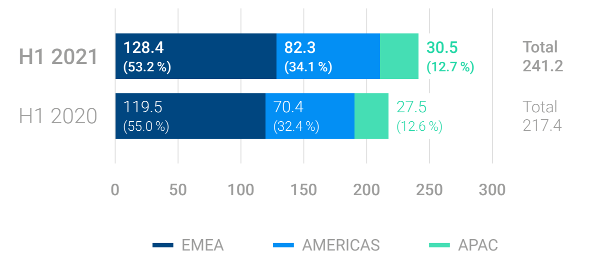


In EUR millions

Revenue

The Group's revenue by region in the first half of 2021 and in the same prior-year period was as follows:

Breakdown of revenue by region



In EUR millions

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

In EUR millions	1 Jan – 30 Jun 2021 (% share of total revenue)		1 Jan – 30 Jun 2020 (% share of total revenue)		Change	
EMEA	128.4	53.2 %	119.5	55.0 %	+ 8.9	+ 7.4 %
AMERICAS	82.3	34.1 %	70.4	32.4 %	+ 11.9	+ 16.9 %
APAC	30.5	12.7 %	27.5	12.6 %	+ 3.0	+ 10.9 %
Revenue	**241.2**	**100.0 %**	**217.4**	**100.0 %**	**+ 23.8**	**+ 10.9 %**
Of which under subscription model	238.9	99.0 %	186.8	85.9 %	+ 52.1	+ 27.9 %
Of which under perpetual licence model	2.3	1.0 %	30.6	14.1 %	– 28.3	– 92.5 %

In the first half of 2021, TeamViewer generated revenue of EUR 241.2 million, corresponding to a year-on-year growth rate of 10.9 % (H1 2020: EUR 217.4 million) and marking a continuation in the Company's revenue growth trajectory of prior years. All regions contributed to revenue growth.

TeamViewer has been selling all products based on a subscription model since 2019. Whereas revenue was deferred over three years under the previous perpetual licence model, revenue under the subscription model is deferred over the subscription period (generally twelve months). Revenue for the first half of 2021 included a significantly lower release of deferred revenue from perpetual licences (EUR 2.3 million) than in the first half of 2020 (EUR 30.6 million). As a result, revenue growth in the first half of 2021 was significantly lower than the growth in billings.

Earnings development

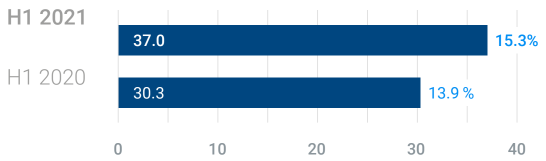
Total costs and other income

The development of TeamViewer's total costs and other income was strongly influenced by the Group's dynamic momentum during the past six months.

The Group's **cost of sales** increased by 22.1 % from EUR 30.3 million in the comparative period of 2020 to EUR 37.0 million in the reporting period. The cost of sales as a percentage of revenue increased from 13.9 % to 15.3 % in the reporting period. The absolute increase in the cost of sales was driven by the amortisation of intangible assets.

Gross profit, calculated as revenue less cost of sales, increased by 9.1 % from EUR 187.2 million to EUR 204.2 million.

Cost of sales trend



In EUR millions, in percent of revenue

Research and development costs increased by 56.9 % to EUR 30.0 million in the first half of 2021 (H1 2020: EUR 19.1 million). Contributing to the higher costs were the increased hiring of software developers, share-based compensation related to company acquisitions, and the expansion of IT infrastructure and IT security. Research and development expenses stemmed primarily from spending on the further development of existing products as well as on the development of new AR products.

The development of **sales expenses** was shaped by the build-out of the sales structure. The increase of 51.6 % to EUR 50.8 million in the first half of 2021 (H1 2020: EUR 33.5 million) reflects the expansion of the global sales organisation. Another key contributor to the increase was expenses from equity-settled share-based compensation related to company acquisitions.

The rise in **marketing costs** of 76.8 % to EUR 31.3 million in the first half of 2021 (H1 2020: EUR 17.7 million) was due to an increase in marketing activities. Among others these activities included driving forward search engine marketing optimisation as well as TeamViewer's growth into an international technology brand. The increase in sponsoring activities for brand development also led to higher expenses in the first half of 2021.

Operating profit (EBIT) and adjusted EBITDA

Operating profit (EBIT) according to IFRS amounted to EUR 57.8 million in the first half of 2021 (H1 2020: EUR 81.9 million), corresponding to a year-on-year decline of 29.4 %. The decrease resulted from lower income from the release of deferred revenue from perpetual licences. The EBIT margin (EBIT as a percentage of revenue) decreased from 37.7 % to 24.0 %.

The Company's **EBITDA**, defined as EBIT according to IFRS plus depreciation and amortisation, decreased from EUR 101.2 million in the first half of 2020 to EUR 82.4 million in the reporting period, for a decline of 18.6 %. Similar to the development of EBIT, the decrease resulted from lower income from the release of deferred revenue from perpetual licences. As a percentage of revenue, EBITDA declined from 46.5 % in the first half of 2020 to 34.2 % in the first half of 2021.

Adjusted EBITDA (adjusted for the change in deferred revenue recognised in profit or loss and for certain transactions) increased by 12.1 % to EUR 147.0 million in the first half of 2021 (H1 2020: EUR 131.1 million). The following table shows a reconciliation from EBITDA to adjusted EBITDA for the first half of 2021 and the first half of 2020:

Reconciliation of operating profit to adjusted EBITDA

In EUR millions	1 Jan – 30 Jun 2021	1 Jan – 30 Jun 2020
EBITDA	**82.4**	**101.2**
Change in deferred revenue recognised in profit or loss	27.0	8.2
Expenses for share-based compensation	29.8	20.4
Other items to be adjusted	7.8	1.2
Adjusted EBITDA	**147.0**	**131.1**

In addition to the change in deferred revenue recognised in profit or loss in the amount of EUR 27.0 million (H1 2020: EUR 8.2 million), expenses (net of corresponding income) totalling EUR 37.6 million (H1 2020: EUR 21.6 million) were adjusted in the first half of 2021. These adjustments were mainly related to expenses in connection with share-based compensation programmes issued by TigerLuxOne S.à.r.l. (TLO) in the amount of EUR 13.8 million (H1 2020: EUR 20.1 million), which is fully paid by TLO and does not impact TeamViewer Group's liquidity. In addition, equity-settled share-based payment expenses related to business combinations in the amount of EUR 14.5 million (H1 2020: EUR 0.0 million) were adjusted in the first half of 2021, which did not result in any cash outflow for the Group.

Other special items to be adjusted included primarily expenses associated with the valuation effects from derivatives used to hedge foreign currency fluctuations in the amount of EUR 2.7 million (2020: EUR 0.2 million), expenses of EUR 1.6 million (H1 2020: EUR 0.2 million) related to company acquisitions and expenses for special IT projects of EUR 1.5 million (H1 2020: EUR 0.2 million).

Adjusted EBITDA as a percentage of billings decreased to 54.8 % in the first half of 2021 (H1 2020: 58.1 %). This decline was a result of the disproportionate increase in expenses compared to the growth in billings.

Finance costs amounted to EUR 9.9 million in the first half of 2021 (H1 2020: EUR 13.5 million). Despite an increase in liabilities to credit institutions, finance expenses decreased year-on-year by EUR 3.6 million in the reporting period, mainly as a result of lower interest rates.

The balance of **currency gains and currency losses** amounted to a currency loss of EUR 8.9 million in the reporting period compared to a currency gain of EUR 1.1 million in the same prior-year period. The balance in the reporting period consisted largely of currency losses on liabilities to credit institutions in USD and GBP.

Income tax expense of EUR 21.6 million in the reporting period was EUR 5.6 million lower than in the same prior-year period (H1 2020: EUR 27.2 million). The decrease was the result of the lower earnings before taxes.

Profit/(loss) for the period

The **profit/(loss) for the period** deteriorated to EUR 17.9 million in the first half of 2021 compared to EUR 42.5 million in the same period of 2020, resulting in **positive earnings per share** of EUR 0.09 (H1 2020: EUR 0.21).

FINANCIAL POSITION AND CASH FLOWS OF THE GROUP

Group assets

The structure of TeamViewer's assets as of the reporting date for the first half of 2021 and year-end 2020 was as follows:

Structure of TeamViewer's assets

In EUR millions % share	30 Jun 2021		31 Dec 2020	
Non-current assets	983.2	65.4 %	948.1	89.2 %
Current assets	520.9	34.6 %	115.3	10.8 %
Total assets	**1,504.1**	**100.0 %**	**1,063.4**	**100.0 %**

The Group's **total assets** equalled EUR 1,504.1 million as of 30 June 2021 (31 December 2020: EUR 1,063.4 million). Non-current assets at EUR 983.2 million as of 30 June 2021 (31 December 2020: EUR 948.1 million) accounted for the majority of assets, as in the prior year. The increase in total assets was mainly attributable to the increase in current assets.

As of 30 June 2021, the Company's **non-current assets** consisted of 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 666.9 million as of 30 June 2021 (31 December 2020: EUR 646.8 million). The increase in non-current assets of EUR 35.1 million in the first half of 2021 resulted mainly from an increase in goodwill (EUR 20.1 million) due to acquisitions, as well as to a rise in intangible assets (EUR 10.0 million) and property, plant and equipment (EUR 4.7 million).

Current assets totalled EUR 520.9 million (31 December 2020: EUR 115.3 million). As of 30 June 2021, TeamViewer's current assets comprised trade receivables, other assets, tax receivables, financial assets, and cash and cash equivalents. The increase in current assets was driven mainly by higher cash and cash equivalents from the assumptions of new bank loans and cash flows from operating activities.

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 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. In the first half of 2021, TeamViewer took out additional promissory notes in the amount of EUR 300.0 million and a bilateral bank loan in the amount of EUR 100.0 million to significantly increase this flexibility. The weighted residual term increased as a result of the new bank loans and the maturity dates were spread over a longer period. Under the terms of the 2019 credit agreements, the Group has to comply with certain covenants (leverage ratio covenant).[1]

Group capital structure

The capital structure (liabilities) of TeamViewer as of the reporting date for the first half of 2021 and year-end 2020 was as follows:

Capital structure (liabilities)

In EUR millions % share	30 Jun 2021		31 Dec 2020	
Equity	287.5	19.1 %	240.7	22.6 %
Non-current liabilities	902.3	60.0 %	471.7	44.4 %
Current liabilities	314.4	20.9 %	351.0	33.0 %
Total equity and liabilities	**1,504.1**	**100.0 %**	**1,063.4**	**100.0 %**

Equity

Equity amounted to EUR 287.5 million as of 30 June 2021, exceeding the level as of 31 December 2020 by EUR 46.8 million. Equity increased mainly as a result of the total comprehensive income of EUR 18.5 million in the first half of 2021 and the increase in capital reserves.

The Group's subscribed capital remained unchanged at EUR 201.1 million as of 30 June 2021 and was divided into 201.1 million ordinary bearer shares (no-par value shares).

The increase in the capital reserve of EUR 28.2 million in the first half of 2021 resulted exclusively from expenses from equity-settled share-based compensation.

1 Leverage ratio covenant = net financial liabilities/pro forma EBITDA defined in each case in accordance with the credit agreement.

Based on the above, the equity ratio amounted to 19.1% as of 30 June 2021, compared to 22.6% at the end of the 2020 financial year. The decline in the equity ratio was a result of the rise in total assets.

Non-current and current liabilities

The Group's **non-current liabilities** amounted to EUR 902.3 million as of 30 June 2021, significantly higher than the figure of EUR 471.7 million as of 31 December 2020. The share of non-current liabilities in total liabilities and shareholders' equity consequently increased to 60.0% (31 December 2020: 44.4%). The main increase in this item came from the rise in financial liabilities, which rose to EUR 853.7 million (December 31, 2020: EUR 440.2 million). Non-current financial liabilities increased primarily from taking on new bank loans (for more information, please refer to the explanations under Group financial position).

TeamViewer's **current liabilities** amounted to EUR 314.4 million as of 30 June 2021, a year-on-year reduction of EUR 36.6 million (31 December 2020: EUR 351.0 million). This was primarily a result of the EUR 48.8 million decline in current financial liabilities to EUR 33.3 million (31 December 2020: EUR 82,1 million), which largely stemmed from the repayment of loans. Current deferred revenue, in contrast, increased by EUR 22.4 million to EUR 237.2 million in the reporting period. Current deferred revenue will be released in profit or loss in subsequent years and make a positive contribution to future earnings.

The TeamViewer Group's liabilities to credit institutions as of 30 June 2021 were as follows:

Liabilities to credit institutions

	30 June 2021				
In EUR millions	Currency	Nominal interest rate	Year of maturity	Principal amount (EUR)	**Carrying amount (EUR)**
Loans					
2019 syndicated loan in USD	USD	1.90%	2024	271.8	267.1
2019 syndicated loan in EUR	EUR	1.50%	2024	118.8	116.6
2019 syndicated loan in GBP	GBP	1.83%	2024	73.7	72.4
2019 syndicated loan revolving credit facility [1]	Various	Various	2024	–	–
2021 bilateral bank loan in EUR	EUR	1.0%	2025	100.0	100.0
Promissory notes					
Promissory note 3-year fixed interest	EUR	1.0%	2024	27.0	27.0
Promissory note 3-year variable interest	EUR	1.0%	2024	58.0	58.0
Promissory note 5-year fixed interest	EUR	1.2%	2026	118.0	118.1
Promissory note 5-year variable interest	EUR	1.2%	2026	75.0	75.1
Promissory note 7-year fixed interest	EUR	1.4%	2028	13.0	13.0
Promissory note 10-year fixed interest	EUR	1.6%	2031	9.0	9.0
Total liabilities to credit institutions				**864.3**	**856.3**

1 As of 30 June 2021, TeamViewer had an undrawn credit facility of up to EUR 150 million.

	31 Dec 2020				
In EUR millions	Currency	Nominal interest rate	Year of maturity	Principal amount (EUR)	**Carrying amount (EUR)**
2019 syndicated loan in USD	USD	2.24%	2024	263.2	257.9
2019 syndicated loan in EUR	EUR	1.75%	2024	118.8	116.3
2019 syndicated loan in GBP	GBP	2.03%	2024	70.4	68.9
2019 syndicated loan revolving credit facility	Various	1.89%	2024	52.1	52.0
Total liabilities to credit institutions				**504.5**	**495.1**

In the case of the syndicated loans, the Group is required to make annual mandatory repayments of at least 5% of the principal amount. This payment was made for the first time on 31 December 2020 and amounted to EUR 23.8 million.

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 421.4 million as of 30 June 2021 (31 December 2020: EUR 438.7 million).

The **net leverage ratio,** defined as the Group's net financial liabilities divided by adjusted EBITDA for the past 12 months, was 1.5 as of 30 June 2021 (31 December 2020: 1.7). The reduction in net leverage ratio resulted from the increase in adjusted EBITDA coupled with the decrease in net financial liabilities.

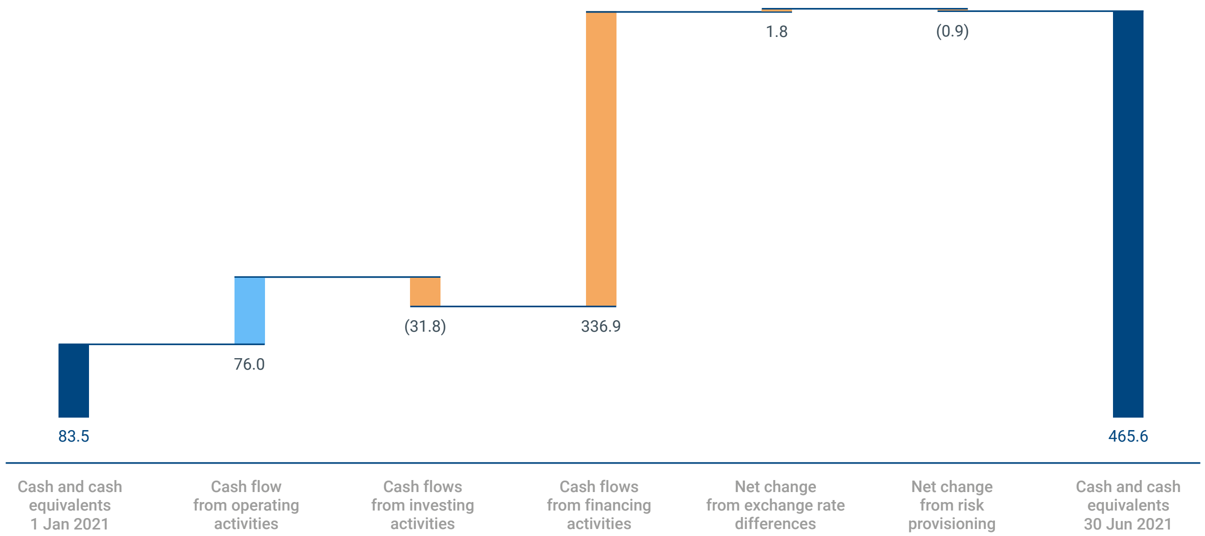
Investment and liquidity analysis

TeamViewer's condensed statement of cash flows for the first half of 2021 and the prior-year period was as follows:

Development of financial position

In EUR millions	1 Jan– 30 Jun 2021	1 Jan– 30 Jun 2020
Cash and cash equivalents at beginning of period	**83.5**	**71.2**
Cash flows from operating activities	76.0	110.0
Cash flows from investing activities	(31.8)	(15.0)
Cash flows from financing activities	336.9	(15.4)
Net change from exchange rate differences	1.8	(0.5)
Net change from risk provisioning	(0.9)	(0.5)
Cash and cash equivalents at end of period	**465.6**	**149.8**

Key financial performance indicators of the TeamViewer Group



In EUR millions

TeamViewer's **cash flows from operating activities** amounted to EUR 76.0 million in the first half of 2021 (H1 2020: EUR 110.0 million), equalling a year-on-year reduction of 30.9%. This reduction primarily resulted from advance payments for sponsoring activities in the amount of EUR 26.0 million as well as higher tax payments.

Cash flows from investing activities amounted to EUR –31.8 million in the first half of 2021 (H1 2020: EUR –15.0 million). Investments in property, plant and equipment and intangible assets amounted to EUR –8.4 million in the first half of 2021 (H1 2020: EUR –14.9 million). Investments in company acquisitions in the first half of 2021 amounted to EUR –23.4 million (H1 2020: EUR 0.0 million).

Cash flows from financing activities amounted to EUR 336.9 million in the first half of 2021 (H1 2020: EUR –15.4 million) and mainly include the issue of a promissory note and the assumption of a bilateral bank loan. Offsetting this was a repayment amounting to EUR –52.7 million for the drawn portion of the revolving credit facility of the syndicated loan.

TeamViewer's **cash and cash equivalents** amounted to EUR 465.6 million as of 30 June 2021, compared to EUR 83.5 million at the end of the same prior-year period. The Group was able to meet its payment obligations at all times during the past fiscal year.

EMPLOYEES

This represents an increase in headcount in the first half-year from 1,294 employees as of 31 December 2020 to 1,532 employees as of 30 June 2021. Converted into full-time equivalents (FTE), this corresponded to 1,472 FTEs as of 30 June 2021 compared to 1,256 FTEs as of 31 December 2020.

OVERALL ASSESSMENT OF THE FINANCIAL SITUATION

In the assessment of the Management Board of TeamViewer AG, the business development in the first half of 2021, as well as the financial situation of the Group as a whole, is very strong. The COVID-19 pandemic has significantly affected the demand for connectivity solutions. While TeamViewer was able to retain the majority of customers from the lockdown wave in the first half of 2020, these customers renewed their subscriptions in the first half of 2021 at a lower volume than assumed in the original forecast for the fiscal year. Despite this normalisation in demand in the first half of 2021, the Company continued its strong growth trajectory. The Company won new enterprise customers in the first half of 2021The strong business performance led to an increase in adjusted EBITDA to EUR 147.0 million in the reporting period (H1 2020: EUR 131.1 million). Based on these developments, TeamViewer can look back on a successful first half of 2021.

03 Subsequent events

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.

04 Opportunity and risk report

No significant changes have occurred in the current risk assessment in comparison to the assessment described in the “Opportunities and risks report” contained in the Annual Report 2020.

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

Following the historic 3.2 % slump in global output last year and despite renewed pandemic-related headwinds, the global economy remained on an upward trajectory in the first months of 2021, according to the Kiel Institute for the World Economy (IfW). The impact of the pandemic was largely confined to the service sectors, while industrial production and global trade continued to expand strongly until the spring. On the whole, a strong rise in global output (on a purchasing power parity basis) of 6.7 % is anticipated for 2021.[1]

The overall economic recovery is also having a positive impact on expected global IT spending, which, according to the market research company Gartner, is expected to increase by 8.6 % this year to USD 4.2 trillion. The enterprise software segment, which is relevant for TeamViewer, is the second-fastest growing segment with a projected growth of 13.2 % and accounts for a share of approximately 14 %[2] of global IT spending. In terms of global spending on cloud solutions, Gartner forecasts growth of around 23 % to USD 332 billion in 2021. The software-as-a-service (SaaS) segment, which includes remote working applications, is expected to grow by around 19 % to roughly USD 123 billion.[3] Similarly, according to market research firm IDC, global spending on the Internet of Things (IoT) is expected to see recovering growth in the low double-digit percentage range in 2021 and continue in the years thereafter.[4]

Digital transformation at companies is continuing and increasingly being used to gain a competitive advantage.[5] According to a forecast by the market research institute IDC, corporate spending on digital transformation will grow by an average of approximately 16 % per year between 2020 and 2023.[6]

In the view of the Management Board, TeamViewer is ideally positioned to grow in these highly attractive growth markets related to digitalisation, connectivity and Industry 4.0, across all customer segments. By expanding its product portfolio, especially in the area of augmented reality, the Company has taken an all-encompassing approach to further penetrating these markets and growing sustainably.

FUTURE DEVELOPMENT OF THE GROUP

Based on the performance in the first half of 2021, TeamViewer confirms its outlook for fiscal year 2021, albeit at the lower end of the expected ranges for billings and revenue.

For the current fiscal year, TeamViewer expects currency-adjusted billings growth at the lower end of the range of 29 % to 33 %. As a result of negative exchange rate effects, mainly caused by a weaker U.S. dollar, reported billings are expected to be towards the lower end of the range of EUR 585 million to EUR 605 million (2020: EUR 460.3 million). This outlook is based on a euro-dollar exchange rate of 1.20 and assumes the exchange rates of other currencies will remain largely stable. Full-year revenue is projected to be at the lower end of the range of EUR 525 million to EUR 540 million (2020: EUR 455.6 million). The Company also expects an adjusted EBITDA margin in the range of 49 % to 51 % (previous expectation: 55 % to 57 %).

OVERALL ASSESSMENT OF FUTURE DEVELOPMENT

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

Göppingen, 28 July 2021

The Management Board

Oliver Steil   Stefan Gaiser   Lisa Agona

1 Kiel Economic Reports of the Kiel Institute for the World Economy (IfW): Economic Outlook World in Summer 2021.
2 https://www.gartner.com/en/newsroom/press-releases/2021-07-14-gartner-forecasts-worldwide-it-spending-to-grow-9-percent-2021
3 https://www.gartner.com/en/newsroom/press-releases/2021-04-21-gartner-forecasts-worldwide-public-cloud-end-user-spending-to-grow-23-percent-in-2021
4 https://www.idc.com/getdoc.jsp?containerId=prUS46609320
5 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
6 https://www.idc.com/getdoc.jsp?containerId=prMETA47037520

B_ CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

01 Consolidated statement of profit or loss and other comprehensive income

From 1 January to 30 June 2021

In thousands of euro	Note	**1 Jan – 30 Jun 2021**	1 Jan – 30 Jun 2020
Revenue	5	**241,160**	**217,446**
Cost of sales		(36,954)	(30,285)
Gross profit		**204,207**	**187,161**
Other income		2,060	521
Research and development		(29,996)	(19,121)
Sales		(50,802)	(33,467)
Marketing		(31,302)	(17,733)
General and administrative		(26,545)	(26,600)
Other expenses		(1,863)	(291)
Bad debt expenses		(7,952)	(8,523)
Operating profit		**57,807**	**81,947**
Finance income		533	151
Finance costs		(9,855)	(13,507)
Foreign currency income [1]		7,258	9,349
Foreign currency costs [1]		(16,207)	(8,248)
Profit before taxation		**39,536**	**69,692**
Income taxes		(21,612)	(27,229)
Profit/(loss) for the period		**17,925**	**42,463**

In thousands of euro	Note	**1 Jan – 30 Jun 2021**	1 Jan – 30 Jun 2020
Other comprehensive income that may be reclassified to profit or loss in the subsequent period		604	(95)
Hedge reserve, gross		0	(62)
Exchange differences on the translation of foreign operations		604	(33)
Total comprehensive income		**18,529**	**42,368**
Earnings per share in EUR			
Undiluted, based on earnings attributable to holders of the parent company's ordinary shares	12	0.09	0.21
Diluted, based on earnings attributable to holders of the parent company's ordinary shares	12	0.09	0.21

1 Change in presentation compared to the previous year. See also Note 05_01 General Information

02 Consolidated statement of financial position As of 30 June 2021

In thousands of euro	Note	30 Jun 2021	31 Dec 2020
Non-current assets			
Goodwill		666,902	646,793
Intangible assets		265,333	255,330
Property, plant and equipment		45,188	40,469
Financial assets		4,490	4,516
Other assets		1,013	857
Deferred tax assets		275	159
Total non-current assets		**983,201**	**948,124**
Current assets			
Trade receivables	6	13,500	19,667
Other assets		39,342	7,594
Tax assets		1,369	52
Financial assets		1,166	4,456
Cash and cash equivalents		465,572	83,531
Total current assets		**520,949**	**115,301**
Total assets		**1,504,151**	**1,063,425**

In thousands of euro	Note	30 Jun 2021	31 Dec 2020
Equity			
Issued Capital		201,071	201,071
Capital reserve		395,127	366,898
(Accumulated losses)/retained earnings		(308,930)	(326,854)
Hedge reserve		(61)	(61)
Foreign currency translation reserve		262	(343)
Total equity attributable to shareholders of TeamViewer AG		**287,469**	**240,711**
Non-current liabilities			
Provisions		357	433
Financial liabilities	7	853,706	440,153
Deferred revenue		691	361
Deferred and other liabilities		3,442	1,614
Other financial liabilities [1]	4	13,932	0
Deferred tax liabilities		30,199	29,186
Total non-current liabilities		**902,327**	**471,747**
Current liabilities			
Provisions		2,161	2,225
Financial liabilities	7	33,253	82,099
Trade payables		7,160	8,304
Deferred revenue		237,202	214,811
Deferred and other liabilities [1]		31,018	39,120
Other financial liabilities [1]	4	3,264	29
Tax liabilities		296	4,378
Total current liabilities		**314,354**	**350,966**
Total liabilities		**1,216,681**	**822,714**
Total equity and liabilities		**1,504,151**	**1,063,425**

1 Change in presentation compared to the previous year. See also Note 05_01 General Information

03 Consolidated statement of cash flows From 1 January to 30 June 2021

In thousands of euro	Note	1 Jan – 30 Jun 2021	1 Jan – 30 Jun 2020
Cash flows from operating activities			
Profit before taxation		39,536	69,692
Depreciation, amortisation and impairment of non-current assets		24,622	19,322
Increase/(decrease) in provisions		(140)	(978)
Non-operational foreign exchange (gains)/losses		10,838	(3,301)
Expenses for equity-settled share-based compensation		28,229	20,412
Net financial costs		9,321	13,356
Change in deferred revenue		22,721	6,800
Changes in other net working capital and other		(29,571)	2,352
Income taxes paid		(29,546)	(17,666)
Cash flows from operating activities		**76,011**	**109,990**
Cash flows from investing activities			
Capital expenditure for property, plant and equipment and intangible assets		(8,380)	(14,944)
Payments for the acquisition of non-current financial assets		0	(51)
Payments for acquisitions	4	(23,383)	0
Cash flows from investing activities		**(31,763)**	**(14,995)**

In thousands of euro	Note	1 Jan – 30 Jun 2021	1 Jan – 30 Jun 2020
Cash flows from financing activities			
Repayments of borrowings	7	(52,730)	0
Proceeds from borrowings	7	400,000	0
Payments for the capital element of lease liabilities		(3,620)	(1,757)
Interest paid for borrowings and lease liabilities	7	(6,744)	(13,636)
Cash flows from financing activities		**336,906**	**(15,393)**
Net change in cash and cash equivalents		**381,155**	**79,603**
Net foreign exchange rate difference		1,780	(531)
Net change from cash risk provisioning		(894)	(471)
Cash and cash equivalents at beginning of period		83,531	71,153
Cash and cash equivalents at end of period		**465,572**	**149,755**

04 Consolidated statement of changes in equity From 1 January to 30 June 2021

Consolidated statement of changes in equity 2021

In thousands of euro	Note	Subscribed capital	Capital reserve	(Accumulated losses)/ retained earnings	Hedge reserve	Foreign currency translation reserve	Total equity
Balance as of 1 January 2021		**201,071** [1]	**366,898** [1]	**(326,854)**	**(61)**	**(343)**	**240,711**
Profit/(loss) for the period		–	–	17,925	–	–	17,925
Other comprehensive income		–	–	–	(0)	604	604
Share-based compensation	9	–	28,229	–	–	–	28,229
Balance as of 30 June 2021		**201,071**	**395,127**	**(308,930)**	**(61)**	**262**	**287,469**

Consolidated statement of changes in equity 2020

In thousands of euro	Note	Subscribed capital	Capital reserve	(Accumulated losses)/ retained earnings	Hedge reserve	Foreign currency translation reserve	Total equity
Balance as of 1 January 2020		**200,000**	**320,661**	**(429,881)**	**–**	**1,081**	**91,861**
Profit/(loss) for the period		–	–	42,463	–	–	42,463
Other comprehensive income		–	–	–	(62)	(33)	(95)
Share-based compensation	9	–	20,055	–	–	–	20,055
Balance as of 30 June 2020		**200,000**	**340,716**	**(387,418)**	**(62)**	**1,048**	**154,284**

1 Please refer to the information in TeamViewer AG's consolidated financial statements for the 2020 fiscal year regarding the changes to subscribed capital and capital reserve in the first half of 2020.

05 Notes to the Condensed Interim Consolidated Financial Statements

05_ 01 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").

The condensed and unaudited interim consolidated financial statements of TeamViewer AG for the six months ended 30 June 2021 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 Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart (please refer to p. 36 Review Report). The condensed interim consolidated financial statements do not contain all the information or disclosures required for consolidated financial statements as of the end of the fiscal year and should therefore be read in conjunction with the consolidated financial statements as of 31 December 2020.

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

Foreign currency income and foreign currency costs are presented on a gross basis in the consolidated statement of comprehensive income for the first half of 2021. This is in contrast to the consolidated statement of comprehensive income for the first half of 2020 in which these gains and losses were presented on a net basis and a distinction was made instead between unrealised and realised gains/losses on currency translation. This change in presentation corresponds to that in the consolidated financial statements of TeamViewer AG as of 31 December 2020.

The liabilities for the cash-settled share-based compensation (Long-Term Incentive Plan – LTIP) are reported under the item "Deferred and other liabilities" and no longer included in the item "Other financial liabilities" as in the previous year.

Advance payments for sponsoring activities are recognised as accruals under other current assets until the services are received and are then expensed in full when the service is received. Significant expenses for sponsoring activities are expensed on a straight-line basis over the expected duration of the sponsoring activity.

Billings categories and net retention rate (NRR LTM)

- Retained Billings: Annual recurring billings (renewals, up- & cross sell) attributable to retained subscribers who were subscribers in the previous 12-month period.
- New Billings: Annual recurring billings attributable to new subscribers
- Non-Recurring Billings: All billings that do not recur annually such as professional services and hardware reselling.

The net retention rate (NRR LTM) is calculated as annual recurring billings (subscription renewals, up-selling and cross-selling activities) over the past twelve months attributable to retained subscribers (subscribers who were subscribers in the previous 12-month period) divided by the total recurring billings from the previous twelve-month period. The NRR LTM as an indicator for evaluating customer loyalty represents a secondary performance indicator.

Estimates and judgements related to the COVID-19 pandemic

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

05_ 02 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 of 31 December 2020.

As of 30 June 2021, the income tax expense is determined using the effective tax rate expected for the full year.

Accounting standards applied for the first time in the current fiscal year

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

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

Published IFRSs not yet endorsed by the EU and not yet adopted

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

The following new or amended standards are not expected to have any material effect on the consolidated financial statements:

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-Current
- Amendments to IAS 1 – Disclosure of Accounting Policies
- Amendments to IAS 8 – Definition of Accounting Estimates
- Amendments to IAS 16 – Proceeds Before Intended Use
- Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to IFRS 3 – Reference to the Conceptual Framework
- Amendments to IAS 12 Income Taxes – Deferred Tax Related to Assets and Liabilities Arising From a Single Transaction
- IFRS 17 – Insurance Contracts and Amendments to IFRS 17
- Annual Improvements to IFRS Standards 2018–2020

The condensed interim consolidated financial statements are prepared in euros.

The U.S. dollar spot exchange rate as of 30 June 2021 was USD 1.19 (31 December 2020: USD 1.23). The average U.S. dollar exchange rate for the period from 1 January – 30 June 2021 was USD 1.21 (1 January – 30 June 2020: USD 1.10).

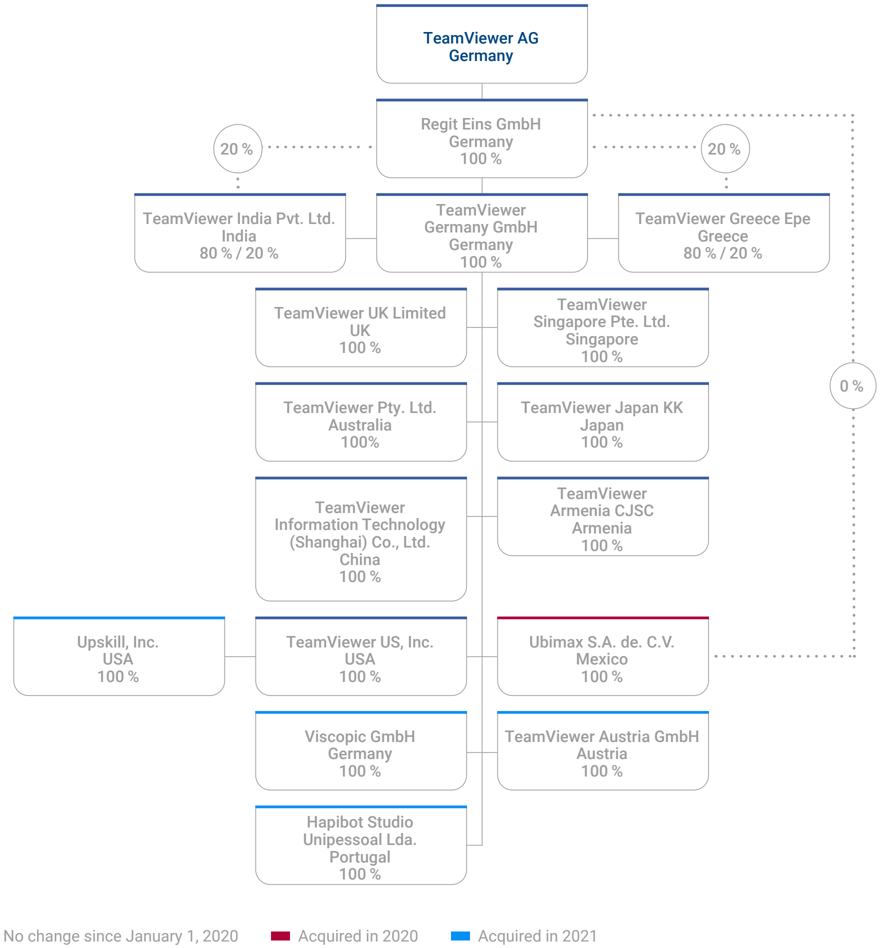
Proceeds and payments from current financial investments with a high turnover rate, large amounts and short-term maturities are shown on a netted basis in the consolidated statement of cash flows.

Due to rounding, it is possible that figures may not add up precisely to the totals shown and percentages presented may not accurately reflect the figures to which they relate.

05_ 03 SCOPE OF CONSOLIDATION

The following changes occurred to the scope of consolidation in comparison to 31 December 2020.

Legal structure of TeamViewer AG



05_ 04 COMPANY ACQUISITIONS

a) Company acquisitions in 2021

Acquisition of Chatvisor GmbH (now TeamViewer Austria GmbH)

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

Xaleon's core product is a co-browsing technology that provides a special form of screen sharing in web sessions. This feature is made possible without any installation or transferring of user data, making the software fully GDPR-compliant. Complementing the co-browsing application is a Xaleon-developed software suite that ensures secure digital interactions throughout the entire customer journey. The software includes features such as chatbots, video and live chats, and an electronic signature that can be used during online customer interactions to conclude legally binding contracts. Xaleon also provides interfaces – known as APIs – to all major customer service and ticket management systems for seamless integration. Xaleon had 21 employees in Austria at the time of its acquisition.

The acquisition of 100 % of the shares in Xaleon was made by TeamViewer Germany GmbH, Göppingen. The purchase price consisted of a fixed purchase price payment of EUR 16,317 thousand in addition to a contingent purchase price payment (contingent consideration). The fixed purchase price payment consisted of a cash component in the amount of EUR 10,317 thousand and four annual payments totalling EUR 6,000 thousand. The contingent purchase price payments will depend on the increase in billings over the next four fiscal years compared to fiscal year 2020. These contingent purchase price payments are estimated to range from EUR 8,910 thousand to EUR 14,850 thousand. As of the acquisition date, the fair value of the contingent purchase price payments, determined using the discounted cash flow method, was an estimated EUR 8,631 thousand.

Acquired assets and assumed liabilities

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

Fair value as of the acquisition date

In thousands of euro	As of 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
Deferred and other liabilities	64
	105
Total identifiable net assets measured at fair value	**7,174**
Goodwill	17,774
Consideration transferred	**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.

Cash outflow from acquisition

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

Transactions costs in the amount of EUR 203 thousand were recognised as an expense.

Goodwill is the difference between the consideration transferred of EUR 24,948 thousand and the net assets measured at fair value. Goodwill was determined to total EUR 17,774 thousand and consisted primarily of expected synergies and staff expertise.

Since the acquisition date, Xaleon has contributed EUR 190 thousand to the Group's revenue and a net loss of EUR 1,155 thousand to the Group's profit/(loss) for the period.

Acquisition of Upskill, Inc.

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

Upskill is a market leader for augmented reality (AR) solutions for the industrial workforce. Using real-time interfaces via smart glasses and other mobile devices, Upskill's software enables digital workflow solutions, especially for industrial manufacturing, inspections and audits. Upskill employed 28 people in the U.S. at the time of its acquisition.

In the lead-up to the acquisition of Upskill, TeamViewer US, Inc. founded TV-Merger Sub, Inc. (Delaware, USA). The acquisition of 100% of the voting shares in Upskill was effected by way of a merger of TV-Merger Sub, Inc. into Upskill, Inc. ("reverse triangular merger" under the laws of the U.S. 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 in the course of the merger were acquired by TeamViewer US, Inc. As a result, TeamViewer US, Inc. is the sole shareholder of Upskill, Inc.

The purchase price consists of a fixed payment of EUR 9,444 thousand, as well as a contingent payment (contingent consideration). The contingent purchase price payment will depend on the increase in orders acquired in the two years following the acquisition. The contingent purchase price payments are estimated to range from EUR 0 thousand to EUR 4,620 thousand. As of the acquisition date, the fair value of the contingent purchase price payment, determined using the discounted cash flow method, was an estimated EUR 1,561 thousand.

Acquired assets and assumed liabilities

The following changes occurred to the purchase price allocation in comparison to the 2020 consolidated financial statements.

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

Fair value as of the acquisition date

In thousands of euro	As of 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 measured at fair value	**10,731**
Goodwill	274
Consideration transferred	**11,005**
Thereof fixed cash component	9,444
Thereof fair value of contingent consideration	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 amounts to EUR 792 thousand.

Cash outflow from acquisition

In thousands of euro

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

Transactions costs in the amount of EUR 687 thousand were recognised as an expense.

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

Since the date of its acquisition, Upskill has contributed EUR 261 thousand to the Group's revenue and a net loss of EUR 2,438 thousand to the Group's profit. If Upskill had been included in the Group's scope of consolidation as of 1 January 2021, it would have contributed EUR 391 thousand to the Group's revenue and a net loss of approximately EUR 2,856 thousand to the Group's profit for the period.

With regard to the earn-out recognised separately from the acquisition, the expected amount is recognised as an employee benefit over the vesting period. The amount of the earn-out will depend on the annual recurring billings for Upskill's products as of the measurement date (31 March 2021) and can amount up to a maximum of USD 7,500 thousand. The payment obligation is due no later than five months after the measurement date. The entitlement to payment is linked to an existing employment relationship at the time of maturity. Expenses in the amount of EUR 262 thousand were recognised as of 30 June 2021. The earn-out obligation is reported on the balance sheet under "Deferred and other liabilities".

Acquisition of Viscopic GmbH

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

Munich-based start-up Viscopic is a pioneer in the field of interactive 3D visualisation and mixed reality solutions. Viscopic's innovative technology makes it possible to further optimise industrial processes, particularly in the areas of quality assurance, maintenance, training and in the layout planning of industrial plants. Viscopic's technology perfectly complements TeamViewer's AR and Frontline offerings and creates additional added value for customers. In the training use case, for example, new employees in manufacturing and inspection are able to practice complex tasks using interactive 3D holograms, helping them to more easily understand the processes and learn immersively with the model.

The acquisition of 100 % of the shares in Viscopic was made by TeamViewer Germany GmbH, Göppingen. The purchase price consisted of a fixed purchase price payment of EUR 4,255 thousand and a contingent purchase price payment (contingent consideration). The contingent purchase price payment will depend on the increase in billings until 31 December 2023. The contingent purchase price payment is estimated to range from EUR 356 thousand to EUR 1,051 thousand. As of the acquisition date, the fair value of the contingent purchase price payment, determined using the discounted cash flow method, was estimated at EUR 550 thousand.

Acquired assets and assumed liabilities
The fair values of the identifiable assets and liabilities as of the acquisition date were as follows:

Fair value as of the acquisition date

In thousands of euro	As of 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 measured at fair value	**3,524**
Goodwill	1,281
Consideration transferred	**4,805**
Thereof fixed cash component	4,255
Thereof fair value of contingent consideration	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 amounts to EUR 134 thousand.

Cash outflow from acquisition

In thousands of euro	
Analysis of cash outflow from company acquisition	
Purchase price payment (contained in cash flows from investing activities)	(4,255)
Transaction costs from company acquisition (contained in cash flows from operating activities)	0
Cash and cash equivalents acquired with the subsidiaries (contained in cash flows from investing activities)	249
Actual cash outflow for company acquisition	**(4,006)**

Transactions costs in the amount of EUR 90 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 was determined to total EUR 1,281 thousand and consisted primarily of expected synergies and staff expertise.

Since the date of its acquisition, Viscopic has contributed EUR 73 thousand to the Group's revenue and a net loss of EUR 181 thousand to the Group's profit. If Viscopic had been included in the Group's scope of consolidation as of 1 January 2021, it would have contributed EUR 283 thousand to the Group's revenue and a net loss of approximately EUR 226 thousand to the Group's profit for the period.

With regard to the earn-out recognised separately from the acquisition, the expected amount is recognised as an employee benefit over the vesting period. The amount of the earn-out will depend 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, no later than 4 February 2023 and 5 April 2024, respectively. The entitlement to payment of the respective tranche is linked to an existing employment relationship at the time of maturity of the respective tranche. Expenses in the amount of EUR 191 thousand were recognised as of 30 June 2021. The earn-out obligation is reported on the balance sheet under "Deferred and other liabilities".

Acquisition of Hapibot Studio Unipessoal Lda
The Group acquired 100 % of the voting shares of Hapibot Studio Unipessoal Lda, based in Porto, Portugal, ("Hapibot"), effective 19 May 2021.

The acquisition of Hapibot, a software, development and digital design agency, added a software development hub to TeamViewer. Hapibot's expertise is focused on the areas of app development, augmented reality, Internet of Things and artificial intelligence. Hapibot 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 a fixed purchase price payment of EUR 753 thousand. This fixed purchase price payment consisted of a cash component of EUR 503 thousand and a payment of EUR 250 thousand payable in June 2023.

Acquired assets and assumed liabilities
The fair values of the identifiable assets and liabilities as of the acquisition date were as follows:

Fair value as of the acquisition date

In thousands of euro	As of 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 measured 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.

Cash outflow from acquisition

In thousands of euro	
Analysis of cash outflow from company acquisition	
Purchase price payment (contained in cash flows from investing activities)	(503)
Transaction costs from company acquisition (contained in cash flows from operating activities)	0
Cash and cash equivalents acquired with the subsidiaries (contained in cash flows from investing activities)	223
Actual cash outflow for company acquisition	**(280)**

The transactions costs amounted to EUR 27 thousand.

Goodwill is the difference between the consideration transferred of EUR 753 thousand and the net assets measured at fair value. Goodwill was determined to total EUR 530 thousand and consisted primarily of expected synergies and staff expertise.

Since the date of its acquisition, Hapibot has contributed EUR 99 thousand to the Group’s revenue and a net profit of around EUR 19 thousand to the Group’s profit. If Hapibot had been included in the Group’s scope of consolidation as of 1 January 2021, it would have contributed EUR 364 thousand to the Group’s revenue and a net profit of approximately EUR 134 thousand to the Group’s profit for the period.

With regard to the earn-out recognised separately from the acquisition, the expected amount is recognised as an employee benefit over the vesting period. The amount of the earn-out depends on the future development in the number of employees and employee turnover at Hapibot and amounts to a maximum of EUR 400 thousand. The payment obligation is due in two tranches, on 30 June 2022 and 30 June 2023, respectively. 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 in the amount of EUR 44 thousand were recognised as of 30 June 2021. The earn-out obligation is reported on the balance sheet under “Deferred and other liabilities”.

05_ 05 REVENUE

The reconciliation of billings to revenue in the first half of 2021 and the first half of 2020 is as follows:

Revenue

In thousands of euro	1 Jan – 30 Jun 2021	1 Jan – 30 Jun 2020
Billings	268,133	225,693
Change in deferred revenue recog-nised in profit or loss	(26,973)	(8,247)
Total revenue	**241,160**	**217,446**

Revenue by licence type

In thousands of euro	1 Jan – 30 Jun 2021	1 Jan – 30 Jun 2020
Subscription licences	238,908	186,827
Perpetual licences	2,253	30,619
Total revenue	**241,160**	**217,446**

Revenue by licence type based on development of deferred revenue

In thousands of euro	1 Jan – 30 Jun 2021			
Connectivity solutions based on:	As of 1 Jan	Additions/ billings	Release/ revenue	As of 30 Jun
Subscription licences	212,509	268,128	(243,160)	237,478
Perpetual licences	2,663	5	(2,253)	416
Development of balance sheet items	**215,172**	**268,133**	**(245,412)**	**237,893**
Other	n/a	–	4,252	n/a
Effect on profit or loss	**n/a**	**268,133**	**(241,160)**	**n/a**

In thousands of euro	1 Jan – 30 Jun 2020			
Connectivity solutions based on:	As of 1 Jan	Additions/ billings	Release/ revenue	As of 30 Jun
Subscription licences	163,959	225,594	(188,274)	201,279
Perpetual licences	48,863	99	(30,619)	18,342
Development of balance sheet items	**212,822**	**225,693**	**(218,893)**	**219,621**
Other	n/a	–	1,447	n/a
Effect on profit or loss	**n/a**	**225,693**	**(217,446)**	**n/a**

05_ 06 TRADE RECEIVABLES

Age structure of trade receivables

In thousands of euro	30 Jun 2021	31 Dec 2020
Neither past due nor impaired	2,147	1,638
Past due and impaired		
0–30 days	7,900	12,086
31–60 days	2,815	4,426
61–90 days	2,901	2,873
91–120 days	2,737	2,123
121–150 days	1,499	2,185
> 150 days	8,435	12,594
Total before impairment	**28,433**	**37,925**
Impairment	(14,933)	(18,257)
Trade receivables	**13,500**	**19,667**

Expected default of trade receivables

	30 Jun 2021	
Past due	In thousands of euro	Expected default rate in %
0–30 days	(850)	12
31–60 days	(909)	35
61–90 days	(1,882)	70
91–120 days	(2,046)	82
121–150 days	(1,224)	88
> 150 days	(8,023)	100
Total impairment	**(14,933)**	

The expected default rates were adjusted as of 30 June 2021 based on the historical payment behaviour of customers and taking expected developments into account.

Expected default of trade receivables

	31 Dec 2020	
Past due	In thousands of euro	Expected default rate in %
0–30 days	(964)	8
31–60 days	(866)	20
61–90 days	(926)	32
91–120 days	(834)	39
121–150 days	(2,168)	100
> 150 days	(12,498)	100
Total impairment	**(18,257)**	

Total trade receivables as of 30 June 2021 included receivables from related parties in the amount of EUR 31 thousand (31 December 2020: EUR 31 thousand).

Development of impairment on trade receivables

In thousands of euro	30 Jun 2021	31 Dec 2020
Impairment at the beginning of the fiscal year	(18,257)	(18,438)
Release/(addition)	(8,046)	(14,688)
Utilisation	11,370	14,869
Total impairment as of the respective balance sheet date	**(14,933)**	**(18,257)**

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

Invoices were paid in the first half of 2021, on average, 20 days after invoicing (FY 2020: 30 days).

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

05_ 07 FINANCIAL LIABILITIES

a) Loan maturities and repayment structure

Liabilities to credit institutions

In thousands of euro	Currency	Nominal interest rate in %	Year of maturity	30 Jun 2021 Principal amount (EUR)	Carrying amount (EUR)
Loans					
2019 syndicated loan in USD	USD	1.90	2024	271,794	267,071
2019 syndicated loan in EUR	EUR	1.50	2024	118,750	116,614
2019 syndicated loan in GBP	GBP	1.83	2024	73,712	72,426
2019 syndicated loan revolving credit facility	Various	Various	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	27,009
Promissory note 3-year variable interest	EUR	1.00	2024	58,000	58,023
Promissory note 5-year fixed interest	EUR	1.20	2026	118,000	118,101
Promissory note 5-year variable interest	EUR	1.20	2026	75,000	75,068
Promissory note 7-year fixed interest	EUR	1.40	2028	13,000	13,019
Promissory note 10-year fixed interest	EUR	1.60	2031	9,000	9,018
Total				**864,256**	**856,349**

Liabilities to credit institutions

In thousands of euro	Currency	Nominal interest rate in %	Year of maturity	31 Dec 2020 Principal amount (EUR)	Carrying amount (EUR)
2019 syndicated loan in USD	USD	2.24	2024	263,222	257,918
2019 syndicated loan in EUR	EUR	1.75	2024	118,750	116,270
2019 syndicated loan in GBP	GBP	2.03	2024	70,352	68,928
2019 syndicated loan revolving credit facility	Various	1.89	2024	52,155	51,952
Total				**504,480**	**495,069**

The 2019 syndicated loans also include a revolving credit facility with a variable interest rate plus an agreed margin that can be drawn down as required. The nominal interest rates presented take into account the respective closing date rates, the margin at the closing date rate and existing interest rate floors. The principal amounts shown do not include capitalised interest. The interest payment dates are currently on a three-month rolling basis. After each interest payment date, the interest payment period can be extended as desired for a period of one to 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 revolving credit facility has been repaid and was not drawn on as of 30 June 2021. Drawdowns are possible in various currencies up to an amount of EUR 150 million (2020: EUR 150 million).

b) Promissory notes

On 19 February 2021, TeamViewer entered into an agreement with a bank syndicate to issue a promissory note in the amount of EUR 300 million, consisting of variable and fixed-interest tranches with different maturities. All tranches are to be issued at par, and repayments are to be made in a lump sum upon the maturity of the respective tranche. Interest coupons will be paid semi-annually starting 4 September 2021. The reference interest rate (6-month EURIBOR) is fixed at 0 % for the variable tranches. The interest margins are linked to an assessment prepared by Sustainalytics of the environmental, social and governance factors within the Company (ESG ratings) as well as to the Company's net leverage ratio.

The promissory note was initially recognised at fair value less transaction costs directly attributable to the placement. The transaction costs of EUR 967 thousand are to be amortised on a pro rata basis over the term of the promissory note's respective tranche using the effective interest method.

c) Bilateral bank loan

On 31 March 2021, TeamViewer entered into a fixed-interest loan agreement in the amount of EUR 100 million. The loan has a bullet maturity and is due on 31 March 2025. The interest rate is 1.00 % p.a., payable for the first time on 30 June 2021 and then quarterly in arrears at the end of each calendar quarter.

05_ 08 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

a) Accounting classifications 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 as of 30 June 2021

	Carrying amount			Fair value level	
Classification according to IFRS 9 In thousands of euro	At fair value through profit or loss	At amortised cost	Total	Fair value	Level
Financial assets	1,166		1,166	1,166	2
Total financial assets measured at fair value	**1,166**		**1,166**	**1,166**	
Trade receivables		13,500	13,500	13,500	2
Cash and cash equivalents		465,572	465,572	465,572	2
Other financial assets		4,490	4,490	4,490	2
Total financial assets not measured at fair value		**483,563**	**483,563**	**483,563**	
Other financial liabilities, earn-out	10,945		10,945	10,945	3
Total financial liabilities measured at fair value	**10,945**		**10,945**	**10,945**	
Trade payables		7,160	7,160	7,160	2
Lease liabilities		30,609	30,609	30,609	2
Liabilities to credit institutions		856,350	856,350	865,047	2
Other financial liabilities		6,250	6,250	6,250	2
Total financial liabilities not measured at fair value		**900,369**	**900,369**	**909,066**	

Carrying amount and fair value level of assets and liabilities as of 31 December 2020

Classification according to IFRS 9 In thousands of euro	Carrying amount At fair value through profit or loss	At amortised cost	Total	Fair value level Fair value	Level
Financial assets – thereof derivatives	4,497	–	4,497	4,497	2
Total financial assets measured at fair value	**4,497**	**–**	**4,497**	**4,497**	
Trade receivables	–	19,667	19,667	19,667	2
Cash and cash equivalents	–	83,531	83,531	83,531	2
Other financial assets	–	4,475	4,475	4,475	2
Total financial assets not measured at fair value	**–**	**107,673**	**107,673**	**107,673**	
Trade payables	–	8,304	8,304	8,304	2
Lease liabilities	–	27,183	27,183	27,183	2
Liabilities to credit institutions	–	495,069	495,069	495,069	2
Other financial liabilities	–	29	29	29	2
Total financial liabilities not measured at fair value	**–**	**530,585**	**530,585**	**530,585**	

Non-current other financial assets consist mainly of rent deposits for rented office space 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.

Trade receivables, loan receivables, and cash and cash equivalents all generally have short-term maturities. For this reason, their carrying amounts as of the reporting date are almost equal to their fair values.

Trade payables, liabilities due and other financial liabilities also generally have short maturities. For this reason, their carrying amounts as of the reporting date are almost equal to their fair values.

The significant unobservable inputs related to a fair value measurement classified within Level 3 of the measurement hierarchy, together with a quantitative sensitivity analysis as of 30 June 2021 are as follows:

Unobservable Input Factors for Measurement Hierarchy 3

In EUR millions	Measurement method	Significant unobservable input factors	1 Jan–30 Jun 2021 Input factor	Sensitivity analysis of liabilities at +/–10%
Earn-out Upskill	DCF method	Contractually defined billings	4.5	+/–0.0
Earn-out Xaleon	DCF method	Contractually defined billings	23.9	+/–0.9
Earn-out Viscopic	DCF method	Contractually defined billings	2.4	+/–0.1

The main input factors correspond to the economic expectations as of the reporting date. There were no transfers between fair value levels in the first half of 2021.

c) Derivatives

Cash flows in USD are partially hedged by FX options with cash settlement payments (non-deliverable options), which hedge an amount of USD 3.35 million per month in 2020 and USD 6.25 million per month in 2021 at a strike of 1.15 USD/EUR. The options are not designated as hedges.

TeamViewer invested its excess liquidity in current flip investments in the first half of the year. These flip investments were dependent on the development of the U.S. dollar and the British pound. All of the transactions had expired as of the reporting date. This did not have any significant effect on earnings. Proceeds and payments related to the flip investments are presented on a net basis in the statement of cash flows.

An interest rate cap agreement is in place to partially hedge the USD syndicated loan. This agreement is designated as a cash flow hedge. There is an economic hedging relationship between the hedged item USD syndicated loan with a nominal value of USD 323 million (H1 2020: USD 450 million) and the hedging instrument interest rate cap amounting to USD 299.3 million (H1 2020: USD 315 million), as both are designated inversely proportional to the 3-month USD LIBOR with a hedge ratio of 0.93 as of the reporting date (H1 2020: 0.70).

05_ 09 RELATED PARTY DISCLOSURES

TeamViewer identifies the related parties of TeamViewer AG in accordance with IAS 24.

TigerLuxOne S.à.r.l. (TLO) reduced its shareholding in TeamViewer AG by 7.88 % from 27.85 % to 19.97 % in the first half of 2021. As a result, 80.03 % of the shares are currently in free float.

No material transactions were conducted with related parties in the first half of 2021.

Transactions involving key management personnel

Management Board remuneration according to IFRS

In thousands of euro	**1 Jan–30 Jun 2021**	1 Jan–30 Jun 2020
Short-term employee benefits	1,583	1,843
Share-based compensation	3,688	9,900
Total	**5,271**	**11,742**

Share-based compensation includes expenses for IPO bonuses in the amount of EUR 3.3 million (H1 2020: EUR 9.5 million), as well as expenses for the Long-Term Incentive Programme (LTIP) of EUR 0.4 million (H1 2020: EUR 0.4 million).

No other transactions took place with key management personnel during the reporting period (as in the comparative period of 2020), and no balances were outstanding as of 30 June 2021, or 31 December 2020.

In addition to the above programmes, expenses for share-based compensation in the amount of EUR 10.5 million (H1 2020: EUR 10.5 million) from the Employee Participation Programme (EPP) were also recognised in the first half of 2021 for employees outside the Management Board.

05_ 10 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 on the basis of which management controls the Group are billings per region and adjusted EBITDA.

Billings by region

In thousands of euro	1 Jan – 30 Jun 2021	1 Jan – 30 Jun 2020
EMEA	150,568	124,873
AMERICAS	83,391	70,984
APAC	34,174	29,836
Billings	**268,133**	**225,693**
Changes in deferred revenue recognised in profit or loss	(26,973)	(8,247)
Total revenue	**241,160**	**217,446**

Billings by country

In thousands of euro	1 Jan – 30 Jun 2021	1 Jan – 30 Jun 2020
USA	65,440	55,860
Germany	43,731	33,469
Great Britain	17,258	15,160
France	16,557	13,570
Other countries	125,147	107,634
Billings	**268,133**	**225,693**

Enterprise billings amounted to EUR 126.2 million in the reporting period (H1 2020: EUR 71.7 million). Enterprise billings are classified as such when the respective customer has been invoiced in excess of EUR 10.0 thousand during the previous twelve months.

Billings by classification

In thousands of euro	1 Jan – 30 Jun 2021	1 Jan – 30 Jun 2020
Retained	212,326	160,175
New	54,372	65,305
Non-recurring	1,435	213
Billings	**268,133**	**225,693**

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

Net retention rate (NRR LTM)

In per cent	30 Jun 2021	30 Jun 2020
Annually recurring billings of existing subscription customers	95	109

Revenue by region

In thousands of euro	1 Jan–30 Jun 2021	1 Jan–30 Jun 2020
EMEA	128,538	119,475
AMERICAS	82,208	70,446
APAC	30,414	27,526
Revenue	**241,160**	**217,446**

Revenue by country

In thousands of euro	1 Jan–30 Jun 2021	1 Jan–30 Jun 2020
USA	63,697	52,401
Germany	37,193	35,457
Great Britain	14,271	12,038
France	13,269	11,910
Other countries	112,730	105,641
Revenue	**241,160**	**217,446**

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 2021	1 Jan–30 Jun 2020
Operating profit	**57,807**	**81,947**
Depreciation and amortisation	24,622	19,322
EBITDA	**82,429**	**101,269**
Change in deferred revenue recognised in profit or loss	26,973	8,247
Further items to be adjusted	37,597	21,600
Adjusted EBITDA	**146,999**	**131,116**

Further items to be adjusted encompass the following:

Further items to be adjusted

In thousands of euro	1 Jan–30 Jun 2021	1 Jan–30 Jun 2020
Expenses for share-based compensation	(29,823)	(20,412)
Other special items for adjustment	(7,774)	(1,188)
Total	**(37,597)**	**(21,600)**

The largest item for adjustment is expenses related to equity-settled share-based compensation in the amount of EUR 28.2 million (2020: EUR 20.0 million). In addition, the Group granted cash-settled share-based compensation to its own employees in the amount of EUR 1.6 million (2020: EUR 0.4 million).

Other special items for adjustment include mainly expenses from valuation effects from derivatives used to hedge foreign currency fluctuations amounting to EUR 2.7 million (H1 2020: EUR 0.2 million), expenses related to company acquisitions amounting to EUR 1.6 million (H1 2020: EUR 0.2 million) and expenses for special IT projects amounting to EUR 1.5 million (H1 2020: EUR 0.2 million).

05_ 11 CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

Other financial liabilities

TeamViewer has other financial liabilities related to sponsorship agreements. The remaining durations of these contracts are as follows:

Contractual liabilities from sponsoring agreements

In thousands of euro	30 Jun 2021	31 Dec 2020
Within 1 year	67,898	850
Between 1 and 5 years	292,938	450
More than 5 years	–	–
Total	**360,836**	**1,300**

TeamViewer entered into significant sponsorship agreements in the fiscal year with Manchester United plc. ("Manchester United") and the Mercedes' Formula 1 and Formula E teams.

Contractual obligations and contingencies from other agreements

In thousands of euro	30 Jun 2021	31 Dec 2020
Within 1 year	4,481	8,470
Between 1 and 5 years	4,954	6,554
More than 5 years	–	–
Total	**9,435**	**15,024**

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

05_ 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 2021	1 Jan– 30 Jun 2020
Profit/(loss) for the period	17,924,696	42,463,083
Shares outstanding as of 31 Dec	201,070,931	200,000,000
Effect of clawback of "Ubimax" share-based compensation	(1,070,931)	–
Weighted average number of shares outstanding	200,000,000	200,000,000
Earnings per share (Profit/(loss) for the period/no. of shares)	**0.09**	**0.21**

The calculation of basic earnings per share excludes 1,070,931 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.

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 2021	1 Jan – 30 Jun 2020
Profit/(loss) for the period	17,924,696	42,463,083
Weighted average number of shares outstanding	200,000,000	200,000,000
Dilution effects of “Ubimax” share-based compensation	491,417	–
Weighted average number of shares outstanding adjusted for dilution effects	200,491,417	200,000,000
Earnings per share (Profit/(loss) for the period /no. of shares)	**0.09**	**0.21**

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” share-based compensation. The number of potentially dilutive shares is determined as the difference between the following two figures:

- the number of ordinary shares issued under the “Ubimax” share-based compensation arrangement; and
- 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”).

05_ 13 SUBSEQUENT EVENTS

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.

Göppingen, 28 July 2021

The Management Board

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, 28 July 2021

The Management Board

Oliver Steil   Stefan Gaiser   Lisa Agona

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 2021 to 30 June 2021, 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, 28 July 2021

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Maurer	**Dr Lehmann**
Wirtschaftsprüfer	Wirtschaftsprüferin
[German Public Auditor]	[German Public Auditor]

03 Financial Calendar

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

04 Publication credits

Publisher
TeamViewer AG
Bahnhofsplatz 2
73033 Göppingen
Germany
www.teamviewer.com

Contact
Phone: +49 7161 60692 50
contact@teamviewer.com

Investor Relations
ir@teamviewer.com

Public Relations
pr@teamviewer.com

Concept, design and realisation
HGB Hamburger Geschäfts-
berichte GmbH & Co. KG
www.hgb.de

TeamViewer

TeamViewer AG
Bahnhofsplatz 2
73033 Göppingen
Germany

contact@teamviewer.com
www.teamviewer.com