Prospectus

for the public offering

of

up to 84,000,000 ordinary bearer shares (*Inhaberaktien*) with no-par value (*Stückaktien*), consisting of 60,000,000 ordinary bearer shares (*Inhaberaktien*) with no-par value (*Stückaktien*) from the holdings of the shareholder of the Company in a base deal and 15,000,000 ordinary bearer shares (*Inhaberaktien*) with no-par value (*Stückaktien*) from the holdings of the shareholder of the Company, subject to the exercise of an upsize option upon decision of the shareholder of the Company on the date of pricing based on market demand, and of up to 9,000,000 ordinary bearer shares (*Inhaberaktien*) with no-par value (*Stückaktien*) from the holdings of the shareholder of the Company to cover a potential over-allotment

and at the same time for the

admission to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) of

200,000,000 ordinary bearer shares (*Inhaberaktien*) with no-par value (*Stückaktien*) (existing share capital), each such share with a notional value of EUR 1.00 and full dividend rights as of 3 July 2019

of

TeamViewer AG
Göppingen, Germany

Price Range: EUR 23.50 – EUR 27.50

International Securities Identification Number (ISIN): DE000A2YN900

German Securities Code (*Wertpapier-Kenn-Nummer*, WKN): A2YN90

Common Code: 205293540

Trading Symbol: TMV

Joint Global Coordinators and Joint Bookrunners

Goldman Sachs International **Morgan Stanley**

Joint Bookrunners

BofA Merrill Lynch **Barclays**

Co-Lead Manager

RBC Capital Markets

The date of this prospectus is 11 September 2019.

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SUMMARY OF THE PROSPECTUS

A. Introduction containing warnings

This prospectus (the ***Prospectus***) relates to ordinary bearer shares with no-par value, International Securities Identification Number (***ISIN***) DE000A2YN900, of TeamViewer AG, Legal Entity Identifier (***LEI***) 3912000FZ0R0KEK9JS42, with business address at Jahnstrasse 30, 73037 Göppingen, Federal Republic of Germany (***Germany***) (telephone +49 7161 60692 50; website: www.teamviewer.com) (the ***Issuer*** or the ***Company***; the terms the Issuer or the Company also refer to Regit Beteiligungs-GmbH before its legal form was changed to a German stock corporation (*Aktiengesellschaft*) under the legal name TeamViewer AG).

The shares of the Company will be offered by Goldman Sachs International, Plumtree Court, 25 Shoe Lane, London EC4A 4AU, United Kingdom, LEI: W22LROWP2IHZNBB6K528 (telephone +44 20 7774 1000) (***Goldman Sachs International***), Morgan Stanley & Co. International plc, 25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom, LEI: 4PQUHN3JPFGFNF3BB653 (telephone +44 20 7425 8000) (***Morgan Stanley***, and together with Goldman Sachs International, the ***Joint Global Coordinators***), Merrill Lynch International, 2 King Edward Street, London, EC1A 1HQ, United Kingdom, LEI: GGDZP1UYGU9STUHRDP48 (telephone +44 20 7995 3700) (***BofA Merrill Lynch***), Barclays Bank PLC, 5 The North Colonnade, Canary Wharf, London E14 4BB, United Kingdom, LEI: G5GSEF7VJP5I7OUK5573 (telephone +44 20 3134 8550) (***Barclays***, and together with BofA Merrill Lynch and the Joint Global Coordinators, the ***Joint Bookrunners***), and RBC Europe Limited, Riverbank House, 2 Swan Lane, London EC4R 3BF, United Kingdom, LEI: TXDSU46SXBWIGJ8G8E98 (telephone +44 20 7653 4000) (***RBC Capital Markets***, and together with the Joint Bookrunners, the ***Underwriters***).

The German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* or ***BaFin***), Marie Curie Straße 24-28, 60439 Frankfurt am Main, Germany (telephone +49 228 4108 0; website: www.bafin.de), has approved this Prospectus as competent authority under Regulation (EU) 2017/1129 on 11 September 2019.

This summary should be read as an introduction to this Prospectus. Any decision to invest in the shares of the Company should be based on a consideration of this Prospectus as a whole by an investor. Investors in the shares of the Company could lose all or part of their invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary, including any translation thereof, but only where this summary is misleading, inaccurate or inconsistent, when read together with the other parts of this Prospectus, or where it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the shares of the Company.

B. Key information on the Issuer

Who is the Issuer of the securities?

Issuer information	The Company's legal name is TeamViewer AG and it operates under the commercial name TeamViewer. The Company, with LEI 3912000FZ0R0KEK9JS42, has its registered seat in Göppingen, Germany, and its business address at Jahnstrasse 30, 73037 Göppingen, Germany, and is registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Ulm, Germany under number HRB 738852. The Company is a stock corporation (*Aktiengesellschaft* or AG) governed by German law.
Principal activities	The Company and its subsidiaries (the ***TeamViewer Group*** or ***TeamViewer***) operate a leading global connectivity platform with a clear mission to connect anyone, anything, anywhere, anytime. Through TeamViewer's proprietary software solutions, a wide range of computers, mobile devices and devices using the internet of things can be connected to allow remote control, management and interaction between people and devices, people and people or devices and devices. Its connectivity platform enables customers and users to unlock significant economic value as it permits them to increase process efficiency, reduce or replace onsite presence and manual intervention, improve product and service quality and promote connectivity and collaboration. TeamViewer's connectivity platform is cloud-native, very secure and highly scalable. Its modular architecture enables TeamViewer to develop new features and products quickly and efficiently to address a large variety of use cases. As a result of its free for private use distribution model, TeamViewer benefits from a very large installed base. To date, TeamViewer's software has been activated on more than two billion devices, with 340 million of them active in 2018 and up to 45 million devices online concurrently. In commercial settings, TeamViewer's software is used by more than 360,000 paying subscribers in approximately 180 countries for a multitude of use cases, ranging from providing remote IT support to remote control and monitoring of complex machinery and equipment.
Major shareholders	As of the date of this Prospectus, TigerLuxOne S.à r.l. (the ***Selling Shareholder***), a limited liability company established under the laws of Luxembourg, is the sole shareholder directly holding a notifiable interest in the Company's share capital and voting rights within the

	meaning of Sections 33 *et seq.* of the German Securities Trading Act (*Wertpapierhandelsgesetz,* ***WpHG***). The voting rights held by the Selling Shareholder are attributed to Permira Holdings Limited, which ultimately controls the Selling Shareholder, through various entities pursuant to section 34 WpHG.
Control	The Selling Shareholder controls the Company due to its ownership of 100% of its share capital and voting rights in the Company.
Management board	The Company's management board (*Vorstand*) consists of Oliver Steil (Chief Executive Officer) and Stefan Gaiser (Chief Financial Officer).
Statutory auditors	The Company appointed Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Flughafenstraße 61, 70629 Stuttgart, Germany (***Ernst & Young***), as (i) the statutory auditor of its unconsolidated annual financial statements to be prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*) (***HGB***) and German generally accepted accounting principles (together with HGB, ***German GAAP***) as of and for the fiscal year ending 31 December 2019, and (ii) the statutory auditor of its consolidated financial statements to be prepared in accordance with International Financial Reporting Standards as adopted by the European Union (***IFRS***) as of and for the fiscal year ending 31 December 2019. The Company appointed Ernst & Young as the auditor of its unconsolidated interim financial statements in accordance with IFRS on interim financial reporting (***IAS 34***) as of and for the period from 3 July 2019 to 31 July 2019. Ernst & Young has issued an unqualified independent auditor's report (*uneingeschränkter Bestätigungsvermerk des unabhängigen Abschlussprüfers*) thereon. Regit Eins GmbH, a 100% direct subsidiary of the Company, appointed Ernst & Young as the auditor of its consolidated financial statements prepared in accordance with IFRS as of and for the fiscal years ended 31 December 2018, 31 December 2017 and 31 December 2016. Ernst & Young has issued an unqualified independent auditor's report (*uneingeschränkter Bestätigungsvermerk des unabhängigen Abschlussprüfers*) thereon.

What is the key financial information regarding the Issuer?

The Company was incorporated by articles of association dated 3 July 2019 and has so far prepared audited unconsolidated interim financial statements in accordance with IAS 34 as of 31 July 2019 and for the period from 3 July 2019 to 31 July 2019.

Summary statement of profit or loss data

(EUR in thousands)	For the period from 3 July 2019 to 31 July 2019
	(audited)
Revenue	n/a
Operating (loss)/profit	n/a
Loss for the period	(2)

Summary statement of cash flows data

(EUR in thousands)	For the period from 3 July 2019 to 31 July 2019
	(audited)
Net cash from operating activities	-
Net cash used in investing activities	-
Net cash from financing activities	25

Summary statement of financial position data

(EUR in thousands)	As of 31 July 2019
	(audited)

Summary statement of profit or loss data

(EUR in thousands)	For the period from 3 July 2019 to 31 July 2019
	(audited)
Total assets	25
Total equity	23

The financial information contained in this Prospectus, other than where otherwise indicated, and in the following tables is taken or derived from Regit Eins GmbH's unaudited interim condensed consolidated financial statements as of and for the six-month period ended 30 June 2019 (the ***Unaudited Interim Consolidated Financial Statements of Regit Eins***), Regit Eins GmbH's audited consolidated financial statements as of and for the fiscal years ended 31 December 2018, 31 December 2017 and 31 December 2016 (the ***Audited Consolidated Financial Statements of Regit Eins***) and Regit Eins GmbH's internal reporting system. The Audited Consolidated Financial Statements of Regit Eins have been prepared in accordance with IFRS and the Unaudited Interim Consolidated Financial Statements of Regit Eins have been prepared in accordance with IAS 34. References to the "TeamViewer Group" or "TeamViewer" with regard to historical financial information as of and for the fiscal years ended 31 December 2016, 2017 and 2018, and as of and for the six-month periods ended 30 June 2019 and 2018 are to Regit Eins GmbH together with its subsidiaries, unless otherwise indicated.

Where financial data in tables in this Prospectus is labelled "audited", it has been taken from the Audited Consolidated Financial Statements of Regit Eins. The label "unaudited" is used in tables in this Prospectus to indicate financial data that has not been taken from those Audited Consolidated Financial Statements of Regit Eins, but was taken either from the Unaudited Interim Consolidated Financial Statements of Regit Eins or Regit Eins GmbH's internal reporting system or has been calculated based on financial data from the above-mentioned sources.

Summary statements of profit or loss data

(EUR in thousands, except where otherwise indicated)	For the fiscal year ended 31 December			For the six-month period ended 30 June	
	2018[(1)]	2017	2016	2019[(1)]	2018
	(audited, except where otherwise indicated)			(unaudited)	
Revenue	258,157	138,467	91,670	181,236	101,726
Period on period revenue growth (unaudited)	86.4%	51.0%	n/a	78.2%	n/a
Operating (loss)/profit	107,129	26,192	(7,272)	90,242	32,918
Period on period operating (loss)/profit growth (unaudited)	309.0%	n/a	n/a	174.1%	n/a
(Loss)/profit for the period	(12,413)	(69,153)	(58,823)	45,722	(10,335)

Summary statements of cash flows data

(EUR in thousands)	For the fiscal year ended 31 December			For the six-month period ended 30 June	
	2018[(1)]	2017	2016	2019[(1)]	2018
		(audited)		(unaudited)	
Net cash from operating activities	112,556	97,610	78,043	52,694	53,094
Net cash used in investing activities	(11,178)	(15,757)	(6,327)	(7,675)	(5,028)
Net cash used in financing activities	(55,948)	(132,682)	(39,533)	(81,175)	(26,990)

Summary statements of financial position data

(EUR in thousands)	As of 31 December			As of 30 June
	2018[(1)]	2017	2016	2019[(1)]
		(audited)		(unaudited)
Total assets	948,213	940,374	1,008,428	936,415
Total equity	(216,548)	(201,689)	(132,536)	(161,237)

(1) Regit Eins GmbH applied IFRS 15 "Revenue from Contracts with Customers" using the modified retrospective method and IFRS 9 "Financial Instruments" for the first time in the 2018 fiscal year and IFRS 16 "Leases" for the first time in the 2019 fiscal year (and accordingly in the six months ended 30 June 2019). Regit Eins GmbH's consolidated financial statements for the 2016 and 2017 fiscal years were prepared using predecessor standards, including IAS 18, IAS 39 and IAS 17, and have not been restated. As a result, TeamViewer's financial statements are not fully comparable across the periods under review.

What are the key risks that are specific to the Issuer?

- TeamViewer's business depends on retaining existing customers, upselling and cross-selling to such customers as well as attracting new customers, including converting free users to paid offerings. There can be no assurance that its subscribers will renew their subscriptions or that TeamViewer's sales and marketing efforts will successfully result in up-selling and cross-selling to existing customers or attracting new customers.
- Any actual, possible or perceived disruptions or vulnerabilities in TeamViewer's products, solutions and infrastructure, including risks from security attacks, could have a material adverse impact its results of operations, including by interrupting the delivery of services, resulting in loss of user or customer data or damaging its reputation.
- Furthermore, the software underlying TeamViewer's products is inherently complex and real or perceived defects or errors in its products could also materially adversely impact its business, including its customer relationships and competitive position, and result in the incurrence of substantial costs.

- TeamViewer's business depends on a strong brand, and if it is not able to maintain and enhance its brand, its ability to expand its user base and acquire customers could be impaired and its business could be harmed.
- The remote connectivity market in which TeamViewer operates is competitive and TeamViewer's success in this market may result in increased competition from new and existing competitors. Furthermore, this market is characterised by rapid technological changes and if TeamViewer is unable to respond to such changes effectively, its products may fail to remain relevant or competitive.
- The experience of TeamViewer's users and customers depends upon the interoperability of its services across devices, operating systems, content distribution channels and third-party applications that TeamViewer does not control and failure to maintain such compatibility of its solutions could adversely impact demand for TeamViewer's products.
- The successful operation of TeamViewer's business depends upon the performance and reliability of internet, mobile and other infrastructures that are not under its control. Any disruption to, or failure of, TeamViewer's IT systems as well as to such third party infrastructure or suppliers could have a material adverse effect on its business.
- TeamViewer's current operations are international in scope, including operations in emerging markets, and it plans further geographic expansion, creating a variety of operational challenges which include, among others, the need to localise sales and marketing strategies and operations and managing a geographically and culturally diverse workforce and user base.
- The international scope of TeamViewer's operations also means that it is subject to a variety of laws, including those relating to privacy, information security, data protection, the usage of the internet, telecommunications regulations and consumer protection laws, in the jurisdictions in which it operates. Such laws or changes in laws or their interpretation could increase TeamViewer's operating expenses or otherwise harm its business.
- TeamViewer's past performance may not be indicative for future growth.
- Competition for qualified individuals in the technology and software industry is intense and TeamViewer may not be able to effectively identify, attract or retain these individuals.

C. Key information on the securities

What are the main features of the securities?

Type, class, par value	This summary relates to ordinary bearer shares (*Inhaberaktien*) with no-par value (*Stückaktien*) of the Company; ISIN: DE000A2YN900; German Securities Code (*Wertpapier-Kenn-Nummer*, WKN): A2YN90; Common Code 205293540; Trading Symbol: TMV.
Number of securities	As of the date of this Prospectus, the share capital of the Company amounts to EUR 200,000,000.00 and is divided into 200,000,000 ordinary bearer shares (*Inhaberaktien*) with no-par value (*Stückaktien*). Each share of the Company represents a notional share of EUR 1.00 in the Company's share capital. All shares of the Company are fully paid up.
Currency	The Company's shares are denominated in euro.
Rights attached	Each share of the Company carries one vote at the Company's general shareholders' meeting. There are no restrictions on voting rights. The Company's shares carry full dividend rights as of 3 July 2019.
Seniority	The shares of the Company are subordinated to all other securities and claims in case of an insolvency of the Company.
Free transferability	The shares of the Company are freely transferable in accordance with the legal requirements for ordinary bearer shares (*Inhaberaktien*). There are no restrictions on the transferability of the Company's shares other than certain lock-up agreements entered into between the Company, the Selling Shareholder and the Underwriters.
Dividend policy	The Company currently does not intend to pay any dividends in 2019 or 2020 and intends to continue to invest in sales and marketing, new products and geographic expansion and reduce its financial liabilities. Post 2020, the Company will examine opportunities to pay dividends. Any future determination to pay dividends will be made in accordance with applicable laws, and will depend upon, among other factors, the Company's results of operations, financial condition, contractual restrictions and capital requirements. The Company's future ability to pay dividends may be limited by the terms of any existing and future debt or preferred securities.

Where will the securities be traded?

The Company will apply for admission of the Company's shares to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, to the sub-segment thereof with additional post-admission obligations (Prime Standard).

What are the key risks attached to the securities?

The shares of the Company have not been publicly traded. There can be no assurance that a liquid trading market for the Company's shares will develop.

D. Key information on the offer of securities to the public and admission to trading on a regulated market

Under which conditions and timetable can I invest in this security?

Offer conditions The offering relates to the sale of up to 84,000,000 ordinary bearer shares of the Company (*Inhaberaktien*) with no-par value (*Stückaktien*) and with full dividend rights as of 3 July 2019 (the ***Offering***), consisting of (i) 60,000,000 ordinary bearer shares (*Inhaberaktien*) with no-par value (*Stückaktien*) from the holdings of the Selling Shareholder (the ***Base Sale Shares***), (ii) 15,000,000 ordinary bearer shares (*Inhaberaktien*) with no-par value (*Stückaktien*) from the holdings of the Selling Shareholder (the ***Additional Sale Shares***, and together with the Base Sale Shares, the ***Sale Shares***) subject to the exercise of an upsize option upon decision of the Selling Shareholder on the date of pricing based on market demand (the ***Upsize Option***); and (iii) up to 9,000,000 ordinary bearer shares (*Inhaberaktien*) with no-par value (*Stückaktien*) from the holdings of the Selling Shareholder in connection with a potential over-allotment (the ***Over-Allotment Shares*** and, together with the Sale Shares, the ***Offer Shares***).

Scope of the Offering The Offering consists of an initial public offering in Germany and private placements in certain jurisdictions outside Germany. In the United States of America (the ***United States***), the Offer Shares will be offered and sold only to qualified institutional buyers (***QIBs***) as defined in Rule 144A under the United States Securities Act of 1933, as amended (the ***Securities Act***). Outside the United States, the Offer Shares will be offered and sold only in offshore transactions in reliance on Regulation S under the Securities Act. The Offer Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction in the United States.

Timetable of the Offering The following is the expected timetable of the Offering, which may be extended or shortened:

12 September 2019	Commencement of the period during which investors may submit purchase orders for the Offer Shares (***Offer Period***). Application for admission of the Company's shares to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, to the sub-segment thereof with additional post-admission obligations (Prime Standard).
24 September 2019	Close of the Offer Period for private investors (natural persons) at 12:00 noon (CEST) and for institutional investors at 15:00 (CEST). Determination of the Offer Price and final number of shares allocated. Revocation of purchase orders cannot occur after allocation of the Offer Shares. Publication of the results of the Offering in the form of an ad-hoc release on an electronic information dissemination system and on the Company's website. Admission decision to be issued by the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). Publication of listing approval issued by the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).
25 September 2019	Commencement of trading in the Company's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).
27 September 2019	Book-entry delivery of the Offer Shares against payment of the Offer Price (settlement and closing).

Price range and Offer Price	The price range within which purchase orders may be placed is EUR 23.50 to EUR 27.50 per Offer Share (***Price Range***). The placement price (the ***Offer Price***) and the final number of Offer Shares to be placed in the Offering have not yet been fixed as of the date of this Prospectus and will be set jointly by the Company, the Selling Shareholder and the Underwriters on 24 September 2019 on the basis of the purchase orders submitted.
Amendments to the Terms of the Offering	The Company and the Selling Shareholder reserve the right, together with the Joint Global Coordinators, to increase or decrease the total number of Offer Shares, to increase or decrease the upper limit and/or the lower limit of the Price Range and/or to extend or shorten the Offer Period. Changes in relation to the number of Offer Shares, changes to the Price Range or the extension or shortening of the Offer Period will not invalidate any offers to purchase that have already been submitted. Under certain conditions, the Underwriters may terminate the Underwriting Agreement, even after commencement of trading (*Aufnahme des Handels*) of the Company's shares on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) up to delivery and settlement. In such case, the Offering will not take place and any allotments already made to investors will be invalidated.
Preferential Allocation	The Company's supervisory board member Jacob Fonnesbech Aqraou will be offered up to 85,106 Offer Shares at the Offer Price in connection with the Offering on a preferential basis.
Stabilisation Measures, Over-Allotment and Greenshoe Option	In connection with the placement of the Offer Shares, Morgan Stanley, acting for the account of the Underwriters, will act as the stabilisation manager and may, acting in accordance with legal requirements, take stabilisation measures to support the market price of the Company's shares and thereby counteract any selling pressure. The Stabilisation Manager is under no obligation to take any stabilisation measures. Under the possible stabilisation measures, investors may, in addition to the Sale Shares, be allocated the Over-Allotment Shares as part of the allocation of the Offer Shares. In order to cover a possible over-allotment, the Selling Shareholder has granted the Joint Bookrunners an option to acquire up to 9,000,000 Shares at the Offer Price (the ***Greenshoe Option***).
Plan for Distribution	The allotment of Offer Shares to private investors and institutional investors will be decided by the Company and the Selling Shareholder after consultation with the Joint Global Coordinators. The allocation to private investors will be in accordance with the "Principles for the Allotment of Share Issues to Private Investors" issued by the German Commission of Stock Exchange Experts (*Börsensachverständigenkommission*) on 7 June 2000.
Dilution	Prior to the Offering, the Selling Shareholder held 100% of the voting rights. Upon completion of the Offering (assuming full exercise of the Greenshoe Option and of the Upsize Option), the aggregate voting rights held by the Selling Shareholder would amount to 58.00%. Prior to the Offering, the net asset value per share as of 30 June 2019 (assuming 200,000,000 outstanding shares) amounted to EUR (0.81). Upon completion of the Offering the offering price per share would amount to EUR 23.50 – EUR 27.50 (depending on the final Offer Price between the low end or high end of the Price Range).
Total Expenses	The total expenses payable by the Selling Shareholder will amount to approximately EUR 84 million (assuming all Offer Shares are placed at the mid-point of the Price Range and payment of the discretionary fee in full).
Expenses Charged to Investors	Investors will not be charged expenses by the Company, the Selling Shareholder or the Underwriters in connection with their role as underwriters. Investors may, however, have to bear customary transaction and handling fees charged by their account-keeping financial institution.

Who is the offeror and/or the person asking for admission to trading?

Offerors	Goldman Sachs International, a private unlimited company with its registered seat in Plumtree Court, 25 Shoe Lane, London EC4A 4AU, United Kingdom, incorporated in and operating under the laws of the United Kingdom, Morgan Stanley & Co. International plc, a public limited company with its registered seat in 5 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom, incorporated in and operating under the laws of the United Kingdom, Merrill Lynch International, a private unlimited company with its registered seat in 2 King Edward Street, London, EC1A 1HQ, United Kingdom, incorporated in and operating under the laws of the United Kingdom, Barclays Bank PLC, a public limited company with its registered seat in 5 The North Colonnade, Canary Wharf, London E14 4BB, United Kingdom, incorporated in and operating under the laws of the United Kingdom, and RBC Europe Limited, a private limited company with its registered seat in Riverbank House, 2 Swan Lane, London EC4R 3BF, United Kingdom, incorporated in and operating under the laws of the United Kingdom.

Admission to trading	The Company expects to apply for the admission to trading. Morgan Stanley Europe SE is acting as listing agent.

Why is this prospectus being produced?

Reasons for the Offering and the Listing	The Company intends to have the Company's shares admitted to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, on the sub-segment thereof with additional post-admission obligations (Prime Standard) to achieve better access to the capital markets. The Selling Shareholder will offer the shares to partially divest its shareholdings in the Company.
Total net proceeds	The Company will not receive any proceeds from the Offering. The Selling Shareholder will receive all the net proceeds from the sale of the Sale Shares and from a sale of the Over-Allotment Shares, if and to the extent the Greenshoe Option in relation to the Over-Allotment Shares is exercised. Assuming a placement of (i) all of the Sale Shares (75,000,000 shares, including full exercise of the Upsize Option) at the mid-point of the Price Range set for the offering of the Offer Shares, and (ii) full exercise of the Greenshoe Option in relation to the Over-Allotment Shares, the Company estimates that the aggregate net proceeds to the Selling Shareholder would amount to approximately EUR 2,058 million.
Underwriting Agreement	On or about 24 September 2019, the Underwriters, the Company and the Selling Shareholder are expected to enter into an underwriting agreement relating to the offer and sale of the Offer Shares in connection with the Offering (the ***Underwriting Agreement***). In the Underwriting Agreement, the Underwriters will agree, subject to certain conditions, to underwrite and purchase the Offer Shares at the Offer Price with a view to offering them to investors in the Offering. The Underwriters will agree to acquire the Sale Shares from the holdings of the Selling Shareholder and to sell such shares as part of the Offering.
Interests material to the issue/offer including conflicting interests	The Underwriters act for the Company and the Selling Shareholder in connection with the Offering and the coordination, structuring and execution of the Offering. In addition, Goldman Sachs International and Morgan Stanley have been mandated to act as designated sponsors for the Company's shares and Deutsche Bank Aktiengesellschaft has been appointed to act as paying agent. Upon successful implementation of the Offering, the Underwriters will receive a commission. As a result of these contractual relationships, the Underwriters have a financial interest in the success of the Offering. The Selling Shareholder will receive the proceeds from the sale of the Sale Shares and the Over-Allotment Shares (if any) in the Offering (after deduction of fees and commissions). Accordingly, the Selling Shareholder has an interest in the success of the Offering at the best possible terms. Several of the Company's supervisory board members and managers of TeamViewer are indirectly invested in the Issuer. In addition, the Selling Shareholder will partially use its proceeds to make cash payments to settle bonus entitlements of several managers of the TeamViewer Group. Furthermore, in case of a successful IPO, the Company intends to pay a one-time bonus to all TeamViewer Group employees depending on tenure (and with some exceptions). Accordingly, all these individuals will receive proceeds from or payments linked to the Offering and have an interest in the success of the Offering at the best possible terms.

ZUSAMMENFASSUNG DES PROSPEKTS

A. Einleitung mit Warnhinweisen

Dieser Prospekt (der ***Prospekt***) bezieht sich auf nennwertlose Inhaberaktien (Stückaktien), internationale Wertpapier-Identifikationsnummer (***ISIN***) DE000A2YN900, der TeamViewer AG, Rechtsträgerkennung (***LEI***) 3912000FZ0R0KEK9JS42, Geschäftsanschrift Jahnstraße 30, 73037 Göppingen, Bundesrepublik Deutschland (***Deutschland***) (Telefon +49 7161 60692 50; Website: www.teamviewer.com) (der ***Emittent*** oder die ***Gesellschaft***; die Bezeichnungen Emittent oder Gesellschaft beziehen sich auch auf die Regit Beteiligungs-GmbH, bevor deren Rechtsformwechsel in eine Aktiengesellschaft mit der Firma TeamViewer AG erfolgt ist).

Die Aktien der Gesellschaft werden von Goldman Sachs International, Plumtree Court, 25 Shoe Lane, London EC4A 4AU, Vereinigtes Königreich, LEI: W22LROWP2IHZNBB6K528 (Telefon +44 20 7774 1000) (***Goldman Sachs International***), Morgan Stanley & Co. International plc, 25 Cabot Square, Canary Wharf, London E14 4QA, Vereinigtes Königreich, LEI: 4PQUHN3JPFGFNF3BB653 (Telefon +44 20 7425 8000) (***Morgan Stanley***, und zusammen mit Goldman Sachs International die ***Joint Global Coordinators***), Merrill Lynch International, 2 King Edward Street, London, EC1A 1HQ, Vereinigtes Königreich, LEI: GGDZP1UYGU9STUHRDP48 (Telefon +44 20 7995 3700) (***BofA Merrill Lynch***), Barclays Bank PLC, 5 The North Colonnade, Canary Wharf, London E14 4BB, Vereinigtes Königreich, LEI: G5GSEF7VJP5I7OUK5573 (Telefon +44 20 3134 8550) (***Barclays***, und zusammen mit BofA Merrill Lynch und den Joint Global Coordinators die ***Joint Bookrunners***) und RBC Europe Limited, Riverbank House, 2 Swan Lane, London EC4R 3BF, Vereinigtes Königreich, LEI: TXDSU46SXBWIGJ8G8E98 (Telefon +44 20 7653 4000) (***RBC Capital Markets***, und zusammen mit den Joint Bookrunners die ***Konsortialbanken***) angeboten werden.

Die Bundesanstalt für Finanzdienstleistungsaufsicht (***BaFin***), Marie Curie Straße 24-28, 60439 Frankfurt am Main, Deutschland (Telefon +49 228 4108 0; Website: www.bafin.de), hat diesen Prospekt als zuständige Behörde gemäß Verordnung (EU) 2017/1129 am 11. September 2019 gebilligt.

Diese Zusammenfassung sollte als Einleitung zu diesem Prospekt verstanden werden. Anleger sollten sich bei der Entscheidung, in die Aktien der Gesellschaft zu investieren, auf diesen Prospekt als Ganzes stützen. Anleger, die in die Aktien der Gesellschaft investieren, könnten das gesamte angelegte Kapital oder einen Teil davon verlieren. Für den Fall, dass vor einem Gericht Ansprüche aufgrund der in diesem Prospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger nach nationalem Recht die Kosten für die Übersetzung dieses Prospekts vor Prozessbeginn zu tragen haben. Nur diejenigen Personen haften zivilrechtlich, die diese Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt haben. Dies gilt jedoch nur für den Fall, dass diese Zusammenfassung, wenn sie zusammen mit den anderen Teilen dieses Prospekts gelesen wird, irreführend, unrichtig oder widersprüchlich ist oder dass sie, wenn sie zusammen mit den anderen Teilen dieses Prospekts gelesen wird, nicht die Basisinformationen vermittelt, die in Bezug auf Anlagen in die Aktien der Gesellschaft für die Anleger eine Entscheidungshilfe darstellen würden.

B. Basisinformationen über den Emittenten

Wer ist der Emittent der Wertpapiere?

Informationen über den Emittenten	Die juristische Bezeichnung der Gesellschaft ist TeamViewer AG und die Gesellschaft ist unter ihrer kommerziellen Bezeichnung TeamViewer tätig. Die Gesellschaft, LEI 3912000FZ0R0KEK9JS42, hat ihren Sitz in Göppingen, Deutschland, und ihre Geschäftsanschrift ist Jahnstraße 30, 73037 Göppingen, Deutschland. Sie ist im Handelsregister des Amtsgerichts Ulm unter HRB 738852 eingetragen. Die Gesellschaft ist eine Aktiengesellschaft (AG), die deutschem Recht unterliegt.
Haupt-tätigkeiten	Die Gesellschaft zusammen mit ihren Tochtergesellschaften (die ***TeamViewer-Gruppe*** oder ***TeamViewer***) betreibt eine weltweit führende Konnektivitätsplattform mit dem klaren Ziel, jede Person, jedes Gerät, jederzeit und überall zu verbinden. Über die geschützten Softwarelösungen von TeamViewer können eine Vielzahl von Computern, Mobilgeräten und Geräten, die das Internet der Dinge nutzen, miteinander verbunden werden, um die Fernsteuerung, Verwaltung und Interaktion zwischen Personen und Geräten, Personen und Personen oder Geräten und Geräten zu ermöglichen. Dank der Konnektivitätsplattform können Kunden und Benutzer einen erheblichen wirtschaftlichen Nutzen erzielen, indem sie die Prozesseffizienz steigern, Präsenzen vor Ort und manuelle Eingriffe reduzieren oder ersetzen, die Produkt- und Servicequalität verbessern und die Konnektivität und Zusammenarbeit fördern. Die Konnektivitätsplattform von TeamViewer ist cloud-basiert, sehr sicher und hochgradig skalierbar. Die modulare Architektur ermöglicht es TeamViewer, neue Funktionen und Produkte schnell und effizient zu entwickeln, um eine Vielzahl von Anwendungsfällen zu adressieren. Durch das kostenlose Vertriebsmodell für den Privatgebrauch profitiert TeamViewer von einer sehr großen existierenden Basis. Bisher wurde die TeamViewer-Software auf mehr als zwei Milliarden Geräten aktiviert, von denen 340 Millionen im Jahr 2018 aktiv und bis zu 45 Millionen dieser Geräte gleichzeitig online waren. Im kommerziellen Gebrauch wird die Software von TeamViewer von mehr als 360.000 zahlenden Abonnenten in ungefähr 180 Ländern für eine Vielzahl von Anwendungsfällen verwendet. Dies umfasst die Bereitstellung von Remote-IT-Support bis zur Fernsteuerung und Überwachung komplexer Maschinen und Geräte.

Haupt-anteilseigner	Zum Datum dieses Prospekts ist die TigerLuxOne S.à r.l. (der ***Abgebende Aktionär***), eine nach luxemburgischem Recht gegründete Gesellschaft mit beschränkter Haftung, der einzige Aktionär, der unmittelbar eine meldepflichtige Beteiligung am Grundkapital und den Stimmrechten der Gesellschaft im Sinne der §§ 33ff. des Wertpapierhandelsgesetzes (***WpHG***) hält. Die durch den Abgebenden Aktionär gehaltenen Stimmrechte werden Permira Holdings Limited über verschiedene Gesellschaften nach § 34 WpHG zugeordnet, welche letztendlich den Abgebenden Aktionär kontrolliert.
Beherrschung	Der Abgebende Aktionär beherrscht die Gesellschaft aufgrund seines 100%igen Anteils am Grundkapital und an den Stimmrechten der Gesellschaft.
Vorstand	Der Vorstand der Gesellschaft besteht aus Oliver Steil (Chief Executive Officer) und Stefan Gaiser (Chief Financial Officer).
Abschluss-prüfer	Die Gesellschaft hat die Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Flughafenstraße 61, 70629 Stuttgart, Deutschland (***Ernst & Young***), als (i) Abschlussprüfer für ihren nach dem Handelsgesetzbuch (***HGB***) und den in Deutschland anerkannten Grundsätzen ordnungsmäßiger Buchführung (zusammen mit dem HGB die ***deutschen handelsrechtlichen Grundsätze***) zu erstellenden Jahresabschluss für das zum 31. Dezember 2019 endende Geschäftsjahr und (ii) Abschlussprüfer für ihren nach den International Financial Reporting Standards wie sie in der Europäischen Union anzuwenden sind (***IFRS***), zu erstellenden Konzernabschluss für das zum 31. Dezember 2019 endende Geschäftsjahr bestellt. Die Gesellschaft hat Ernst & Young als Abschlussprüfer für ihren geprüften unkonsolidierten Zwischenabschluss nach dem IFRS-Standard für Zwischenberichterstattung (***IAS 34***) für den Zeitraum vom 3. Juli 2019 bis zum 31. Juli 2019 bestellt. Ernst & Young hat für diesen Zwischenabschluss einen uneingeschränkten Bestätigungsvermerk des unabhängigen Abschlussprüfers erteilt. Die Regit Eins GmbH, eine 100%ige direkte Tochtergesellschaft der Gesellschaft, hat Ernst & Young als Abschlussprüfer für ihren nach IFRS erstellten Konzernabschluss für die zum 31. Dezember 2018, 31. Dezember 2017 und 31. Dezember 2016 endenden Geschäftsjahre bestellt. Ernst & Young hat für diesen Konzernabschluss einen uneingeschränkten Bestätigungsvermerk des unabhängigen Abschlussprüfers erteilt.

Welches sind die wesentlichen Finanzinformationen über den Emittenten?

Die Gesellschaft wurde mit Gesellschaftsvertrag vom 3. Juli 2019 gegründet und hat bislang einen geprüften unkonsolidierten Zwischenabschluss nach IAS 34 für den Zeitraum vom 3. Juli 2019 bis zum 31. Juli 2019 erstellt.

Zusammenfassung von Daten aus der Gewinn- und Verlustrechnung

(in Tausend EUR)	**Zeitraum vom 3. Juli 2019 bis zum 31. Juli 2019**
	(geprüft)
Umsatzerlöse	n/a
Operativer Gewinn/(Verlust)	n/a
Periodenfehlbetrag	(2)

Zusammenfassung von Daten aus der Kapitalflussrechnung

(in Tausend EUR)	**Zeitraum vom 3. Juli 2019 bis zum 31. Juli 2019**
	(geprüft)
Netto-Cashflows aus der laufenden Geschäftstätigkeit	-
Netto-Cashflows aus der Investitionstätigkeit	-
Netto-Cashflows aus der Finanzierungstätigkeit	25

Zusammenfassung von Daten aus der Bilanz

(in Tausend EUR)	**Zum 31. Juli 2019**
	(geprüft)
Summe Vermögenswerte	25
Summe Eigenkapital	23

Die Finanzinformationen in diesem Prospekt, soweit nicht anders angegeben, und in den folgenden Tabellen wurden dem ungeprüften verkürzten Konzernzwischenabschluss der Regit Eins GmbH für den zum 30. Juni 2019 endenden Sechsmonatszeitraum (der ***Ungeprüfte Konzernzwischenabschluss der Regit Eins***), dem geprüften Konzernabschluss der Regit Eins GmbH für die zum 31. Dezember 2018, 31. Dezember 2017 und 31. Dezember 2016 endenden Geschäftsjahre (der ***Geprüfte Konzernabschluss der Regit Eins***) und dem internen Berichtssystem der Regit Eins GmbH entnommen oder daraus abgeleitet. Der Geprüfte Konzernabschluss der Regit Eins wurde nach IFRS erstellt, und der Ungeprüfte Konzernzwischenabschluss der

Regit Eins wurde nach IAS 34 erstellt. Referenzen auf die „TeamViewer-Gruppe" oder „TeamViewer" im Zusammenhang mit den historischen Finanzinformationen für die zum 31. Dezember 2016, 2017 und 2018 endenden Geschäftsjahre und die zum 30. Juni 2019 und 2018 endenden Sechsmonatszeiträume beziehen sich, soweit nicht anders angegeben, auf die Regit Eins GmbH zusammen mit ihren konsolidierten Tochtergesellschaften.

In Tabellen in diesem Prospekt als „geprüft" gekennzeichnete Finanzinformationen wurden dem Geprüften Konzernabschluss der Regit Eins entnommen. Die Bezeichnung „ungeprüft" wird in den Tabellen in diesem Prospekt zur Kennzeichnung von Finanzinformationen verwendet, die nicht dem Geprüften Konzernabschluss der Regit Eins entnommen wurden, sondern entweder dem Ungeprüften Konzernzwischenabschluss der Regit Eins oder dem internen Berichtssystem der Regit Eins GmbH entnommen wurden oder auf der Grundlage von Finanzinformationen aus den vorgenannten Quellen errechnet wurden.

Zusammenfassung von Daten aus der Gewinn- und Verlustrechnung

(in Tausend EUR, soweit nicht anders angegeben)	Geschäftsjahr zum 31. Dezember			Sechsmonatszeitraum zum 30. Juni	
	2018(1)	2017	2016	2019(1)	2018
	(geprüft, soweit nicht anders angegeben)			(ungeprüft)	
Umsatzerlöse	258.157	138.467	91.670	181.236	101.726
Wachstum der Umsatzerlöse im Periodenvergleich (ungeprüft)	86,4%	51,0%	n/a	78,2%	n/a
Operativer Gewinn/(Verlust)	107.129	26.192	(7.272)	90.242	32,918
Wachstum des operativen Gewinns/(Verlusts) im Periodenvergleich (ungeprüft)	309,0%	n/a	n/a	174,1%	n/a
Periodenüberschuss/(-fehlbetrag)	(12.413)	(69.153)	(58.823)	45.722	(10.335)

Zusammenfassung von Daten aus der Kapitalflussrechnung

(in Tausend EUR)	Geschäftsjahr zum 31. Dezember			Sechsmonatszeitraum zum 30. Juni	
	2018(1)	2017	2016	2019(1)	2018
	(geprüft)			(ungeprüft)	
Netto-Cashflows aus der laufenden Geschäftstätigkeit	112.556	97.610	78.043	52.694	53.094
Netto-Cashflows aus der Investitionstätigkeit	(11.178)	(15.757)	(6.327)	(7.675)	(5.028)
Netto-Cashflows aus der Finanzierungstätigkeit	(55.948)	(132.682)	(39.533)	(81.175)	(26.990)

Zusammenfassung von Daten aus der Bilanz

(in Tausend EUR)	Zum 31. Dezember			Zum 31. Juni
	2018(1)	2017	2016	2019(1)
	(geprüft)			(ungeprüft)
Summe Vermögenswerte	948.213	940.374	1.008.428	936.415
Summe Eigenkapital	(216.548)	(201.689)	(132.536)	(161.237)

(1) Regit Eins GmbH hat IFRS 15 „Erlöse aus Verträge mit Kunden" nach dem modifizierten rückwirkenden Ansatz und IFRS 9 „Finanzinstrumente" erstmals im Geschäftsjahr 2018 und IFRS 16 „Leasingverhältnisse" erstmals im Geschäftsjahr 2019 (und entsprechend in dem zum 30. Juni 2019 endenden Sechsmonatszeitraum) angewendet. Der Konzernabschluss der Regit Eins GmbH für die Geschäftsjahre 2016 und 2017 wurde nach den Vorgängerstandards, unter anderem IAS 18, IAS 39 und IAS 17, erstellt und nicht angepasst. Daher ist der Konzernabschluss für die jeweiligen Zeiträume nur bedingt vergleichbar.

Welches sind die zentralen Risiken, die für den Emittenten spezifisch sind?

- Das Geschäft von TeamViewer hängt von seiner Fähigkeit ab, bestehende Kunden an sich zu binden, höherwertige Produkte (sog. *Upselling*) oder andere Produkte (sog. *Cross-Selling*) an bestehende Kunden zu verkaufen und Neukunden zu akquirieren, einschließlich des Wechsels der kostenfreien Nutzung durch Kunden in das kostenpflichtige Angebot. Es besteht keine Gewähr, dass Abonnenten ihre Abonnements aufrecht erhalten oder dass der Verkauf und die Werbung von TeamViewer ausreichend sind, das Angebot für diese Kunden in Form von höherwertigen oder anderen Produkten zu erweitern oder neue Kunden zu gewinnen.
- Jegliche tatsächlichen, möglichen oder wahrgenommenen Störungen oder Schwachstellen in den Produkten, Lösungen und der Infrastruktur von TeamViewer, einschließlich Risiken aus Sicherheitsangriffen, könnten erhebliche nachteilige Auswirkungen auf das Betriebsergebnis haben - auch durch Unterbrechnung der Erbringung von Dienstleistungen - und zum Verlust von Benutzer- oder Kundendaten oder zu einer Schädigung der Reputation führen.
- Darüber hinaus ist die Software, die den Produkten von TeamViewer zugunde liegt, von Natur aus komplex. Tatsächliche oder wahrgenommene Mängel oder Fehler in seinen Produkten könnten erhebliche nachteilige Auswirkungen auf sein Geschäft haben (einschließlich seiner Kundenbeziehungen und seiner Wettbewerbsposition) und zur Entstehung von erheblichen Kosten führen.
- Das Geschäft von TeamViewer ist von einem starken Markenimage abhängig. Sollte es TeamViewer nicht gelingen, sein Markenimage beizubehalten und zu verbessern, könnte dies die Fähigkeit von TeamViewer zur Erweiterung seiner Nutzerbasis, zur Kundenakquise sowie sein Geschäft beeinträchtigen.

- Der Markt für Fernkonnektivität, auf dem TeamViewer aktiv ist, ist wettbewerbsintensiv und der Erfolg von TeamViewer in diesem Markt könnte zu verstärktem Wettbewerbsdruck durch bisherige und neue Wettbewerber führen. Der Markt ist zudem fortlaufend starken technologischen Veränderungen unterworfen und sollte es TeamViewer nicht gelingen, effektiv auf schnelle technologische Veränderungen zu reagieren, könnten seine Produkte nicht relevant oder wettbewerbsfähig bleiben.
- Die Erfahrungen der Nutzer und Kunden von TeamViewer sind von der Interoperabilität der Dienste von TeamViewer zwischen Geräten, Betriebssystemen, Content-Distributionskanälen und Drittanwendungen abhängig, auf die TeamViewer keinen Einfluss hat. Falls eine solche Kompabilität seiner Lösungen nicht aufrecht erhalten werden kann könnte dies die Nachfrage nach den Produkten von TeamViewer negativ beeinflussen.
- Der Erfolg der Geschäftstätigkeit von TeamViewer hängt von der Leistung und Verlässlichkeit von Internet-, Mobilfunk- und anderen Infrastrukturen ab, auf die TeamViewer keinen Einfluss hat. Störungen oder Ausfälle der IT-Systeme von TeamViewer, der Infrastruktur von Drittanbietern oder von Lieferanten könnten erhebliche nachteilige Auswirkungen auf das Geschäft von TeamViewer haben.
- Die derzeitigen Geschäftsaktivitäten von TeamViewer sind international und umfassen auch Aktivitäten in Schwellenländern. TeamViewer plant eine weitere geographische Expansion, wodurch verschiedene operative Herausforderungen entstehen, zu denen unter anderem die Notwendigkeit gehört, Vertriebs- und Marketingstrategien und -abläufe zu lokalisieren und eine geographisch und kulturell vielfältige Belegschaft und Nutzerbasis zu handhaben.
- Die internationale Ausrichtung der Geschäftstätigkeit vom TeamViewer bedeutet, dass TeamViewer in den Ländern, in denen TeamViewer tätig ist, einer Vielzahl von Rechtsvorschriften, unter anderem zum Schutz der Privatsphäre, zur Informationssicherheit und zum Datenschutz, sowie zur Internetnutzung, Telekommunikation und Verbraucherschutz unterliegt. Diese Vorschriften oder Änderungen dieser Vorschriften oder ihrer Auslegung könnten die Betriebskosten von TeamViewer erhöhen oder sein Geschäft anderweitig beeinträchtigen.
- Das bisherige Wachstum von TeamViewer ist kein Indikator für zukünftiges Wachstum.
- Der Wettbewerb um qualifizierte Mitarbeiter in der Technologie- und Softwarebranche ist intensiv und TeamViewer könnte möglicherweise nicht in der Lage sein, diese Personen effektiv zu identifizieren, zu gewinnen oder an sich binden.

C. Basisinformationen über die Wertpapiere

Welches sind die wichtigsten Merkmale der Wertpapiere?

Art, Gattung, Nennwert	Diese Zusammenfassung bezieht sich auf nennwertlose Inhaberaktien (Stückaktien) der Gesellschaft; ISIN: DE000A2YN900; Wertpapier-Kenn-Nummer (WKN): A2YN90; Common Code 205293540; Börsenkürzel: TMV.
Anzahl der Wertpapiere	Zum Datum dieses Prospekts beträgt das Grundkapital der Gesellschaft EUR 200.000.000,00, eingeteilt in 200.000.000 nennwertlose Inhaberaktien (Stückaktien). Jede Aktie der Gesellschaft entspricht einem anteiligen Betrag am Grundkapital der Gesellschaft von EUR 1,00. Alle Aktien der Gesellschaft sind vollständig eingezahlt.
Währung	Die Aktien der Gesellschaft sind in Euro denominiert.
Verbundene Rechte	Jede Aktie der Gesellschaft berechtigt zu einer Stimme in der Hauptversammlung der Gesellschaft. Es bestehen keine Stimmrechtsbeschränkungen. Die Aktien der Gesellschaft sind ab dem 3. Juli 2019 in voller Höhe gewinnanteilsberechtigt.
Rang	Die Aktien der Gesellschaft sind im Fall einer Insolvenz der Gesellschaft gegenüber allen anderen Wertpapieren und Forderungen nachrangig.
Freie Handelbarkeit	Die Aktien der Gesellschaft sind in Übereinstimmung mit den gesetzlichen Anforderungen für Inhaberaktien frei übertragbar. Es bestehen keine Beschränkungen für die Übertragbarkeit der Aktien der Gesellschaft mit Ausnahme bestimmter Lock-up-Vereinbarungen zwischen der Gesellschaft, dem Abgebenden Aktionär und den Konsortialbanken.
Dividendenpolitik	Die Gesellschaft beabsichtigt derzeit nicht, in 2019 oder 2020 eine Dividende zu zahlen, und strebt an, weiterhin in Vertrieb und Werbung, neue Produkte und ihre geographische Expansion zu investieren. Von 2020 an beabsichtigt die Gesellschaft zu prüfen, welche Möglichkeiten zu laufenden Dividendenzahlungen bestehen. Jeder künftige Beschluss zur Ausschüttung von Dividenden wird in Übereinstimmung mit geltendem Recht gefasst werden und wird unter anderem von der Ertrags- und Finanzlage der Gesellschaft, von vertraglichen Beschränkungen und vom Kapitalbedarf der Gesellschaft abhängen. Die künftige Fähigkeit der Gesellschaft zur Zahlung von Dividenden kann durch die Bedingungen bestehender und zukünftiger Schuld- oder Vorzugstitel beschränkt sein.

Wo werden die Wertpapiere gehandelt?

Die Gesellschaft wird die Zulassung der Aktien der Gesellschaft zum Handel im regulierten Markt der Frankfurter Wertpapierbörse mit gleichzeitiger Zulassung zum Teilbereich des regulierten Marktes mit weiteren Zulassungsfolgepflichten (Prime Standard) beantragen.

Welches sind die zentralen Risiken, die für die Wertpapiere spezifisch sind?

Die Aktien der Gesellschaft wurden bisher nicht an der Börse gehandelt. Es gibt keine Garantie dafür, dass sich ein liquider Markt für die Aktien der Gesellschaft entwickeln wird.

D. Basisinformationen über das öffentliche Angebot von Wertpapieren und/oder die Zulassung zum Handel an einem geregelten Markt

Zu welchen Konditionen und nach welchem Zeitplan kann ich in dieses Wertpapier investieren?

Angebots-konditionen

Das Angebot bezieht sich auf den Verkauf von bis zu 84.000.000 nennwertlosen Inhaberaktien (Stückaktien) der Gesellschaft mit voller Dividendenberechtigung ab dem 3. Juli 2019 (das ***Angebot***), bestehend aus (i) 60.000.000 nennwertlosen Inhaberaktien (Stückaktien) (die ***Basis Abzugebenden Aktien***) aus der Beteiligung des Abgebenden Aktionärs; (ii) 15.000.000 nennwertlosen Inhaberaktien (Stückaktien) aus der Beteiligung des Abgebenden Aktionärs (die ***Zusätzlichen Abzugebenden Aktien***, und zusammen mit den Basis Abzugebenden Aktien die ***Abzugebenden Aktien***), vorbehaltlich der Ausübung einer Erhöhungsoption, über die der Abgebende Aktionär am Tag der Preisfestlegung basierend auf der Marktnachfrage entscheiden wird (die ***Erhöhungsoption***) und (iii) bis zu 9.000.000 nennwertlosen Inhaberaktien (Stückaktien) aus der Beteiligung des Abgebenden Aktionärs im Zusammenhang mit einer möglichen Mehrzuteilung (die ***Mehrzuteilungsaktien***, und zusammen mit den Abzugebenden Aktien die ***Angebotsaktien***).

Umfang des Angebots

Das Angebot besteht aus einem erstmaligen öffentlichen Angebot in Deutschland und Privatplatzierungen in bestimmten Ländern außerhalb Deutschlands. In den Vereinigten Staaten von Amerika (die ***Vereinigten Staaten***) werden die Angebotsaktien nur qualifizierten institutionellen Käufern (*Qualified Institutional Buyers* – ***QIBs***) im Sinne von Rule 144A des Securities Act der Vereinigten Staaten von 1933 in der geltenden Fassung (der ***Securities Act***) angeboten und verkauft. Außerhalb der Vereinigten Staaten werden die Angebotsaktien nur im Rahmen von Offshore-Transaktionen in Übereinstimmung mit Regulation S des Securities Act angeboten und verkauft. Die Angebotsaktien wurden und werden nicht gemäß dem Securities Act oder bei einer Wertpapieraufsichtsbehörde eines Bundesstaates oder einer anderen Gebietskörperschaft der Vereinigten Staaten registriert.

Zeitplan des Angebots

Nachstehend ist der voraussichtliche Zeitplan des Angebots dargestellt, das verlängert oder verkürzt werden kann:

12. September 2019	Beginn des Zeitraums, in dem Anleger Kaufangebote für die Angebotsaktien abgeben können (***Angebotszeitraum***) Antrag auf Zulassung der Aktien der Gesellschaft zum Handel im regulierten Markt der Frankfurter Wertpapierbörse mit gleichzeitiger Zulassung zum Teilbereich des regulierten Marktes mit weiteren Zulassungsfolgepflichten (Prime Standard)
24. September 2019	Ende des Angebotszeitraums um 12:00 Uhr (MESZ) für Privatanleger (natürliche Personen) und um 15:00 Uhr (MESZ) für institutionelle Anleger. Festlegung des Angebotspreises und der endgültigen Anzahl der zugeteilten Aktien. Kaufangebote können nach Zuteilung der Angebotsaktien nicht mehr widerrufen werden. Veröffentlichung der Ergebnisse des Angebots in Form einer Ad-hoc-Mitteilung über ein elektronisches Informationssystem und auf der Internetseite der Gesellschaft. Erteilung des Zulassungsbeschlusses der Frankfurter Wertpapierbörse. Veröffentlichung des Zulassungsbeschlusses der Frankfurter Wertpapierbörse.
25. September 2019	Aufnahme des Handels der Aktien der Gesellschaft an der Frankfurter Wertpapierbörse
27. September 2019	Buchmäßige Lieferung der Angebotsaktien gegen Zahlung des Angebotspreises (Abwicklung und Vollzug)

Preisspanne und Angebotspreis

Die Preisspanne, innerhalb derer Kaufangebote abgegeben werden können, beträgt EUR 23,50 bis EUR 27,50 je Angebotsaktie (***Preisspanne***). Der Platzierungspreis (der ***Angebotspreis***) und die endgültige Anzahl der im Rahmen des Angebots zu platzierenden

	Angebotsaktien stehen zum Datum dieses Prospekts noch nicht fest; sie werden voraussichtlich am 24. September 2019 auf der Grundlage der abgegebenen Kaufangebote von der Gesellschaft, dem Abgebenden Aktionär und den Konsortialbanken gemeinsam festgelegt.
Änderungen der Angebots-bedingungen	Die Gesellschaft und der Abgebende Aktionär behalten sich das Recht vor, gemeinsam mit den Joint Global Coordinators die Gesamtzahl der Angebotsaktien zu erhöhen oder herabzusetzen, die Ober- und/oder Untergrenze der Preisspanne zu erhöhen oder zu senken und/oder den Angebotszeitraum zu verlängern oder zu verkürzen. Durch Änderungen der Anzahl der Angebotsaktien, Änderungen der Preisspanne oder die Verlängerung oder Verkürzung des Angebotszeitraums werden bereits abgegebene Kaufangebote nicht unwirksam. Unter bestimmten Voraussetzungen können die Konsortialbanken den Übernahmevertrag kündigen – auch nach Aufnahme des Handels der Aktien der Gesellschaft am regulierten Markt der Frankfurter Wertpapierbörse und bis zum Zeitpunkt der Lieferung und Abwicklung. In diesem Fall erlischt das Angebot und alle bereits erfolgten Zuteilungen an Anleger werden unwirksam.
Bevorrechtigte Zuteilung	Dem Mitglied des Aufsichtsrats der Gesellschaft Jacob Fonnesbech Aqraou werden bis zu 85.106 Angebotsaktien im Rahmen des Angebots zum Angebotspreis auf Basis einer bevorrechtigten Zuteilung angeboten.
Stabilisie-rungsmaß-nahmen, Mehr-zuteilung und, Greenshoe-Option	Im Zusammenhang mit der Platzierung der Angebotsaktien handelt Morgan Stanley für Rechnung der Konsortialbanken als Stabilisierungsmanager und kann entsprechend den gesetzlichen Vorschriften Stabilisierungsmaßnahmen ergreifen, um den Kurs der Aktien der Gesellschaft zu stützen und dadurch einen etwaigen Verkaufsdruck zu mindern. Der Stabilisierungsmanager ist nicht verpflichtet, Stabilisierungsmaßnahmen zu ergreifen. Im Rahmen der möglichen Stabilisierungsmaßnahmen können Anlegern zusätzlich zu den Abzugebenden Aktien Mehrzuteilungsaktien als Teil der Zuteilung der Angebotsaktien zugeteilt werden. Zur Abdeckung möglicher Mehrzuteilungen hat der Abgebende Aktionär den Joint Bookrunners eine Option zum Erwerb von bis zu 9.000.000 Aktien zum Angebotspreis eingeräumt (die ***Greenshoe-Option***).
Plan für den Vertrieb	Die Zuteilung der Angebotsaktien an Privatanleger und institutionelle Investoren wird von der Gesellschaft und dem Abgebenden Aktionär nach Rücksprache mit den Joint Global Coordinators beschlossen. Die Zuteilung an Privatanleger erfolgt in Übereinstimmung mit den „Grundsätzen für die Zuteilung von Aktienemissionen an Privatanleger“ der Börsensachverständigenkommission vom 7. Juni 2000.
Verwässerung	Vor dem Angebot hielt der Abgebende Aktionär 100,00% der Stimmrechte. Nach Abschluss des Angebots (einschließlich der vollständigen Ausübung der Greenshoe-Option und der Erhöhungsoption) würden die gesamten Stimmrechte des Abgebenden Aktionärs 58,00% betragen. Vor dem Angebot betrug der Nettovermögenswert pro Aktie (unter der Annahme von 200.000.000 ausstehenden Aktien) zum 30. Juni 2019 EUR (0,81). Nach Abschluss des Angebots würde der Angebotspreis pro Aktie EUR 23,50 – EUR 27,50 betragen (abhängig vom endgültigen Angebotspreis zwischen dem unteren und dem oberen Ende der Preisspanne).
Gesamtkosten	Die vom Abgebenden Aktionär zu tragenden Gesamtkosten des Angebots werden rund EUR 84 Millionen betragen (unter der Annahme der Platzierung aller Angebotsaktien zum Mittelwert der Preisspanne und der vollständigen Zahlung der Ermessensvergütung).
Kosten, die Anlegern in Rechnung gestellt werden	Anlegern werden von der Gesellschaft, dem Abgebenden Aktionär oder den Konsortialbanken im Zusammenhang mit ihrer Rolle als Konsortialbanken keine Kosten in Rechnung gestellt. Anleger können jedoch die üblichen Transaktions- und Abwicklungsgebühren, welche ihr depotführendes Finanzinstitut in Rechnung stellt, zu tragen haben.
Wer ist der Anbieter und/oder die die Zulassung zum Handel beantragende Person?	
Anbieter	Goldman Sachs International, eine Gesellschaft mit unbeschränkter Haftung (*private unlimited company*) nach dem Recht des Vereinigten Königreichs mit Sitz in Plumtree Court, 25 Shoe Lane, London EC4A 4AU, Vereinigtes Königreich, eingetragen im und unterliegend den Gesetzen des Vereinigten Königreichs, Morgan Stanley & Co. International plc, eine Aktiengesellschaft (*public limited company*) nach dem Recht des Vereinigten Königreichs mit Sitz in 5 Cabot Square, Canary Wharf, London E14 4QA, Vereinigtes Königreich, eingetragen im und unterliegend den Gesetzen des Vereinigten Königreichs, Merrill Lynch International, eine Gesellschaft mit unbeschränkter Haftung (*private unlimited company*) nach dem Recht des Vereinigten Königreichs mit Sitz in 2 King Edward Street, London, EC1A 1HQ, Vereinigtes Königreich, eingetragen im und unterliegend den Gesetzen des Vereinigten Königreichs, Barclays Bank PLC, eine Aktiengesellschaft (*public limited company*) nach dem Recht des Vereinigten Königreichs mit Sitz in 5 The North Colonnade, Canary Wharf, London E14 4BB, Vereinigtes Königreich, eingetragen im und unterliegend den Gesetzen des Vereinigten Königreichs, sowie RBC Europe Limited, eine Gesellschaft

	mit beschränkter Haftung (*private limited company*) nach dem Recht des Vereinigten Königreichs mit Sitz in Riverbank House, 2 Swan Lane, London EC4R 3BF, Vereinigtes Königreich, eingetragen im und unterliegend den Gesetzen des Vereinigten Königreichs.
Zulassung zum Handel	Die Gesellschaft beabsichtigt, die Zulassung zum Handel zu beantragen. Morgan Stanley Europe SE agiert als Zulassungsantragssteller.

Weshalb wird dieser Prospekt erstellt?

Gründe für das Angebot und die Zulassung zum Handel	Die Gesellschaft beabsichtigt die Zulassung der Aktien der Gesellschaft zum Handel im regulierten Markt der Frankfurter Wertpapierbörse mit gleichzeitiger Zulassung zum Teilbereich des regulierten Marktes mit weiteren Zulassungsfolgepflichten (Prime Standard) zu erhalten, um sich einen besseren Zugang zu den Kapitalmärkten zu verschaffen. Der Abgebende Aktionär wird die Aktien anbieten, um seine Beteiligung an der Gesellschaft teilweise zu veräußern.
Gesamt-nettoerlöse	Die Gesellschaft wird keine Erlöse aus dem Angebot erhalten. Der Abgebende Aktionär wird alle Nettoerlöse aus dem Verkauf der Abzugebenden Aktien und einem Verkauf der Mehrzuteilungsaktien (sofern und soweit die Greenshoe-Option in Bezug auf die Mehrzuteilungsaktien ausgeübt wird) erhalten. Unter der Annahme, dass (i) alle Abzugebenden Aktien (75.000.000 Aktien, einschließlich voller Ausübung der Erhöhungsoption) zum Mittelwert der für das Angebot der Angebotsaktien festgelegten Preisspanne platziert werden und (ii) die Greenshoe-Option in Bezug auf die Mehrzuteilungsaktien vollumfänglich ausgeübt wird, würden die Gesamtnettoerlöse des Abgebenden Aktionärs nach Schätzung der Gesellschaft ca. EUR 2.058 Millionen betragen.
Übernahme-vertrag	Es ist beabsichtigt, dass am oder um den 24. September 2019 die Konsortialbanken, die Gesellschaft und der Abgebende Aktionär im Zusammenhang mit dem Angebot und dem Verkauf der Angebotsaktien einen Übernahmevertrag abschließen werden (der ***Übernahmevertrag***) unter dem sich die Konsortialbanken unter bestimmten Bedingungen verpflichten, die Angebotsaktien zu übernehmen. In dem Übernahmevertrag werden sich die Konsortialbanken, vorbehaltlich bestimmter Bedingungen, verpflichten, die Angebotsaktien zum Angebotspreis zu erwerben, um sie Investoren im Rahmen des Angebots zum Kauf anzubieten. Die Konsortialbanken werden die Abzugebenden Aktien vom Abgebenden Aktionär erwerben, um diese als Teil des Angebots zu verkaufen.
Wesentliche Interessen an der Emission/ dem Angebot einschließlich Interessen-konflikten	Die Konsortialbanken handeln für die Gesellschaft und den Abgebenden Aktionär im Zusammenhang mit dem Angebot und der Koordination, Strukturierung und Durchführung des Angebots. Darüber hinaus wurden Goldman Sachs International und Morgan Stanley als Designated Sponsor für die Aktien der Gesellschaft und Deutsche Bank Aktiengesellschaft als Zahlstelle beauftragt. Nach erfolgreicher Durchführung des Angebots erhalten die Konsortialbanken eine Provision. Aufgrund dieser Vertragsbeziehungen haben die Konsortialbanken ein finanzielles Interesse am Erfolg des Angebots. Der Abgebende Aktionär erhält den Erlös aus dem Verkauf der Abzugebenden Aktien und der Mehrzuteilungsaktien (falls vorhanden) im Rahmen des Angebots (nach Abzug von Gebühren und Provisionen). Dementsprechend hat der Abgebende Aktionär ein Interesse am Erfolg des Angebots zu den bestmöglichen Bedingungen. Mehrere Aufsichtsratsmitglieder der Gesellschaft sowie Führungskräfte der TeamViewer-Gruppe sind indirekt an dem Emittenten beteiligt. Darüber hinaus wird der Abgebende Aktionär seinen Erlös teilweise für Barzahlungen zur Begleichung von Bonusansprüchen mehrerer Führungskräfte der TeamViewer-Gruppe verwenden. Zudem beabsichtigt die Gesellschaft im Falle eines erfolgreichen Börsengangs, allen Mitarbeitern der TeamViewer-Gruppe (mit einigen Ausnahmen und abhängig von der Dauer ihrer Zugehörigkeit) einen einmaligen Bonus zu zahlen. Dementsprechend erhalten alle diese Personen Erlöse aus oder Zahlungen im Zusammenhang mit dem Angebot und haben ein Interesse am Erfolg des Angebots zu den bestmöglichen Bedingungen.

1 RISK FACTORS

*Investing in the shares of TeamViewer AG (the **Issuer** or the **Company** and together with its subsidiaries, the **TeamViewer Group** or **TeamViewer**, and, with regard to historical financial information as of and for the fiscal years ended 31 December 2016, 2017 and 2018, and as of and for the six-month periods ended 30 June 2019 and 2018, references to the TeamViewer Group or TeamViewer are to Regit Eins GmbH together with its subsidiaries, unless otherwise indicated) involves a high degree of risk. Investors should carefully consider the risks and uncertainties described below, together with all of the other information in this Prospectus, including "10 Management's Discussion and Analysis of Financial Condition and Results of Operations", the Audited Consolidated Financial Statements of Regit Eins and the Unaudited Interim Consolidated Financial Statements of Regit Eins, before making a decision to invest in the Company's shares. TeamViewer believes the factors described below represent the principal risks inherent in investing in the Company's shares, but additional risks and uncertainties that are not presently known or that TeamViewer currently believes are not material may also adversely affect its business, results of operations, financial condition and prospects. If any of the risks actually occur, the business, results of operations, financial condition and prospects of the Company and the TeamViewer Group or the market price of the Company's shares could be materially adversely affected.*

1.1 Risks related to TeamViewer's business activities, industry and financial position

1.1.1 TeamViewer's business depends on its ability to retain subscribers, upsell and cross-sell additional products to existing customers and attract new customers, including by converting free users to paid offerings.

TeamViewer's business and results of operations depend upon its ability to attract new customers and to maintain and expand its relationships with existing customers, including upselling and cross-selling additional products to customers, as well as converting free users to a paid plan where appropriate.

TeamViewer's business is now subscription based, and while many of its subscriptions provide for automatic renewal, subscribers are not obligated to and may not renew their subscriptions after their existing subscriptions expire and TeamViewer cannot ensure that subscribers will renew subscriptions with a similar contract period, for the same or better subscription plan or at all. Renewals of subscriptions may decline or fluctuate because of several factors, such as dissatisfaction with products and support, a subscriber no longer having a need for TeamViewer's products or the perception that competitive products provide better or less expensive options. In addition, some customers may downgrade their product subscriptions if their needs change. Furthermore, in certain circumstances, TeamViewer may be unable to renew or face difficulty in renewing contracts and subscriptions as a result of data loss, including as a result of system failures. For example, when TeamViewer migrated to a new payment system, it was unable to renew customer contracts due to a loss of auto-renewal payment information. Additionally, TeamViewer seeks to expand its billings from existing customers, by upselling add-ons and higher value products and cross-selling additional products and by expanding the use of TeamViewer's products into other teams and departments within an organisation. However, there can be no assurance such up-selling and cross-selling measures will be successful.

TeamViewer's revenue growth depends principally on its ability to attract new customers. It must continually add new customers to grow its business beyond its current user base and to replace customers who choose not to continue to use its products. While TeamViewer employs a localised sales and marketing strategy and invests in the development of its sales and marketing operations in a number of jurisdictions, there can be no assurance that its sales and marketing strategy will be successful. TeamViewer also sells and markets a portion of its products to customers indirectly through third party distributors and resellers. If third party distributors or resellers are ineffective at marketing or promoting its products, TeamViewer's billings and revenue could decline.

TeamViewer's business also depends on its ability to convert free users to a paid plan where appropriate. Private use of TeamViewer's products is free of charge and TeamViewer does not generate any revenue from its free users unless these are detected as using its products for commercial use and are successfully converted to a paid plan. TeamViewer may not succeed in detecting commercial use, or, if commercial use is detected, the users may decline to convert to a paid plan and cease using TeamViewer's platform.

If TeamViewer is not able to retain its existing subscribers, upsell and cross-sell its products and increase the number of paying customers, its business, results of operations, financial condition and prospects could be materially adversely affected.

1.1.2 Actual, possible or perceived disruptions or vulnerabilities in TeamViewer's products, solutions or cloud infrastructure, including risks from security attacks, may lead to negative publicity, damage to its reputation, and cause a decline in revenue and profits.

TeamViewer's business relates to the provision of solutions that enable end users to securely access devices and networks remotely (***remote connectivity***) and its operations involve the processing of customer data or information. Any unauthorised intrusion, malicious software infiltration, network disruption, denial-of-service (i.e. an attack to prevent legitimate users from accessing the offered services) or similar act by a malevolent party could disrupt the integrity, continuity, security and trust of TeamViewer's software, services or systems or the systems of its customers. These security risks could create costly litigation, significant financial liability, increased regulatory scrutiny, financial sanctions and a loss of confidence in TeamViewer's ability to serve customers and cause current or potential customers to choose another IT solution, any of which could have a material adverse impact on its business.

Cyberattacks and other malicious internet-based activity targeting companies and individuals are on the rise and becoming increasingly sophisticated. Cloud-based platform providers of products and services have been and are expected to continue to be targeted and providers of remote connectivity services may be particularly attractive to attackers. In addition to traditional cyber-attacks such as computer "hackers", malicious code (such as viruses and worms), employee theft or misuse and denial-of-service attacks, sophisticated nation-state actors and nation-state supported actors have also been reported to engage in cyber-attacks.

TeamViewer has, in the past, on occasions, identified unauthorised access to its networks and servers. For example, in the autumn of 2016, TeamViewer was the target of a cyber-attack that appeared to focus on the IT infrastructure of TeamViewer. While these past incidents were detected and TeamViewer has taken considerable efforts to prevent any future incidents, there can be no assurance that it will not be targeted in the future or that it has been able or will be able to detect or remedy any such incidents. As these threats continue to evolve, TeamViewer is required to, and continues to, invest significant resources to continuously modify and enhance its information security and controls or to investigate and remediate any security vulnerabilities. Despite significant efforts to create and improve security barriers to such threats, TeamViewer may not be able to prevent cyber security breaches in the future or to promptly and effectively remedy any such breaches. Such breaches could, among other things, result in theft of customer data, significant downtime of TeamViewer's systems or other interruptions to, or malfunctions in, its operations, any of which could materially and adversely affect its business. Additionally, there can be no assurance that TeamViewer will be able to address any vulnerability in its software that it may become aware of in the future. Although TeamViewer closely selects and manages the third-party providers it works with, it is nevertheless dependent in part on third-party security measures to protect against unauthorised access, cyberattacks and the mishandling of data and information.

TeamViewer has, in the past, been subject to negative publicity relating to its platform being potentially compromised by targeted attacks, including in connection with the cyber-attack in the autumn of 2016. Such negative publicity or any perception that TeamViewer's software, services or systems have been subject to a data breach, malicious software infiltration or other similar act, regardless of whether or not such breach or other similar act actually occurred, could have a negative impact on its reputation, potentially resulting in loss of customers or the inability to attract new customers, which could have a material adverse effect on its business, results of operations, financial condition and prospects.

Legislative bodies in several jurisdictions in which TeamViewer operates have enacted laws requiring companies to provide notice of data security incidents. In addition, some of TeamViewer's customers may require it to notify them of data security incidents. Security compromises experienced by TeamViewer's competitors, by its customers or TeamViewer itself may lead to public disclosures, which may lead to widespread negative publicity. Any security incident in TeamViewer's industry, whether actual or perceived, could harm its reputation, erode confidence in the effectiveness of TeamViewer's security measures, negatively affect its ability to attract new customers, cause existing customers to elect not to renew their subscriptions or subject it to third-party lawsuits, regulatory fines or other action or liability, which could materially harm its business.

Third parties frequently attempt to fraudulently induce users or customers into disclosing sensitive information such as user names, passwords or other information in order to use remote connectivity solutions, such as TeamViewer's products, to gain access to such users' or customers' computer systems. Unauthorised access may also be the result of users or customers disclosing or losing control over their user name and passwords on third parties' systems, (for example, due to an independent third-party data security incident on such systems) while using the same information for their Team Viewer accounts. Although such unauthorised access may not be due to any vulnerabilities in TeamViewer's products or systems, it could result in a significant and serious breach to such customers' IT infrastructure and, as a result, in a perception of TeamViewer's security being compromised and could otherwise adversely affect its reputation. Following such unauthorised access, third parties may use TeamViewer's platform for illegal purposes, such as illegally accessing the computer systems of its customers, which could result in material adverse consequences for TeamViewer. For example, in 2017, UK internet service provider TalkTalk blocked TeamViewer's products from its network following concerns that its products were being used by scammers and phishers.

Any actual, possible or perceived breaches, attacks or vulnerabilities could result in significant increases in costs, including costs for remediating the effects of such an event, additional marketing costs to address any negative impact on TeamViewer's market perception, loss of existing subscribers or an inability to attract new subscribers, lost revenue due to network downtime and increased costs to address cybersecurity issues and attempts to prevent future incidents, all of which could have a material adverse effect on TeamViewer's business, results of operations, financial condition and prospects.

1.1.3 The remote connectivity market in which TeamViewer operates is characterised by rapid technological changes and TeamViewer may be unable to effectively respond to such changes.

The remote connectivity market in which TeamViewer operates is characterised by rapid technological change as well as frequent introduction of new products, services and features. TeamViewer's business depends significantly on its ability to effectively adapt and respond to technological advancements by enhancing and improving its product offering and introducing new features and interoperability across an increasing range of devices, operating systems and third-party applications. TeamViewer's customers may require features and capabilities that its current products lack. TeamViewer invests significantly in research and development (***R&D***) (with R&D expenses of EUR 23 million in 2018) focusing on measures intended to broaden the application of TeamViewer's solutions in close collaboration with existing users and customers (***co-development***), address new use cases, improve usability and keep up-to-date with evolving developments to operating systems, devices and other software used by TeamViewer's customers. Moreover, the development of new products or new features for TeamViewer's existing products may require substantial investment, and there can be no assurance that such investments will be successful. If TeamViewer's R&D investments do not accurately anticipate user demand, including for new and emerging use cases, it may fail to retain its existing users and customers or increase demand for its products.

Furthermore, TeamViewer's operations are affected by a number of megatrends, such as the ongoing digitalisation of business processes and ways of working and the expected proliferation of IT and internet of things (***IoT***) devices. Specifically, widespread acceptance and use of remote connectivity technologies are critical to TeamViewer's future growth and success. Changes in user preferences for remote connectivity would have a disproportionately greater impact on TeamViewer than if it offered multiple platforms or disparate products. If the expected mega trends fail to materialise, the remote connectivity market fails to grow or grows more slowly than TeamViewer currently anticipates, or TeamViewer is unable to capitalise on the mega trends and the growth of the remote connectivity markets, its business and growth prospects could be materially adversely affected.

The introduction of new products and services by competitors or the development of entirely new technologies could make TeamViewer's products less attractive or obsolete. TeamViewer could experience difficulties with software development or design as a result of technological changes such as the introduction of new operating system restrictions which limit the feasibility of the implementation of TeamViewer's products. Such changes could delay or prevent the development or implementation of new products or features or any required patches or other fixes for errors or defects. Any such delays could result in adverse publicity, loss of revenue or market acceptance, or claims by users and customers brought against TeamViewer, all of which could have a material adverse effect on its business, results of operations, financial condition and prospects.

1.1.4 The experience of TeamViewer's users and customers depends upon the interoperability of its services across devices, operating systems, content distribution channels and third-party applications that it does not control.

Interoperability across operating systems and devices is a key feature of TeamViewer's products. Its products are designed to interface with existing networks of its end users, each of which have different specifications and utilise multiple protocol standards (i.e. common data transport formats used in software products to enable interoperability between software programmes and hardware created by different parties or vendors). TeamViewer's services are accessible from the web and from devices running on all major operating systems such as Windows, Mac OS, iOS, Android, ChromeOS and Linux. Accessibility of its products and services across these and other third-party devices and operating systems that it does not control is fundamental to TeamViewer's business.

In addition, some providers of operating systems, content distribution channels such as app stores or other software or hardware platforms may be able to disrupt or otherwise influence the operations or compatibility of TeamViewer's products with their products or services, including if they determine that TeamViewer's solutions do not meet their requirements for products and services to be compatible with their operating systems and devices. In some cases, some of TeamViewer's competitors own, develop, operate, or distribute operating systems, content distribution channels, data centre services and other software, and also have material business relationships with companies that own, develop, operate or distribute operating systems, content distribution channels or data centre services, which may result in inherent advantages developing products and services that more tightly integrate with their software or hardware platforms or those of their business partners. If TeamViewer's solutions were unable to work on these operating systems, content distribution channels or other software or hardware platforms, demand for its product offering may decrease and TeamViewer may experience a decline in customers which could have a material adverse effect on its business, results of operation, financial condition and prospects.

Many of the networks of TeamViewer's end customers contain multiple generations of systems and products that have been added over time as these networks have grown and evolved. TeamViewer's products and services must interoperate within these networks and must retain compatibility with changing generations of operating systems and other software and hardware. Third-party services and products are constantly evolving, and TeamViewer may not be able to modify its products to ensure their compatibility with those of third parties following development changes. If TeamViewer's products and services do not interoperate properly, installations could be delayed or orders for its products and services could be cancelled, which could materially adversely affect its business, results of operation, financial condition and prospects.

TeamViewer's solutions can be integrated with applications provided by a variety of productivity, collaboration, data management and security vendors, including Microsoft, Salesforce, ServiceNow, SolarWinds, and IBM. These majority of these integrations are implemented via arrangements allowing customers of the third-party software to separately subscribe to a TeamViewer licence which can then be used with the third-party software. If these arrangements were to be terminated, TeamViewer could lose such customers.

1.1.5 Any disruption to, or failure of, TeamViewer's IT systems, third party infrastructure, including the internet, or suppliers could have a material adverse effect on its business.

TeamViewer's business operations, including its administration, human resources and accounting services, depend on the proper functioning of its IT infrastructure and other related systems and operations. TeamViewer is currently in the process of transitioning to a new application landscape, which is essentially a new enterprise resource planning (***ERP***), customer relationship management (***CRM***) and e-commerce system that affects all key internal systems. TeamViewer is moving from a more fragmented ERP landscape to a more integrated version based on Microsoft Dynamics 365 together with certain additional tools. There can be no assurance that TeamViewer will be able to implement the transition to its new application landscape on time, on budget or to a sufficiently high standard, which could result in additional implementation costs. In addition, despite careful roll-out management and redundancy measures, TeamViewer is also exposed to operational risks during the transitional period due to the complexity of changes involved. Any disruptions, interruptions or other failure to implement the transition could have a significant effect on TeamViewer's operations, including affecting customers' ability to place orders, TeamViewer's ability to invoice customers and its ability to keep the web shop online.

As a remote connectivity provider, TeamViewer's business depends significantly on the performance and reliability of Internet, mobile and other infrastructures that are not under its control. Disruptions in Internet infrastructure or GPS signals or the failure of telecommunications network operators to provide TeamViewer with the bandwidth it needs to deliver its products and offerings could interfere with the speed and availability of its platform. As TeamViewer's number of end users grows and their usage of communications capacity increases, it may be required to make additional investments in network capacity to maintain adequate data transmission speeds, reliability and performance. The availability of such additional network capacity may be limited or only available at costs or on terms unacceptable to TeamViewer. If internet service providers and other third parties providing internet services have outages or deteriorations in their quality of service, TeamViewer's end users will not have access to its products or may experience a decrease in the quality of its products.

TeamViewer's operations are also dependent upon its ability to protect its technology infrastructure against damage from business continuity events that could have a significant disruptive effect on its operations. Although TeamViewer has not experienced any significant business continuity event to date, a failure to protect its technology infrastructure could materially adversely affect its financial condition, operating results and prospects. TeamViewer uses infrastructure provided by a number of third-party providers and it does not control the operations of such third-party infrastructure. For example, TeamViewer's software is hosted on third-party data centre facilities, with one primary data centre located in Germany, and traffic is routed via a global server infrastructure that is not owned but controlled by TeamViewer. TeamViewer hosts its software using cloud infrastructure services provided by vendors such as Amazon Web Services (***AWS***), Microsoft Azure and Alibaba. In addition, TeamViewer relies on suppliers, including Anexia, for its network of approximately 1,000 dedicated routers. TeamViewer's operations depend on protecting the virtual cloud infrastructure hosted in third parties by maintaining its configuration, architecture, and interconnection specifications, as well as the information stored in these virtual data centres which is transmitted by third-party Internet service providers.

The technology infrastructure TeamViewer uses, including third-party infrastructure, is vulnerable to damage or interruption from human error, intentional bad acts, natural disasters, war, terrorist attacks, power losses, hardware failures, systems failures, telecommunications failures and similar events, any of which could disrupt its service. Damage to, or failure of, such infrastructure could cause data to be lost and otherwise result in interruptions or delays in TeamViewer's services, including customers' ability to connect to its platform and its ability to complete sales and take payments from customers and provide customer service. Additionally, if the infrastructure TeamViewer uses is insufficient to keep up with its increasing capacity needs, customers may experience delays as TeamViewer seeks to obtain additional capacity, which could harm its business.

TeamViewer has experienced, and may in the future experience, other interruptions and delays in its services caused by a variety of other factors, including but not limited to infrastructure changes, vendor issues, human or software errors, viruses, security attacks, fraud, general internet availability issues, spikes in usage and denial-of-service issues. In some instances, TeamViewer may not be able to identify the cause or causes of these performance problems within an acceptable period of time or the cause or causes of such problems may be outside its control. For example, in June 2016, TeamViewer experienced a service outage caused by a denial-of-service attack aimed at its domain name system (DNS) server. There can be no assurance that unplanned outages or other interruptions will not occur in the future or that TeamViewer will be able to remedy them within an acceptable period of time.

In connection with the addition of new data centres in the future or expansion or consolidation of its existing data centre facilities or other reasons, TeamViewer may move or transfer its data and its users' and customers' metadata to other data centres. Despite precautions that TeamViewer takes during this process, any unsuccessful data transfers may impair or cause disruptions in the delivery of its service and it may incur significant costs in connection with any such move or transfer. Although TeamViewer endeavours to ensure there is redundancy in its systems and that they are regularly backed-up, there can be no assurance that data recovery in the event of a disaster would be effective or occur in an efficient manner.

1.1.6 The remote connectivity in which TeamViewer operates is competitive and TeamViewer's success in this market may result in increased competition from new and existing competitors.

Due to the broad range of applications and use cases for its platform and products, TeamViewer faces competition from many competing providers, types of technologies and solutions in the market. These include free tools, in-house developments, open sources projects, manual processes as well as well-established and emerging software providers. TeamViewer expects that the expansion of use cases for its products will increase the number of providers with whom it competes.

TeamViewer categorises use cases for its solutions under the categories "connect", "manage" and "interact" as described in "*13.6 TeamViewer – the platform to "connect", "manage" and "interact"*. "With respect to its "connect" category of use cases, large technology companies with software platforms and operating systems such as Microsoft, Google, Apple and Amazon Web Services have been active in this segment and may in the future increase investments in these areas. All of these companies currently offer features directly comparable to parts of TeamViewer's technology stack. Although TeamViewer's platform can currently be viewed as a connectivity layer between these companies' platforms and operating systems, it is possible that these large technology companies could form strategic alliances and partnerships and develop products that would make this part of TeamViewer's business obsolete. In addition, there are several well-established independent software vendors such as LogMeIn, BeyondTrust and ConnectWise that offer products that compete directly with certain areas of TeamViewer's business. In addition, TeamViewer also faces competition from providers such as Citrix and SonicWall that offer products catering to similar use cases but based on different technology.

In terms of its "manage" category of use cases, TeamViewer's products serve IT helpdesk professionals and managed service providers that focus on installing and maintaining stable and safe IT environments. The market for IT management tools is currently highly fragmented. However, several providers, such as SolarWinds and Kaseya, have made simplifying the IT professional tool stack a priority and are actively consolidating in this space, including through increased acquisition activity. Companies such as PTC and Thingworx cater to IoT professionals and also compete with TeamViewer's products.

With respect to its "interact" category of use cases, TeamViewer has identified a number of customers using its solutions to engage with their peers and customers. Many of these customers could cover their needs with any of the other communication and collaboration tools on the market, such as Microsoft Skype and Teams, Zoom, Slack, GoTo and WebEx, among others. While currently competitors in the communications and collaborations space are focused on enhancements of their enterprise offering, it is possible that they may choose to focus their product innovation to develop products that address use cases in TeamViewer's customer base.

In addition, TeamViewer also faces competition from local niche software providers in each of its use case clusters. Furthermore, as TeamViewer launches new products in these or other segments, or addresses additional use cases, the competitive environment in which it operates widens. For example, TeamViewer recently introduced TeamViewer Pilot, which enables remote workers and field service experts and their customers to collaborate by leveraging augmented reality features (augmented reality is a technology to enhance real-world objects with geo-stationary enhancements like markers or pointers in a transmitted live video stream), which results in TeamViewer facing competition from other companies offering support capabilities using augmented reality. There is a possibility that the market for augmented reality-driven support may be captured by hardware manufactures offerings wearable products such as Microsoft HoloLens or Magic Leap.

TeamViewer's success in the remote connectivity market may encourage new entrants not currently considered to be competitors to enter the market, including through acquisitions, partnerships or strategic relationships. Furthermore, its success may also incentivise existing competitors, including those benefiting from larger economies of scale, to focus more on the remote connectivity market. As a result, TeamViewer may have to decrease prices or increase its marketing and other expenses or otherwise change its overall strategy for bringing its solutions to users and customers (go-to-market model) to attract and retain customers in response to competitive pressures, either of which could have a material adverse effect on its business, results of operations, financial condition and prospects.

1.1.7 Failure to attract and retain skilled employees with suitable technical expertise and senior management personnel could harm TeamViewer's operations and ability to grow.

TeamViewer's future success depends, in part, on the ability and experience of members of its senior management, customer-facing employees and technical experts focused on software development as well as on its ability to continue to attract, adequately compensate and retain such personnel. Competition for suitably qualified individuals with the relevant technical expertise in the technology and software industries is intense, and TeamViewer may not recognise or respond adequately to market dynamics in order to retain or recruit key staff or may incur additional costs in order to respond effectively to these market dynamics. For example, TeamViewer opened offices in Berlin and Karlsruhe in order to be able to recruit data scientists and software developers more effectively. Furthermore, TeamViewer may be required to increase employee compensation to attract and retain employees. For example, in 2018, TeamViewer introduced material changes to its remuneration policy in order to make its remuneration more competitive in the marketplace. Such increases could adversely affect TeamViewer's margins. TeamViewer may face additional challenges in recruiting skilled employees as it enters new markets where it does not benefit from the brand awareness and competitive advantages it enjoys in its core markets.

If TeamViewer is unable to identify, attract, develop, motivate, adequately compensate and retain well-qualified and engaged personnel, or if existing highly skilled and specialised personnel leave TeamViewer and ready successors or adequate replacements are not available, TeamViewer may not be able to manage its operations effectively. In turn, this could cause TeamViewer to suffer delays in new product development or software implementations or otherwise fail to satisfy customers' demands, which could have a material adverse effect on its reputation, business, results of operations, financial condition and prospects.

1.1.8 TeamViewer's current operations are international in scope, including operations in emerging markets, and it plans further geographic expansion, creating a variety of operational challenges.

TeamViewer sells its products and services in approximately 180 countries. In the 2018 fiscal year, the Europe, Middle East and Africa (***EMEA***), North and South America (***Americas***) and Asian Pacific (***APAC***) regions contributed 56.4%, 30.1% and 13.5% of billings, respectively. TeamViewer's offices, employees, users and customers are dispersed around the world, including in emerging markets. This creates operational challenges including:

- costs associated with developing software and providing support in many languages;
- the need to localise certain product features and adjusting product pricing to local market levels;
- expanding marketing and sales force;
- varying patterns of use in different countries, different payment cycles and difficulties in implementing auto-renewal in some countries;
- the effect of tariffs and trade barriers (resulting from, for example, trade wars or the withdrawal or renegotiation of multilateral trade agreements);
- a variety of regulatory or contractual limitations on its ability to operate and reduced protection of intellectual property rights in some countries;

- potential additional financial costs, such as potential adverse movements in currency exchange rates and adverse tax events; and

- a geographically and culturally diverse workforce and user base.

Specific challenges associated with operating in emerging markets include unstable or uncertain political and economic outlook, increased vulnerability to restrictive, inconsistent or frequently changing government policies, less well-established legal systems and rule of law, lack of sufficient infrastructure, higher instances of piracy and licence misuse and, frequently, higher rates of corruption.

In particular, TeamViewer has significant operations in Armenia where it has a development hub with approximately a hundred employees and where a substantial portion of its research and development function is based. Although Armenia is currently considered a generally favourable jurisdiction for technology companies because they are provided with preferential treatment on corporate profit tax, VAT, property tax and custom duties, as an emerging market that was part of the former Soviet Union, TeamViewer's operations located in Armenia may be subject to greater risks than those in more developed markets such as the US and Germany where its other principal operational bases are located. These risks include an uncertain political outlook which could result in the favourable conditions for TeamViewer being reversed, higher risk of corruption and an insufficiently developed law enforcement system.

As part of its growth strategy, TeamViewer intends to expand its geographical footprint, including its sales and marketing operations. The expansion of its existing international operations and entry into additional international markets has required and will continue to require significant management attention and financial resources. In addition, TeamViewer may be subject to additional risks in connection with this expansion strategy, including integration problems resulting from cultural and geographic dispersion, difficulties in hiring and training experienced personnel for its international operations, risks associated with trade restrictions and foreign legal requirements, the uncertainty of protection for intellectual property rights, and heightened risks associated with changes in regulatory practices, tariffs and tax laws and treaties. In particular, expanding its business in newly industrialised countries such as China and India will exacerbate the risks associated with operating in multiple jurisdictions. In addition, as TeamViewer expands into newly industrialised and emerging markets, its customers' default risk may increase. Any of these factors could impair TeamViewer's ability to gain future international revenue and consequently could materially adversely affect its business, results of operations, financial condition and prospects.

1.1.9 TeamViewer's business may be significantly impacted by general macroeconomic developments.

TeamViewer's performance is influenced by macroeconomic developments and the general business climate. Small- and medium-sized businesses, which represent the majority of TeamViewer's customers, as well as customers in emerging markets, which may have more volatile economies, are particularly vulnerable to macroeconomic changes. Specific potential macroeconomic risks that have been identified by TeamViewer include the potentially tightened trade embargo between China and the United States of America (the ***US***), the potentially unsystematic exit of the United Kingdom from the European Union (the ***EU***), financial system stress in Italy and the imposition of sanctions in jurisdictions in which it operates. TeamViewer may experience a decline in revenue growth and profitability during economic downturns due to reductions in subscriptions to its products or increased difficulty in attracting new customers, whether as a result of potential new customers freezing capital investment projects or otherwise, longer sales cycles, slower adoption of new technologies and increased price competition.

1.1.10 The software technology underlying TeamViewer's products is inherently complex and TeamViewer's business may be materially adversely affected by real or perceived material defects or errors in its products.

The software technology underlying TeamViewer's products is inherently complex and may contain material defects or errors, especially when new products are first introduced or when new features or capabilities are released. In particular, the foundation of TeamViewer's offering is its connectivity platform and infrastructure and any defects in this platform could affect nearly all of its products. TeamViewer has from time to time found defects or errors in its products, and new defects or errors in its existing products or new products may be detected in the future by it or its end users. As may happen to any vendor of software, end users may find errors, failures and bugs in some existing and new offerings after their initial distribution, particularly given that end users may deploy such products in computing environments with software or hardware different than those in which TeamViewer tests products before release. In addition, certain of TeamViewer's products operate in conjunction with third party systems which may contain vulnerabilities that TeamViewer is unable to remedy. The costs incurred in analysing, correcting or eliminating any material defects or errors in software may be substantial. Furthermore, although under the subscription model, TeamViewer frequently releases updates to its software, it may not be able to correct any defects or errors or address vulnerabilities promptly, or at all, causing significant harm to its reputation and competitive position. Any actual, possible or perceived defects may cause interruptions to the availability of software and result in lost or delayed market acceptance and sales, or may require TeamViewer to issue refunds to customers or may otherwise create liability claims.

In order to ensure compatibility of its products with operating systems and devices used by its customers, TeamViewer may also be required to maintain older versions of its software, particularly with respect to products sold under perpetual licences in the past, while at the same time developing and introducing newer versions. Older versions of TeamViewer's products may be less secure as technological improvements are developed rapidly and are frequently added to new versions. Hence older versions may be at greater risk of defects and vulnerabilities. In addition, maintaining these older systems in parallel could result in additional costs to TeamViewer. Furthermore, even as TeamViewer phases out its older products, it could still face claims from customers in relation to its older products.

1.1.11 TeamViewer's business depends on a strong brand, and if it is not able to maintain and enhance its brand, its ability to expand its user base and acquire new customers could be impaired and its business could be harmed.

TeamViewer believes that its viral distribution model has contributed to its success and resulted in strong brand identity and awareness. A significant portion of TeamViewer's users come to its website through word of mouth and recommendations. As a result, TeamViewer believes that maintaining and enhancing the TeamViewer brand is critical to expanding its base of users and customers and, in particular, conveying to users and the public that the TeamViewer brand consists of a broad product platform based on its remote connectivity backbone, rather than just one distinct product. In addition, TeamViewer's brand and reputation may be adversely affected by its use of algorithms which identify potential commercial use by free users and block such users' access to TeamViewer's platform. Any perception that free users are being incorrectly blocked in order to convert them to paid subscriptions could have a negative impact on TeamViewer's reputation and brand.

TeamViewer has recently rebranded its product ITBrain as TeamViewer Remote Management and is currently in the process of rebranding Monitis. It is also in the process of evaluating whether to continue its product Blizz on a standalone basis or only offer an add-on package with features from Blizz to Core and Tensor customers under the brand name "TeamViewer Meeting". There can be no assurance that it will be successful at implementing these rebranding efforts. Furthermore, in connection with the development and implementation of the rebranding campaign, TeamViewer will incur additional costs, including for its advertising and marketing efforts. In addition, any reputational risks associated with the existing brands may be perceived as affecting the overall "TeamViewer" brand following these rebranding efforts.

TeamViewer anticipates that, as its market becomes increasingly competitive, maintaining and enhancing its brand may become increasingly difficult and expensive. If TeamViewer fails to promote and maintain the "TeamViewer" brand, or if it incurs excessive expenses in this effort, its business could be harmed.

1.1.12 TeamViewer's past performance and particularly its recent growth may not be indicative of future growth.

TeamViewer has experienced rapid growth in recent periods, as revenue nearly tripled between 2016 and 2018, increasing by 182%. Following initial test waves between 2013 and the first half of 2017 in selected markets, TeamViewer transitioned from a perpetual licence model to a subscription model in all markets between 2017 and 2018. As a result of this transition, as well as the implementation of new accounting pronouncements, among other factors, its results of operations are not fully comparable across the periods under review and its historical results of operations are not fully comparable to its future results. See "*10.3 Factors affecting comparability of results of operations and financial condition*".

In future periods, TeamViewer may not be able to sustain its performance, including the experienced revenue growth, consistent with recent history. TeamViewer's ability to forecast future results of operations is subject to a number of uncertainties. In future periods, revenue growth could slow or revenue could decline for a number of reasons, including any reduction in demand for the products offered, increased competition, contraction of the overall market, inability to accurately forecast demand for identified customer use cases and/or products offered, capacity constraints or failure of TeamViewer, for any reason, to capitalise on growth opportunities. For example, TeamViewer's business strategy includes opportunistically engaging in strategic transactions, such as mergers, acquisitions and joint ventures. However, since TeamViewer has not completed any such transactions in the past, it may not be able to identify suitable acquisitions or joint venture opportunities in the future or complete any particular acquisition, combination, joint venture or other transaction on acceptable terms or successfully integrate any acquisitions or investments.

In addition, customer growth rates may slow in the future as market penetration rates increase. TeamViewer has encountered and will encounter risks and uncertainties frequently experienced by growing companies in rapidly changing industries, such as the risks and uncertainties described herein. If TeamViewer's assumptions regarding these risks and uncertainties, which are used to plan the business, are incorrect or change, TeamViewer's business may not grow as expected.

1.1.13 As TeamViewer increases its sales to large enterprises, it could face greater deployment challenges and higher performance requirements.

As TeamViewer's business evolves and it targets large enterprise customers, it may need to invest more resources into sales to such organisations. Large organisations typically undertake a significant evaluation and negotiation process due to their leverage, size, organisational structure and approval requirements, all of which can lengthen TeamViewer's sales cycle. TeamViewer's products may also face unexpected deployment challenges with large organisations or more complicated deployment of its services. Large organisations are likely to have higher data security requirements and access rights requirements than smaller enterprises and therefore may demand additional features, support services and pricing concessions or require additional security management or control features. While TeamViewer spends substantial time and money on sales efforts to large organisations there can be no assurance that its efforts will produce adequate sales or that these customers will deploy TeamViewer's solutions widely enough across their organisations to justify the substantial upfront investment and support TeamViewer's growth strategy. During the sales evaluation period, such prospective customers may delay purchases, may decide not to purchase and may scale down proposed orders for reasons that TeamViewer does not control and cannot predict, including changes in economic conditions, changes in customer personnel, reduced demand for online remote support and collaboration technologies, introduction of new products by competitors, lower prices offered by competitors, changes in customers' budgets and purchasing priorities and changes in customers' information systems. In addition, due to large organisations' greater negotiating power, TeamViewer may be unable to use its standard end user licence agreements with such organisations and its negotiated customer contracts with such customers may expose it to greater legal risk due to provisions such as indemnities and higher limitations of liability included in such contracts. TeamViewer anticipates increased sales to large organisations are likely to lead to higher upfront sales costs and greater unpredictability in its business. Furthermore, large enterprise customers are likely to have higher performance requirements for TeamViewer's products and if TeamViewer is unable to adequately adapt its products to satisfy such requirements, it may fail to gain traction with enterprise customers and be unable to successfully implement its growth strategy.

1.1.14 TeamViewer uses open source software and other third party licences to develop new software solutions or enhancements to its connectivity platform, which could expose it to additional risks.

In some cases, TeamViewer combines its proprietary software with certain open source software. Open source software is accessible, usable and modifiable by anyone, provided that users and modifiers abide by restrictions and requirements imposed by the applicable open source licence. Usage of certain open source software can lead to greater risks than use of third party commercial software, as open source licensors generally do not provide warranties or controls on the origin of software. Under certain conditions, the use of some open source code to create derivative code may obligate TeamViewer to make the resulting derivative code available to others at no cost. TeamViewer monitors the use of open source code in an effort to avoid situations that would require making parts of its core proprietary technology freely available as open source code. TeamViewer generally either only uses code licenced under open source licences that allow redistribution and sale of the resulting products without restriction or it seeks to limit the use of open source code that would require release of underlying source code to the development isolated components of TeamViewer's products that TeamViewer could release without releasing its core proprietary technology. However, there can be no assurance that TeamViewer will not use code governed by more restrictive licences or that a court will not interpret a licence to require certain source code to be made available to the public without charge.

TeamViewer's connectivity platform also occasionally uses intellectual property licenced from third parties. Under these licensing agreements, TeamViewer has been granted the right to integrate third party software with its own software products or use the licenced software internally. If TeamViewer is unable to renew these licences in the future or obtain any required new licences, it could experience delays in product updates or may be required to use alternative technology of lower quality or at higher cost, any of which could adversely affect its ability to develop new products and features or continue to provide existing products. In addition, third parties may allege that additional licences are required for TeamViewer's use of their software or intellectual property, and TeamViewer may be unable to obtain such licences on commercially reasonable terms or at all.

Moreover, the inclusion in TeamViewer's software or other intellectual property licenced from third parties on a non-exclusive basis could limit TeamViewer's ability to differentiate its connectivity platform from those of its competitors, which could harm its business.

1.1.15 Failure by TeamViewer to maintain its customer relationships and sufficient levels of customer support could harm its reputation and business.

TeamViewer benefits from using feedback from its very large user and customer base to develop new products and features, discover new use cases and further enhance its customer and user engagement. Failure to adequately maintain relationships with its users and customers could negatively impact TeamViewer's innovation processes. Once TeamViewer's software is deployed on customers' IT systems, networks and devices, such customers depend on its technical support services to resolve any issues relating to such software. If TeamViewer does not effectively assist customers to deploy its software, quickly resolve post-deployment issues, or provide effective ongoing support, its ability to renew such customers' subscriptions would be adversely affected and its reputation with potential customers could be damaged. As TeamViewer has expanded into serving larger enterprises, such customers have higher demands and more challenging customer support needs than those of its other customers and TeamViewer has been required to adapt accordingly. In addition, to the extent that TeamViewer is unsuccessful in hiring, training, and retaining adequate support resources, its ability to provide adequate and timely support to customers will be negatively impacted, and customer satisfaction with its platform will be adversely affected. TeamViewer's failure to provide and maintain high quality support services globally, especially as its business grows, could lead to a reduction in customers and ultimately have adversely affect its results of operations and prospects.

Certain of TeamViewer's customers may continue to use products that are no longer maintained by it. For example, TeamViewer is currently evaluating whether to continue Blizz, its collaboration and online communication product, as a separate product or reintegrate its feature into its core product. Even if TeamViewer were to stop marketing Blizz, existing customers using Blizz may still require service support, which would result in additional costs to it. Furthermore, older discontinued versions of TeamViewer's products are no longer supported by its infrastructure systems and therefore will not work outside of the local area networks of customers of such products. However, some customers who own licences for such older versions may claim that they are entitled to continued support for these products. While TeamViewer believes it has no obligation to support these versions, any requirement to provide continued support could result in material additional costs to it.

1.1.16 TeamViewer depends on search engines, download sites and app stores to attract a significant percentage of its users and if those search engines, download sites or app stores change their rankings, it could adversely affect its ability to attract new users.

Many users locate TeamViewer's products and websites through search engines, download sites and app stores. Search engines and app stores typically provide two types of search results—organic (unpaid) search rankings and paid advertising—and TeamViewer relies on both types to attract new users. Companies cannot purchase organic rankings, which are determined and displayed based on criteria formulated by the relevant search engine or app store. Search engines and app stores may revise their algorithms from time to time in an attempt to optimise their search results. If the search engines, download sites or app stores modify their algorithms in a manner that reduces the prominence of TeamViewer's rankings, fewer potential users could click through to its websites or view its products, requiring TeamViewer to resort to more costly methods of attracting this traffic. Furthermore, the majority of TeamViewer's traffic from search engines comes from a single source, Google. The concentration of search traffic from a single search engine increases TeamViewer's vulnerability to potential algorithm modification. The failure to replace any lost traffic could reduce revenue or require TeamViewer to increase user acquisition costs by, for example, paying for purchased rankings.

1.1.17 TeamViewer recognises revenue from subscriptions to its platform over the terms of these subscriptions. Consequently, increases or decreases in new sales may not be immediately reflected in its results of operations and may be difficult to discern.

TeamViewer recognises revenue from subscriptions over the terms of these subscriptions, generally twelve months. As a result, a portion of the revenue it reports in each quarter is derived from the recognition of deferred revenue relating to subscriptions entered into during previous quarters. Accordingly, the effect of significant downturns in sales and potential changes in its pricing policies or rate of customer expansion or retention may not be fully reflected in its results of operations until future periods. In addition, a significant portion of TeamViewer's costs are expensed as incurred, while revenue is recognised over the term of the subscription. As a result, growth in the number of new customers and hosts could continue to result in recognition of higher costs and lower revenue in the earlier periods of subscriptions. TeamViewer's subscription-based revenue model also makes it difficult for it to rapidly increase its revenue through additional sales in any period, as revenue from new customers or from existing customers that increase their use of its platform must be recognised over the applicable subscription term. Finally, recognition of deferred revenue makes it difficult to forecast revenue accurately over a defined period, as the recognition of deferred revenue is dependent on the daily timing of when the initial subscription was made.

1.2 Legal and regulatory risks

1.2.1 TeamViewer is subject to a variety of laws, including those relating to the usage of the internet, telecommunications regulations and consumer protection laws, in the jurisdictions in which it operates. Such laws or changes in laws or their interpretation could increase its operating expenses or otherwise harm its business.

TeamViewer is subject to various laws and regulations in the jurisdictions in which it operates, including those covering the usage of the internet, privacy, data protection and IT security, consumer protection, employment and other matters. Changes in laws or regulations that adversely affect the use of the internet, including laws impacting "net neutrality", could impact TeamViewer's business. "Net neutrality" laws are designed to ensure that all online content is treated the same by internet service providers and other companies that provide broadband services. With the repeal of net neutrality rules in certain jurisdictions, TeamViewer's ability to deliver its software and services could become more restrictive or expensive and therefore it could incur greater operating expenses.

Blizz as well as the TeamViewer Meeting package, which will include features from Blizz, provide for online conference functionalities that provide for voice-over-IP (***VoIP***) conference calls that may also add in callers originating from the public-switched telephone network and which could result in Blizz and TeamViewer Meeting being considered regulated telecommunication services in these jurisdictions including those of member states of the EU (***EU Member States***). In connection with the launch of Blizz, TeamViewer registered as a provider of telecommunication services with regard to Blizz in Germany, Austria, Switzerland, France, Sweden and Canada. In addition, due to unclear scope of existing rules and regulations or due to changes in rules and regulations or in their interpretation, TeamViewer may be considered a regulated telecommunications services provider in jurisdictions where it is not currently registered. TeamViewer may be required to register as a regulated provider in other jurisdictions or may otherwise be subject to additional regulatory scrutiny which may result in material additional ongoing obligations and compliance costs. Further, TeamViewer has decided to not sell its online meeting solutions in certain jurisdictions due to the challenging regulatory conditions in those jurisdictions. Such additional regulatory costs or decisions to not sell certain products in certain jurisdictions due to regulatory concerns may have a material adverse impact on TeamViewer's business, results of operations, financial condition and prospects.

TeamViewer is also subject to employment laws and regulations in a number of jurisdictions, which are constantly evolving, and compliance with such evolving obligations could result in material additional costs to it. For example, the European Court of Justice recently ruled that companies in the EU must set up a system to record how many hours their employees work each day in order to guarantee employees' rights under the EU's working time directive and the charter of fundamental rights. Measures to ensure compliance with such requirements could result in additional costs for TeamViewer and there may be uncertainty as to how to ensure compliance with the requirements. Although TeamViewer's employees are not currently party to any collective bargaining agreement, there can be no assurance that its employees will not become party to such agreements in the future, which could lead to incur higher staff costs and greater difficulty in maintaining flexible employee policies.

Although TeamViewer primarily sells its products and services to corporate customers, in certain jurisdictions, professionals and small- to-midsize enterprises may be treated as consumers for the purposes of consumer protection laws. As a result, TeamViewer's evolving product and customer mix may expose it to the greater regulatory scrutiny faced by companies that provide products and services to consumers. In addition, in particular as a result of licence packaging in certain jurisdictions, it is possible that consumers generally eligible to use the free version of the products and services purchase a licence regardless. Such consumer protection laws vary from jurisdiction to jurisdiction and may impact TeamViewer's sales, marketing, and compliance efforts. The Revised Payment Services Directive (EU) 2015/2366, which comes into effect in September 2019, imposes requirements for strong customer authentication on the majority of electronic payments. These requirements may make it more difficult for TeamViewer to convert web shop visitors to customers and to process payments from potential customers.

Following TeamViewer's transition to the subscription model, a majority of its customers are now on subscription plans, many of which provide for auto-renewal. There has been increasing scrutiny of auto-renewal by consumer advocates and consumer protection regulators, which may result in regulatory restrictions that could impair TeamViewer's ability to maintain auto-renewals and therefore lead to a potential reduction in renewal rates. In addition, EU legislation, which took effect in December 2018, prohibits unjustified geo-blocking, including employing different pricing strategies based on the geographical location of consumers, in the EU. Although TeamViewer has implemented measures to comply with such legislation, such measures may not be sufficient to ensure compliance. Furthermore, if TeamViewer were to offer certain of its products at more competitive prices in order to attract additional customers in the consumer or professional segments, it faces the risk that customers in the small- and medium-sized business or enterprise segments may choose to opt for these lower-priced versions as well. Furthermore, there can be no assurance that the introduction of new products will not result in a decline in demand for TeamViewer's existing products.

TeamViewer depends on certain foreign vendors, including Chinese companies such as Alibaba to serve the Chinese market. Its ability to continue to receive required support from such vendors may be impaired or significantly constrained due to, among other things, bans, tariffs or sanctions imposed on goods and services from jurisdictions where such vendors are based (particularly China), by the US or the EU. In addition, TeamViewer's ability to depend on such foreign vendors may be affected by requirements under governmental tenders and subsidies, regulatory requirements in relation to security of core, critical or other infrastructure or generally, or as a result of measures prohibiting the use of network technology and other equipment from such foreign vendors.

1.2.2 *TeamViewer is subject to privacy, information security and data protection laws and regulations and any actual or perceived failure to comply with such obligations could harm its business.*

TeamViewer is in possession of employee and customer data which may include personal data for use in various areas, including operation of its products, sales, marketing, support and human resources activities. Data protection laws and regulations apply to the collection, use, retention, security, disclosure, transfer and other processing of personal data, with which TeamViewer must comply. Increasing appetite for regulation, in particular with respect to data protection, IT security and law enforcement may result in a more restrictive regulatory environment for TeamViewer. Some countries are considering or have passed legislation implementing data protection requirements or requiring local storage and processing of data or similar requirements that could increase the cost and complexity of delivering TeamViewer's services.

Data protection requirements in the jurisdictions in which TeamViewer operates are evolving. Government and legislative bodies and agencies have adopted, are considering adopting or may adopt laws and regulations regarding the collection, use, storage and disclosure of personal information obtained from consumers and individuals, such as compliance with the General Data Protection Regulation (the ***GDPR***). The GDPR has resulted in a number of changes to current EU data protection legislation, for example, increased fines (up to 4% of annual worldwide turnover or EUR 20 million, whichever is greater), and direct liability for breach by data processors. The GDPR may limit or inhibit TeamViewer's ability to operate or expand its business or may increase its potential liability as customers seek broader indemnification for potential data breaches. TeamViewer has been conducting a comprehensive project to ensure compliance with the requirements under the GDPR. In the course of this project, it has implemented numerous measures to strengthen its data protection and privacy-related activities. The implementation of these activities may result in TeamViewer incurring material additional costs. In addition, the lack of well-developed legal interpretation of the GDPR and related rules provides a degree of uncertainty for TeamViewer in the application of the GDPR throughout the countries in which it operates. In addition, the provisions of the GDPR may at times conflict with requirements under local laws and regulation in other jurisdictions in which TeamViewer operates. These and other applicable developments in data protection and privacy laws require TeamViewer to continually review and monitor its business practices and policies to ensure that it is, and remains, compliant. Enforcement activities against TeamViewer or its customers could require it to indemnify its customers and could lead to fines and civil liability. Even the perception of privacy concerns, whether or not valid, may harm TeamViewer's reputation and inhibit adoption of its connectivity platform by current and future customers, which could have a material adverse effect on its business, results of operations, financial condition and prospects.

European, US federal and state and foreign laws and regulations relating to data protection, privacy and other similar laws and regulations are constantly evolving and can be subject to significant change. As a result, the application, interpretation, and enforcement of these laws and regulations are often uncertain, particularly in the new and rapidly evolving industry in which TeamViewer operates, and may be interpreted and applied inconsistently from country to country and inconsistently with its current policies and practices. TeamViewer's failure to comply with applicable laws and regulations, or to protect data from breaches or misuse by employees, could result in investigations by law enforcement agencies and enforcement action against it. Such enforcement could include fines, public censure, claims for damages by employees, customers and other affected individuals, damage to TeamViewer's reputation and loss of goodwill (both in relation to existing customers and prospective customers) and in some circumstances the imprisonment of company officials. Additionally, if third parties TeamViewer works with, such as vendors or developers, violate applicable laws or regulations or TeamViewer's policies, such violations may also put TeamViewer's users' and customers' content at risk and could in turn have an adverse effect on TeamViewer's business. Any of these developments could have a material adverse effect on TeamViewer's business, results of operations, financial condition and prospects.

1.2.3 *Action by governments to restrict access to TeamViewer's platform in their countries could harm TeamViewer's business, results of operation and financial condition.*

TeamViewer's platform could be blocked or restricted in some countries for various regulatory or other reasons. It is possible that government of one or more foreign countries may seek to limit access to TeamViewer's platform in their countries, or impose other restrictions that may affect the availability of TeamViewer's products, or certain features, in their countries for extended periods of time or indefinitely. For example, China has recently blocked certain online services providing cloud computing and has also banned the use of virtual private network (***VPN***) products within the country. Any such restrictions imposed by China on TeamViewer's operations or any determination by the Chinese government that TeamViewer does not comply with applicable laws and regulations could have a material adverse impact on its operations and prospects, particularly in light of its intention to expand in China.

TeamViewer currently relies on partnering with locally regulated service providers, including Alibaba in China, to ensure adequate and reliable performance of its products in view of local restrictions on foreign internet companies. TeamViewer may not be able to sustain such partnerships on reasonable terms, or at all, and may not be able to find suitable alternatives to maintain its position in such jurisdictions, which could substantially impact its ability to provide a competitive product offering in such jurisdictions. In addition, further countries might implement similar restrictions. Such restrictions on access could adversely affect the usage of TeamViewer's products and its ability to offer reliable services and therefore result in increased implementation costs for TeamViewer and result in a loss of existing customers and users and difficulty attracting new customers and users.

1.2.4 TeamViewer may be required or requested to assist law enforcement in a number of jurisdictions.

TeamViewer may be required or requested to assist law enforcement agencies in connection with users or customers using its products as tools for illegal purposes or in connection with illegal activities. Governmental law enforcement agencies in some countries have in the past, and may in the future, ask TeamViewer to provide information on certain of its users or customers which such enforcement agencies cannot otherwise access, related to ongoing investigations or otherwise. While TeamViewer seeks to comply with such requests wherever possible, it may be unable to comply with such requests from governmental law enforcement agencies outside the jurisdiction of the EU due to potential non-compliance with GDPR. Such non-compliance with requests from governmental law enforcement agencies may be perceived negatively and cause harm to its business.

Under further and more extensive regulatory developments related to encryption of communications, TeamViewer could be required to offer tapping and interception capabilities to law enforcement agencies or provide backdoor access to encrypted communications in connection with investigations or other circumstances. Any such requirements could conflict with existing IT security requirements under GDPR and similar laws, could create a security weakness in TeamViewer's offerings and could impact its ability to continue to offer its product offering in certain countries, either in the manner it is currently provided or at all, or could require substantial investment in R&D to ensure compliance with additional regulatory requirements.

1.2.5 TeamViewer is subject to evolving sanctions laws as well as governmental export controls, and any breaches of such laws could subject it to fines or other forms or criminal or administrative penalties, as well as reputational damage.

TeamViewer is subject to complex export control and economic sanctions laws in certain of the jurisdictions where it operates, including the US and the EU. Export control laws impose controls, export licence requirements and restrictions on the export of certain items, including software, and technology, such as encryption software. Changes to TeamViewer's products or future changes in import and export regulations may limit the export of its products and provision of its services in certain jurisdictions, or may require export authorisations, including by licence, a licence exception or other appropriate government authorisations. Export control and economic sanctions laws may also include prohibitions on the sale or supply of certain of TeamViewer's products to embargoed or sanctioned countries and regions (notably, in respect of US sanctions, Cuba, Iran, North Korea, Syria and the Ukrainian territory of Crimea), governments, persons and entities. In addition, various countries regulate the importation of certain products, through import permitting and licensing requirements, and have enacted laws that could limit TeamViewer's ability to distribute its products. The exportation, re-exportation and importation of TeamViewer's products and the provision of services, including by its partners, must comply with these laws or else it may be adversely affected, through reputational harm, government investigations, penalties, and a denial or curtailment of its ability to export its products or provide services.

In light of the complexity of laws and regulations applicable to the export of software that TeamViewer produces, and as the technical means by which persons can access its products are constantly evolving, the systems that TeamViewer needs to put in place to prevent violations of sanctions and export control laws need to evolve to reflect those changes. While TeamViewer has recently taken several measures to ensure sanctions and export controls compliance such as the implementation of (i) IP geo-blocking to prevent access to its websites and web-based services from certain sanctioned countries such as Iran, North Korea, Syria; (ii) sanctions contractual protection in its end user licence agreements requiring customers and users to give sanctions compliance undertakings and (iii) the roll-out of screening customers against EU, US sanctions lists, there can be no assurance that TeamViewer's sanctions and export controls compliance measures will successfully prevent against all potential violations. In addition, in the past, TeamViewer may have had customers located in jurisdictions that were targeted by sanctions or customers that were otherwise the target of sanctions. Any violations of sanctions, including past violations, could materially adversely affect TeamViewer's reputation, business, financial condition and results of operations.

TeamViewer has partnered with the Chinese company Huawei on occasion in the past, with respect to integration of TeamViewer's solutions with Huawei's products, and may seek to partner with it in the future. Recently, Huawei has been under scrutiny by the US government for potential sanctions breaches, and any bans, tariffs or sanctions pronounced against Huawei or any damage to Huawei's image or reputation could also negatively affect TeamViewer's reputation as a commercial partner or result in a loss in customers.

1.2.6 TeamViewer may be unable to adequately protect its intellectual property and proprietary rights and prevent others from making unauthorised use of its connectivity platform and technology.

TeamViewer attempts to protect its intellectual property under trademark laws, and through a combination of confidentiality procedures, contractual provisions and other methods, all of which offer only limited protection. As of the date of this Prospectus, TeamViewer owns approximately 105 trademarks and is in the process of application for a further 134 trademarks. The success of TeamViewer's business depends on its ability to protect and enforce its trademarks, trade secrets and other intellectual property rights. While TeamViewer currently expects nearly all of its pending trademark applications will be successful, there can be no assurance of their success. TeamViewer does not currently possess any patents in respect of its intellectual property. TeamViewer generally enters into confidentiality or licence agreements with employees, consultants, vendors, partners and customers, as applicable, and generally limits access to and distribution of its proprietary information. However, TeamViewer cannot guarantee that it has entered into such agreements with all parties who may have or have had access to confidential information or that the agreements entered into will not be breached.

Additionally, some of TeamViewer's trade secrets and know-how are stored electronically and thus highly portable. TeamViewer employs physical and electronic security systems designed to protect its servers from unauthorised access. Despite its best efforts to protect its intellectual property rights, unauthorised parties may not be deterred or prevented from misuse, theft or misappropriation of information TeamViewer regards as proprietary, which could cause it to lose any competitive advantage resulting from such know-how or trade secrets. In addition, third parties could successfully reverse engineer TeamViewer's products. If any of TeamViewer's competitors were to gain access to any of its trade secrets, know-how or other technologies not protected by a patent, or otherwise independently develop this information, TeamViewer may lose its competitive position, resulting in a loss of customers and users.

Moreover, policing unauthorised use of TeamViewer's intellectual property is difficult, expensive and time-consuming, particularly in jurisdictions where the laws may not be as protective of intellectual property rights as those in the EU and the US and where mechanisms for enforcement of intellectual property rights may be weaker. To the extent TeamViewer expands its international activities, its exposure to unauthorised copying and use of TeamViewer's products, or certain aspects of its products, and proprietary information may increase. Further, competitors, foreign governments, foreign government-backed actors, criminals, or other third parties may gain unauthorised access to TeamViewer's proprietary information and technology. In particular, TeamViewer has faced issues in relation to the distribution of counterfeit copies of its software in China. Attempts by TeamViewer to curb the distribution of such counterfeit copies may result in additional costs and may not be successful; in addition, such attempts may also result in damage to TeamViewer's reputation.

Attempts to enforce TeamViewer's intellectual property rights against third parties could also provoke these third parties to assert their own intellectual property or other rights against TeamViewer, or take unilateral steps to invalidate its intellectual property rights, which could result in a holding or official action that invalidates or narrows the scope of its rights, in whole or in part.

If TeamViewer is unable to protect its proprietary rights, it may be at a competitive disadvantage compared to others who need not incur the additional expense, time, and effort required to create the innovative connectivity platform that has enabled it to be successful to date. In addition, certain of TeamViewer's intellectual property rights have been pledged as collateral in respect of certain of its financing arrangements. If the pledges in respect of these financing arrangements were to become enforceable, TeamViewer may be unable to continue to use and exploit the intellectual property rights in the ordinary course of business. Any of these events could have a material adverse effect TeamViewer's business, results of operations, financial condition and prospects.

1.2.7 Third parties may claim that TeamViewer is infringing their intellectual property and TeamViewer could become subject to significant litigation or licensing expenses or be prevented from selling products or services.

From time to time, third-parties may claim that one or more of TeamViewer's products, services, systems or databases infringe their intellectual property rights. For example, TeamViewer US, LLC and TeamViewer Germany GmbH are currently party to related patent infringement lawsuits wherein plaintiffs have alleged that certain TeamViewer products infringe third party intellectual property. This dispute is currently in the discovery phase. See "*13.19–Legal and administrative proceedings*".

TeamViewer analyses and takes action in response to such claims on a case-by-case basis. Any dispute or litigation regarding trademarks or other intellectual property right could be costly and time-consuming due to the complexity of TeamViewer's technology and the uncertainty of intellectual property litigation. In addition, such actions could divert TeamViewer's management and key personnel from its business operations. A claim of intellectual property infringement could force TeamViewer to enter into a costly or restrictive licence agreement, which might not be available under acceptable terms or at all, or could subject it to significant damages or to an injunction against development and the sale of subscriptions to its products or services. TeamViewer's intellectual property portfolio may not be useful in asserting a counterclaim, or negotiating a licence in response to a claim of intellectual property infringement. Although TeamViewer's policy is to obtain licences or other rights where necessary, it cannot provide assurance that it has obtained all required licences or rights. If a successful claim of intellectual property infringement is brought against it, TeamViewer may be unable to develop non-infringing products or services, or to obtain licences on a timely and cost-effective basis.

1.3 Risks related to TeamViewer's general operations

1.3.1 TeamViewer's results of operations, which are reported in euro, could be materially adversely affected if currency exchange rates fluctuate substantially in the future.

TeamViewer operates globally in approximately 180 countries and sells its products in more than 40 currencies. TeamViewer's reporting currency is the euro while it generates sales, incurs costs and has assets and liabilities in other currencies. 64% of its billings in the fiscal year 2018 were invoiced in currencies other than the euro. Most of TeamViewer's subsidiary companies report in currencies other than the euro, including US dollars, British pound, Australian dollar, Japanese yen, Indian rupee, Singapore dollar and Armenian dram. The income and expenses of TeamViewer's foreign subsidiaries are translated into euro at the average exchange rate for the period. Profit translation exposures from overseas operations are not hedged. Therefore, strengthening of the euro against the functional currencies of its subsidiary companies will result in a decrease in TeamViewer's revenue as reported in euros. For currencies in which TeamViewer has more cash inflows than outflows, depreciation of euros relative to that currency will have a positive effect on reported results and appreciation of euros relative to that currency will have an adverse effect on reported results. In addition, TeamViewer's local subsidiaries often incur costs in, and generate income in, currencies other than their respective reporting currencies, exposing them to foreign currency transaction risk.

TeamViewer's primary exchange rate exposure is against the US dollar, with 24% of its billings invoiced in US dollars in the fiscal year 2018. Moreover, certain of TeamViewer's external debt is denominated in currencies other than the euro, in particular US dollars, and therefore TeamViewer has cash outflows for interest and amortisation payments in such currencies. TeamViewer's operations and financing may give rise to transactional exposures where the cash inflows and outflows are not aligned for a given currency.

TeamViewer has a partial natural hedge against the US dollar as an increasing share of its costs are paid in US dollars, together with US dollar-denominated outflows for interest and amortisation payments on its US dollar-denominated debt. However, this may prove to be inadequate and TeamViewer may be unable to implement a sufficient hedging strategy if needed. Any inability to manage its exposure to foreign exchange rates, including from a liquidity and cash flow perspective, may have a material adverse effect on TeamViewer's business, results of operations, financial condition and prospects. In addition, TeamViewer may become more exposed to further currency exchange rate risks as it continues to expand its international operations.

1.3.2 TeamViewer may have exposure to greater than anticipated tax liabilities.

TeamViewer is subject to many different forms of taxation in several jurisdictions in which it operates, including but not limited to income tax, withholding tax, property tax, value added tax, sales tax and social security and other payroll related taxes. Income tax payable may be assessed on the basis of transfer pricing rules or profit allocation rules, which may not be aligned between various jurisdictions, thereby potentially triggering double taxation. Tax law and administration is complex and often requires TeamViewer to make subjective determinations. Changes in tax laws or their interpretation or application or changes in the amount of taxes imposed on companies could increase TeamViewer's future tax burden. Any changes in tax laws or their interpretations could also decrease the amount of cash TeamViewer receives or earns, the value of any tax loss carryforwards and interest carryforwards as well as tax credits recorded on its balance sheet and the amount of its cash flow, and have a material adverse impact on its business, financial condition and results of operations.

Tax authorities around the world are increasingly rigorous in their scrutiny of transactions and may not agree with the determinations that are made by TeamViewer with respect to the application of tax law. As a result of current or future tax audits or other review actions by the relevant financial or tax authorities, TeamViewer's internal tax assessments, including its interpretation and application of tax laws such as its tax positions with respect to certain material assets (for example, its intellectual property rights) or with respect to tax deductions such as those related to financing costs, could be challenged and, as a result, revised and additional taxes, including interest and penalty payments, could be assessed in relation to future or previous tax assessment periods.

In general, TeamViewer's effective tax rate could be adversely affected by several factors, many of which are outside of its control, including but not limited to:

- changes in the relative proportions of income before taxes in the various jurisdictions in which it operates that have differing statutory tax rates;

- changing tax laws, regulations and interpretations in various jurisdictions in which it operates as well as the requirements of certain tax rulings;

- determinations by tax authorities that it has established a taxable presence in certain jurisdictions where it does not currently pay taxes on income or profit;

- successful challenges by tax authorities to its transfer pricing policies, including specific transactions; and

- tax assessments, or any related interest or penalties, which could significantly affect its income tax expense for the period in which the assessments take place.

Transfer pricing is a key tax challenge due to TeamViewer's global business and is subject to increased regulation, in part due to efforts by local tax authorities to increase revenue in the respective country in which the revenue is deemed to be sourced. Transfer pricing rules may be inconsistently applied by tax authorities and successful transfer pricing challenges could materially increase TeamViewer's income tax expenses and cash tax payments. As a result of changes in the international tax regulations such as the Organization for Economic Cooperation and Development Base Erosion and Profit Shifting Action Plan (***OECD BEPS***) and further initiatives for changes in taxation of digital businesses driven by the EU, other taxing jurisdictions and the OECD, tax authorities are likely to be more focused on areas such as transfer pricing and the allocation of taxable income throughout various jurisdictions. Several jurisdictions consider introducing new taxes specifically for digital services (Digital Services Taxes) which could, if applicable (for instance, subject to turnover thresholds), materially increase TeamViewer's tax expenses and cash tax payments. As a result of increasing exchange of information between tax authorities, additional challenges may arise.

Most jurisdictions in which TeamViewer operates have transfer pricing rules that require transactions involving associated companies to be made on arm's length terms. It is TeamViewer's general policy that arrangements between Group companies aim at being carried out on an arm's length basis. However, if the tax authorities in any relevant jurisdiction do not regard such arrangements as being made on an arm's length basis or being properly documented and successfully challenge those arrangements, the amount of tax payable, in respect of both current and previous years, may increase materially and penalties or interest may be payable. Further, in some jurisdictions in which TeamViewer operates, tax authorities undertake extensive reviews of transfer pricing arrangements, meaning TeamViewer's tax positions in those jurisdictions remain open and subject to review for several years.

1.3.3 TeamViewer's ability to use tax loss carryforwards and interest carryforwards and certain other tax attributes may be limited.

As of 31 December 2018, TeamViewer had existing tax loss carryforwards of EUR 31.2 million, and with respect to German fiscal unity the full amount of tax loss carryforwards were recognized as deferred tax assets, and interest carryforwards of EUR 193.5 million for which no deferred tax assets were recognised. These tax loss carryforwards and interest carryforwards can generally be used for an unlimited period but, in the case of interest carryforwards, are subject to limitations imposed by German interest barrier rules. The existing tax loss carryforwards and interest carryforwards exist at the level of Regit Eins GmbH rather than at the level of the Company and any direct or indirect change of control of Regit Eins GmbH could affect such tax loss carryforwards and interest carryforwards. If prior to the complete use of the tax loss and interest carryforwards, more than 50% of the subscribed capital or voting rights of Regit Eins GmbH are transferred to an acquirer (including parties related to the acquirer) within five years, directly or indirectly, or a comparable acquisition occurs, all tax loss carryforwards and interest carryforwards are forfeited subject to certain exemptions. As a result, if such a transaction occurs in respect of the subscribed capital or voting rights of Regit Eins GmbH, this could result in a forfeiture of TeamViewer's tax loss carryforwards and interest carryforwards, and TeamViewer's deferred taxes, financial condition and results of operations could be adversely affected.

1.3.4 TeamViewer may have exposure to additional tax liabilities related to withholding taxes as well as surcharges and fees in relation to its sales.

According to the tax provisions of some of the jurisdictions in which TeamViewer has customers, its software sales may be requalified as licence fees. In case of a requalification of TeamViewer's software sales as licence fees, certain countries' domestic tax law may provide for the imposition of withholding taxes on the payment of the customer to the supplier. If this is the case, the customer would be obliged to withhold and to pay the respective tax to the local authority. The underlying end-user licence agreement between TeamViewer and the individual customer includes a provision under which TeamViewer charges its software sales net of any sales or withholding tax and as consequence any such withholding tax is owed by the customers. However, there is no assurance that separate local tax authorities will hold a different view resulting in additional tax liabilities for TeamViewer resulting in an according decrease in its cash.

TeamViewer currently collects and remits applicable sales tax in Germany and other jurisdictions where based on local tax rules it has determined that its software sales are classified as taxable. TeamViewer does not currently collect and remit other state and local excise, utility user, value added tax and other ad valorem taxes, goods and services taxes, fees or surcharges that may apply to its customers and hosts. TeamViewer believes that it is not otherwise subject to, or required to collect, any additional taxes, fees or surcharges imposed by state and local jurisdictions where it does not have a sufficient physical presence or "nexus" within the relevant taxing jurisdiction, or because TeamViewer believes that such taxes, fees, or surcharges do not apply to its sales in the relevant taxing jurisdiction. However, there is uncertainty as to what constitutes sufficient physical presence or nexus for a state or local jurisdiction to levy taxes, fees and surcharges for sales made over the internet, and there is also uncertainty as to whether TeamViewer's qualification of its sales as not taxable in certain jurisdictions will be accepted by state and local taxing authorities. One or more of the jurisdictions in which it operates may seek to impose incremental or new sales, use, or other tax collection obligations on TeamViewer. According to a recent proposal by the OECD's "Inclusive Framework", the concept of physical presence or "nexus" might be amended and extended significantly in the near future, which, if implemented in the relevant taxing jurisdictions, could result in TeamViewer becoming subject to income taxation in a taxing jurisdiction for the first time. A successful assertion by a country or other jurisdiction that TeamViewer was or will be required to collect additional sales, use, or other taxes could, among other things, result in substantial tax payments, create significant administrative burdens for it, discourage potential customers from subscribing to its platform due to the incremental cost of any such sales or other related taxes, or otherwise harm its business.

Since 2018, an increasing number of U.S. states have started to include software as a non-tangible asset in the category of taxable items for the purposes of sales regardless of a physical presence of the supplier in the relevant U.S. states. Several material aspects in relation to these sales taxes remain to be clarified, including whether the states have the legislative power for introducing such sales taxes and the means of imposing such taxes. TeamViewer is currently considering the applicability of such sales taxes to its software sales as well as potential reporting and other tax compliance obligations. It is also monitoring the need to recognise tax provisions for potential tax liabilities of TeamViewer in relation to past and future periods since these rules came into effect. In addition, TeamViewer is monitoring the potential introduction of such sales taxes in further U.S. states.

The extension of indirect taxes, such as sales and use tax, value added tax, goods and services tax, business tax and gross receipt tax, to businesses that transact online, such as TeamViewer's, is a complex and evolving area and the application of existing, new, or future laws, whether in EU or internationally, could harm its business.

1.3.5 TeamViewer's risk management and internal control may not prevent or detect violations of law and Group-wide policies.

TeamViewer's activities are subject to various laws, rules and regulations in the various jurisdictions in which it operates or sells its products. TeamViewer's existing compliance processes and controls may not be sufficient to effectively prevent or detect inadequate practices, fraud and violations of law or group-wide policies by its subsidiaries, intermediaries, sales agents, employees, directors and officers. TeamViewer may be exposed to the risk that its employees, directors, officers, sales agents, development partners or others receive or grant inappropriate benefits or generally use corrupt, fraudulent or other unfair business practices. This risk may be further exacerbated by TeamViewer's further expansion into emerging markets. As a result, TeamViewer may be exposed to legal sanctions, penalties and loss of orders as well as material harm to its reputation.

TeamViewer launched a new risk management process in June 2019 which included the appointment of a chief compliance officer. In addition, TeamViewer has set up a risk steering group overseeing risk management processes across the jurisdictions in which it operates. However, there can be no assurance that this process will be efficiently implemented or that TeamViewer's subsidiaries, intermediaries, sales agents, employees, directors and officers will effectively follow the process. TeamViewer's inability to maintain effective internal controls could affect its ability to prevent data breaches and misappropriation of information by its employees or product development partners. In addition, while TeamViewer has procedures in place for compliance with sanctions and other trade controls, there can be no assurance that its sanctions compliance procedure and trade controls policies will effectively prevent it from violating these regulations in every transaction that it engages in.

The Company's management team has limited experience in managing a publicly-traded company and complying with the increasingly complex laws pertaining to public companies. The Company's management team might not successfully or efficiently manage its transition to being a public company that is subject to significant regulatory oversight and reporting obligations under applicable laws and regulations. These new obligations will require substantial attention from the

Company's senior management and could divert their attention away from the day-to-day management of its business. There can be no assurance that TeamViewer's accounting, controlling, legal or other corporate administrative functions will be capable of responding to these additional requirements without difficulties and inefficiencies that would result in significant additional expenditures or expose it to legal, regulatory or civil costs or penalties.

If TeamViewer fails to maintain adequate internal controls, including in relation to the handling of conflicts of interest, the prevention of corruption, bribery and violations of sanctions and other trade control laws and regulations and the handling of confidential information and IT security, as the applicable standards regulating such actions are modified or amended from time to time, any failure to fully comply with applicable laws, rules or regulations could materially adversely affect its business, financial condition and results of operations.

1.3.6 TeamViewer is exposed to certain risks associated with its financing arrangements and it may need additional capital in the future, which it may not be available on acceptable terms.

TeamViewer's New Senior Facilities Agreement (as defined herein) contains a financial maintenance covenant that is tested on a quarterly basis. In light of the risks associated with TeamViewer's business described in more detail above and below, there can be no assurance that TeamViewer will be able to maintain its current financial position at the levels required for meeting the financial maintenance covenant in the future. A breach of the financial maintenance covenant would result in a default under the New Senior Facilities Agreement unless TeamViewer can obtain waivers or consents in respect of any breach of the obligations thereunder. TeamViewer cannot assure that these waivers or consents will be granted. In the event of any default under the New Senior Facilities Agreement, the lender or lenders thereunder could elect to declare all outstanding borrowings, together with accrued interest, fees and other amounts owing thereunder, to be immediately due and payable. In addition, indebtedness under other instruments that contain cross-default or cross-acceleration provisions may also be accelerated and become due and payable.

The New Senior Facilities Agreement also contains certain mandatory prepayment provisions that require TeamViewer to prepay the New Senior Facilities Agreement in whole or in part on the occurrence of certain customary events including a change of control of the Company (as defined in the New Senior Facilities Agreement).

Furthermore, pursuant to the terms of the New Senior Facilities Agreement, (i) the Company is required to pledge the shares it holds in Regit Eins GmbH and (ii) Regit Eins GmbH is required to pledge the shares it holds in TeamViewer Germany GmbH, to the lenders as security for the New Senior Facilities Agreement. In addition, the New Senior Facilities Agreement contains an obligation to provide security over certain shareholder loans from the Company to Regit Eins GmbH. Upon an acceleration event, the lenders may require the agent under the New Senior Facilities Agreement to enforce the share pledges (and, if applicable, the security over such shareholder loans) in order to obtain the proceeds to service the outstanding debt.

In addition to the above mentioned financial maintenance covenant, the New Senior Facilities Agreement provides for various customary representations and warranties as well as affirmative covenants and negative covenants, which restrict certain aspects of TeamViewer's business, and events of default provisions. If TeamViewer fails to comply with any of these covenants or representations, and it is unable to remedy (if applicable) such failure or fail to obtain a waiver, a default could result under the New Senior Facilities Agreement.

In addition, TeamViewer may need additional capital in the future to fund its operations, respond to potential strategic opportunities, enhance and expand its product portfolio and to service or refinance its current indebtedness. TeamViewer's ability to obtain external financing in the future is subject to a variety of uncertainties, including: (i) its financial condition, results of operations and cash flows, and (ii) general market conditions for financing activities. Additional financing may not be available on terms favourable to TeamViewer or at all due to several factors, including the terms of its existing indebtedness and trends in the global capital and credit markets. The capital and credit markets have experienced extreme volatility and disruption in recent years. Market conditions could make it more difficult for TeamViewer to borrow or otherwise obtain financing. The terms of available financing may also restrict TeamViewer's financial and operating flexibility. If adequate funds are not available on acceptable terms, TeamViewer may be forced to reduce its operations or delay, limit or abandon expansion opportunities.

1.3.7 TeamViewer is exposed to fluctuation in interest rates which could have a material adverse effect on its financial position.

TeamViewer's debt bears interest at a variable rate and, as a result, TeamViewer is exposed to the risk of fluctuations in interest rates, primarily under the New Senior Facilities Agreement, which are based on the Euro Interbank Offered Rate (***EURIBOR***) (with a zero floor) and the London Interbank Offered Rate (***LIBOR***) (with a 1% floor for drawings in US dollars and a zero floor for drawings in other currencies) plus an applicable margin. These interest rates could rise significantly in the future, increasing TeamViewer's interest expense associated with these obligations and reducing cash flow available for capital expenditures.

Although TeamViewer may enter into and maintain certain hedging arrangements designed to fix a portion of these rates, there can be no assurance that hedging will continue to be available on commercially reasonable terms. Hedging itself carries certain risks, including that TeamViewer may need to pay a significant amount (including costs) to terminate any hedging arrangements. To the extent interest rates were to rise significantly, TeamViewer's interest expense would correspondingly increase, thus reducing cash flow.

Following allegations of manipulation of LIBOR, regulators and law enforcement agencies from a number of governments and the EU are conducting investigations into whether the banks that contribute data in connection with the calculation of daily EURIBOR or the calculation of LIBOR may have been manipulating or attempting to manipulate EURIBOR and LIBOR. In addition, LIBOR, EURIBOR and other interest rates or other types of rates and indices which are deemed to be "benchmarks" are the subject of ongoing national and international regulatory reform, including the implementation of the IOSCO Principles for Financial Market Benchmarks (July 2013) and the new European regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, which entered into force on 30 June 2016. Following the implementation of any such reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. For example, on 27 July 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the ***FCA Announcement***). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. The potential elimination of the LIBOR benchmark or any other benchmark, changes in the manner of administration of any benchmark, or actions by regulators or law enforcement agencies could result in changes to the manner in which EURIBOR or LIBOR is determined, which could require an adjustment to the terms and conditions, or result in other consequences, in respect of any debt linked to such benchmark. Any such change, as well as manipulative practices or the cessation thereof, may result in a sudden or prolonged increase in reported EURIBOR or LIBOR, which could increase TeamViewer's interest expenses, reduce its cash flow and therefore harm its liquidity. The New Senior Facilities Agreement contains provisions pursuant to which the Company and the lenders agree to take certain steps in order to find a suitable replacement benchmark rate where, for example, EURIBOR or LIBOR is discontinued.

1.3.8 The assumptions made in preparing the profit forecast and business outlook included in this Prospectus may prove incomplete or inaccurate

The profit forecast and business outlook included in this Prospectus reflect numerous assumptions made by TeamViewer's management. These assumptions relate to commercial expectations and other external factors, including political, legal, fiscal, market and economic conditions and applicable legislation, regulations or rules, all of which are difficult to predict and are beyond TeamViewer's control. Accordingly, the assumptions made in preparing the profit forecast and business outlook could prove incomplete or inaccurate and there may be differences between TeamViewer's actual and projected results, which could be material and could in the future impact the price of the Offer Shares. The inclusion of the profit forecast and outlook in this Prospectus should not be regarded as an indication that TeamViewer considers such financial targets to be achievable or any outlook to be reliable predictions of future events. Accordingly, investors should not place undue reliance on any of the profit forecast or outlook information included in this Prospectus.

1.4 Risks related to the Company's shares and the Offering

1.4.1 The shares of the Company have not been publicly traded, and there can be no assurance that a liquid trading market for the Company's shares will develop.

Prior to the listing of the Company's shares, there has been no public trading in the shares of the Company and they have never been offered to the public. There is no assurance that an active, liquid trading market for the shares will develop or be sustained following the listing of the Company's shares and the share liquidity may not be as high as if the shares had been offered publicly. Furthermore, low liquidity of the Company's shares may also entail high volatility regarding share price.

Investors may not be able to sell their shares quickly or at the market price if there is no active trading in the Company's shares. If an active market for the shares does not develop after the listing, the liquidity and market price of the shares may be adversely affected.

1.4.2 The Company's share price and trading volume of its shares could fluctuate significantly, and investors could lose all or part of their investment.

Following the listing of the Company's shares and any future offerings, the trading volume and share price of the Company's shares may fluctuate significantly. The Company's share price will be affected primarily by the supply and demand for its shares and could fluctuate significantly in response to numerous factors, many of which are beyond the Company's control. These factors include, among others, fluctuations in actual or projected results of operations, changes in projected earnings or failure to meet securities analysts' earnings expectations, the absence of analyst coverage on the Company's shares, changes in trading volumes in the Company's shares, changes in macroeconomic conditions, including fluctuations in foreign currencies, the activities of competitors and suppliers, changes in the market valuations of similar companies, changes in investor and analyst perception of the Company or TeamViewer's industry, changes in the statutory framework in which TeamViewer operates and other factors.

Stock markets and the market for technology companies in particular, have experienced price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. Stock prices of many companies, including technology companies, have fluctuated in a manner often unrelated to the operating performance of those companies. Following ten years of global economic growth that was strongly impacted by the rise of major technological companies such as Facebook, Amazon, Netflix, Google and Apple, there was market volatility in the second half of 2018 which had a particular impact on technological companies. High growth companies and technological conglomerates are often more susceptible to market sentiment changes due to dependency on end customer relations. General market conditions and fluctuations of share prices and trading volumes, particularly of shares of other technology and IT companies, could lead to pressure on the Company's share price, even though there may not be a reason for this based on the Company's business performance or earnings outlook. If the Company's share price or the trading volume in its shares declines as a result of the realisation of any or all of these events, investors could lose part or all of their investment in the Company's shares.

1.4.3 Significant shareholders, including the Selling Shareholder, may use their influence at shareholders' meetings to adopt resolutions serving their own interests which may conflict with the interests of other shareholders.

TigerLuxOne S.à r.l. (the ***Selling Shareholder***) (who will continue to hold of the majority of the Company's shares following the listing of the Company's shares) and other significant shareholders, if applicable, may be able to exert influence (through actual or factual majority in shareholders' meetings) and cast their votes to take resolutions or implement measures that are in their own interest and/or not supported by or in the best interest of other shareholders. Neither may they always serve TeamViewer's strategy, policies and objectives. Such voting behaviour or the exertion of influence in any other way may have a significant adverse effect on the price of the Company's shares and thus adversely affect the Company's ability to raise further capital, irrespective of whether or not the selling shareholders participate in a future capital increase of the Company. The concentration of share ownership could also delay or prevent certain major corporate actions, including a change of control in the Company, and could thus deter mergers, consolidations, acquisitions or other forms of combination that might be advantageous for investors.

1.4.4 *Future sales by the Company's shareholders, or the perception that such sales occur, could depress the price of the Company's shares.*

Sales of a substantial number of the Company's shares in the public market following the listing of the Company's shares, or the perception that such sales might occur, could depress the market price of the Company's shares and could impair the Company's ability to raise capital through the sale of additional equity securities. The shares owned by the Selling Shareholder are subject to a lock-up period of 180 calendar days following the listing of the Company's shares which is subject to certain exemptions (including the right to pledge Company shares in connection with a potential margin loan facility). The Selling Shareholder, whose interests may not be aligned with those of other shareholders of the Company, may dispose of its shares in the Company under such exemptions, as a result of an enforcement of the security pursuant to a potential margin loan facility or following the expiration of the lock-up period. If this happens, or if one or more of the Company's other shareholders effect a sale or sales of a substantial number of the Company's shares, or if the market believes that such sales might take place, this could have a material adverse effect on the share price of the Company's shares.

1.4.5 *Future offerings of debt or equity securities by the Company may adversely affect the market price of the Company's shares, and future capital measures could lead to a significant dilution of existing shareholdings in the Company.*

The Company may require further capital in the future to finance its business operations and planned growth or to fulfil regulatory requirements. Therefore, the Company may seek to raise capital through offerings of debt securities (possibly including convertible debt securities) or additional equity securities. An issuance of additional equity securities or securities with a right to convert into equity, such as convertible bonds or warrant bonds could adversely affect the market price of the Company's shares and would dilute the economic and voting interests of existing shareholders if made without granting subscription rights to existing shareholders. Even if existing shareholders were granted subscription rights, investors in certain jurisdictions (particularly in the US) may not be able to acquire and/or exercise any subscription rights due to local laws.

Because the timing and nature of any future offering would depend on market conditions, it is not possible to predict or estimate the amount, timing or nature of future offerings. In addition, the acquisition of other companies or investments in companies in exchange for newly issued shares of the Company, as well as the exercise of stock options by TeamViewer's employees in the context of possible future stock option programmes or the issuance of shares to employees in the context of possible future employee stock participation programmes, could lead to a dilution of the economic and voting interests of existing shareholders. Furthermore, a proposal to the general shareholders' meeting to take any of the above mentioned measures, with dilutive effects on the existing shareholdings, or any other announcement thereof, could adversely affect the market price of the Company's shares.

1.4.6 *Shareholders of the Company in jurisdictions outside Germany may not be able to participate in future issues of Company's shares unless the Company decides to take additional steps to comply with applicable local laws and regulations of such jurisdictions.*

In the case of certain increases in the Company's issued share capital, the Company's existing shareholders are generally entitled to subscribe to the new shares issued unless such subscription rights are specifically excluded. Shareholders outside Germany may not be able to exercise their subscription rights unless the Company decides to comply with applicable local laws and regulations. The Company cannot assure any shareholders outside Germany that steps will be taken to enable them to exercise their subscription rights, or to permit them to receive any proceeds or other amounts relating to their subscription rights.

1.4.7 *The Company's ability to pay dividends depends, among other things, on TeamViewer's results of operations, financial investment needs, the availability of distributable reserves and overall financial position.*

The Company's general shareholders' meeting will decide matters relating to the payment of future dividends. These decisions will be based on the particular situation of the Company at the time. The Company's ability to pay dividends depends upon, among other things, its results of operations, financing and investment requirements, as well as the availability of distributable profit. Certain reserves must be established by law and must be deducted when calculating the distributable profit. In addition, TeamViewer's debt financing arrangements contain and future debt financing arrangements may contain covenants which impose restrictions on TeamViewer's business and future debt financing arrangements may also contain covenants which limit the Company's ability to pay dividends under certain circumstances. Any of these factors, individually or in combination, could restrict the Company's ability to pay dividends. Given that the Company's shares are, and any dividends to be paid in respect of them will be, denominated in euro, an investment in the Company's shares by an investor whose principal currency is not the euro in addition exposes the investor to foreign currency exchange rate risk.

2 GENERAL INFORMATION

2.1 Responsibility statement

TeamViewer AG, with its registered seat in Göppingen, Germany, and its business address at Jahnstrasse 30, 73037 Göppingen, Germany, a German stock corporation (*Aktiengesellschaft* or *AG*) registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Ulm, Germany, (the ***Commercial Register***), under number HRB 738852, telephone +49 7161 60692 50 (the ***Company*** or the ***Issuer***, and together with its subsidiaries, the ***TeamViewer Group*** or ***TeamViewer***, and, with regard to historical financial information as of and for the fiscal years ended 31 December 2016, 2017 and 2018, and as of and for the six-month periods ended 30 June 2019 and 2018, references to the TeamViewer Group or TeamViewer are to Regit Eins GmbH together with its subsidiaries, unless otherwise indicated) together with Goldman Sachs International, Plumtree Court, 25 Shoe Lane, London EC4A 4AU, United Kingdom, LEI: W22LROWP2IHZNBB6K528; telephone +44 20 7774 1000 (***Goldman Sachs International***), Morgan Stanley & Co. International plc, 25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom, LEI: 4PQUHN3JPFGFNF3BB653; telephone +44 20 7425 8000 (***Morgan Stanley***, and together with Goldman Sachs International, the Joint Global Coordinators), Merrill Lynch International, 2 King Edward Street, London, EC1A 1HQ, United Kingdom, LEI: GGDZP1UYGU9STUHRDP48; telephone +44 20 7995 3700 (***BofA Merrill Lynch***), Barclays Bank PLC, 5 The North Colonnade, Canary Wharf, London E14 4BB, United Kingdom, LEI: G5GSEF7VJP5I7OUK5573; telephone +44 20 3134 8550 (***Barclays***, and together with BofA Merrill Lynch and the Joint Global Coordinators, the ***Joint Bookrunners***), and RBC Europe Limited, Riverbank House, 2 Swan Lane, London EC4R 3BF, United Kingdom, LEI: TXDSU46SXBWIGJ8G8E98; telephone +44 20 7653 4000 (***RBC Capital Markets***, and together with the Joint Bookrunners, the ***Underwriters***) have assumed responsibility for the contents of this prospectus pursuant to Section 8 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*), and declare, to the best of their knowledge, that the information contained in this prospectus is correct and that the prospectus makes no material omission likely to affect its import.

This prospectus (the ***Prospectus***) has been approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin*), Marie Curie Straße 24-28, 60439 Frankfurt am Main, Germany (telephone +49 228 4108 0; Website: www.bafin.de), as competent authority under Regulation (EU) 2017/1129. BaFin only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129 and such approval should not be considered as an endorsement of the issuer that is the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The Company's LEI is: 3912000FZ0R0KEK9JS42.

The Company's website is (www.teamviewer.com). Information contained on the Company's website is not incorporated by reference in this Prospectus and is not part of this Prospectus.

If any claims are asserted before a court of law based on the information contained in this Prospectus, the investor appearing as plaintiff may have to bear the costs of translating this Prospectus prior to the commencement of the court proceedings pursuant to the national legislation of the member states of the European Economic Area (the ***EEA***).

2.2 Purpose of this Prospectus

This Prospectus relates to the offering of up to 84,000,000 ordinary bearer shares (*Inhaberaktien*) of the Company with no-par value (*Stückaktien*) and each such share with full dividend rights as of 3 July 2019 (the ***Offering***) consisting of:

- 60,000,000 ordinary bearer shares (*Inhaberaktien*) with no-par value (*Stückaktien*) (the ***Base Sale Shares***) from the holdings of TigerLuxOne S.à r.l. (the ***Selling Shareholder***); and
- 15,000,000 ordinary bearer shares (*Inhaberaktien*) with no-par value (*Stückaktien*) (the ***Additional Sale Shares***, and together with the Base Sale Shares, the ***Sale Shares***) from the holdings of the Selling Shareholder subject to the exercise of an upsize option upon decision of the Selling Shareholder on the date of pricing based on market demand;

- up to 9,000,000 ordinary bearer shares (*Inhaberaktien*) with no-par value (*Stückaktien*) from the holdings of the Selling Shareholder in connection with a potential over-allotment (the ***Over-Allotment Shares*** and, together with the Sale Shares, the ***Offer Shares***).

Furthermore, for purposes of admission to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment thereof with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), this Prospectus relates to 200,000,000 ordinary bearer shares of the Company (*Inhaberaktien*) with no-par value (*Stückaktien*) (the Company's entire share capital), each such share with full dividend rights as of 3 July 2019.

The Offering consists of an initial public offering in Germany and private placements in certain jurisdictions outside Germany. In the US, the Company's shares will be offered and sold only to qualified institutional buyers (***QIBs***) as defined in Rule 144A under the United States Securities Act of 1933, as amended (the ***Securities Act***). Outside the US, the Company's shares will be offered and sold only in offshore transactions in reliance on Regulation S under the Securities Act.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any Shares offered by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

2.3 Forward-looking statements

This Prospectus contains forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts or events or to facts or events as of the date of this Prospectus. This applies, in particular, to statements in this Prospectus containing information on TeamViewer's future earnings capacity, plans and expectations regarding its business growth and profitability, and the general economic conditions to which it is exposed. In some cases, forward-looking statements can be identified by the use of forward-looking terminology or subjective assessments, which may include words such as "anticipate", "believe", "contemplate", "continue", "could", "expect", "intend", "plan", "potential", "predict", "project", "should", "target" and "would" or the negative of these words or other similar terms or expressions.

The forward-looking statements in this Prospectus are subject to risks and uncertainties, as they relate to future events, and are based on estimates and assessments made to the best of the Company's present knowledge. These forward-looking statements are based on assumptions, uncertainties and other factors, the occurrence or non-occurrence of which could cause TeamViewer's actual results, including its financial condition and profitability, to differ materially from or fail to meet the expectations expressed or implied in the forward-looking statements. These expressions can be found in several sections in this Prospectus, particularly in the sections of this Prospectus describing risk factors, markets and competition, the Company's business and recent developments and outlook, and wherever information is contained in this Prospectus regarding the Company's intentions, beliefs, or current expectations relating to its future financial condition and results of operations, plans, liquidity, business outlook, growth, strategy and profitability, as well as the economic and regulatory environment to which TeamViewer is subject. See "*1 Risk Factors*", "*10 Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*11 Profit Forecast*", "*12 Markets and Competition*", "*13 Business*", "*14 Regulatory and Legal Environment*" and "*24 Recent Developments and Outlook*". Forward-looking statements should not be relied upon as predictions of future events.

In light of these uncertainties and assumptions, it is also possible that the future events mentioned in this Prospectus will not occur. In addition, the forward-looking estimates and forecasts reproduced in this Prospectus from third-party reports could prove to be inaccurate (for more information on the third-party sources used in this Prospectus, see "*2.4 Sources of market data*"). Actual results, performance or events may differ materially from those in such statements due to, among other reasons:

- TeamViewer's ability to attract new customers, retain subscribers, upsell and cross-sell additional products to existing customers and convert free users to paid offerings;

- actual, possible or perceived disruptions or vulnerabilities in the Company's products, solutions or cloud infrastructure, including risks from security attacks;

- TeamViewer's ability to respond to technological changes, update current products or develop new features and remain competitive;

- real or perceived material defects or errors in its products;

- changes in general macroeconomic conditions in the markets in which TeamViewer operates, in general, and developments in the IT industry in particular;

- TeamViewer's ability to maintain interoperability and compatibility of its products with operating systems, devices and other software;

- TeamViewer's ability to maintain its brand, operate in competitive markets and continue to compete effectively;

- TeamViewer's ability to attract and retain qualified employees and management personnel;

- the reliability of TeamViewer's IT systems and infrastructure, including third-party infrastructure outside its control including reliability of Internet, mobile as well as other third party infrastructure, licences or suppliers,

- TeamViewer's future growth and financial performance, including billings, revenue, cost of sales, operating expenses and interest costs;

- legal and operational challenges associated with international operations, including in emerging markets; and

- changes in relevant laws and regulations including laws related to data privacy, tax laws and sanctions.

This list of important factors is not exhaustive. The foregoing factors and other uncertainties and events should be carefully considered, especially in light of the regulatory, political, economic, social and legal environment in which TeamViewer operates.

Moreover, it should be noted that neither the Company nor the Underwriters assume any obligation, except as required by law, to update any forward-looking statement or to conform any such statement to actual events or developments. The Company may not actually achieve the plans, intentions or expectations disclosed in the forward-looking statements, and one should not place undue reliance on these forward-looking statements. These forward looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments.

See "*1 Risk Factors*" for a further description of various factors that could influence these forward-looking statements.

2.4 Sources of market data

To the extent not otherwise indicated, the information contained in this Prospectus on the markets in which TeamViewer operates and market and industry developments and trends, including growth rates, are based on the Company's assessments and estimates, using underlying data from independent third parties. The Company obtained market data and certain industry forecasts used in this Prospectus from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications or commissioned reports, including reports, publications and data compiled by:

- McKinsey & Company, Inc., "*Growing opportunities in the Internet of Things*" dated July 2019 (***McKinsey***);

- A report prepared by Nucleus Research, Inc. dated July 2019 (***Nucleus Research***);

- A report prepared by Qualitest Ltd. (the Qualitest Group), dated July 2019 (***Qualitest***);

- IWG plc (International Workplace Group), "*The IWG Global Workspace Survey*" dated March 2019 (***IWG***);

- MarketsandMarkets Research Private Ltd., "*Digital Transformation Market by Technology (Cloud Computing, Big Data & Analytics, Mobility/Social Media, Cybersecurity, Artificial Intelligence), Deployment type, Business Function, Vertical (Retail, Education), and Region - Global Forecast to 2023*" dated April 2019 (***MarketsandMarkets***), accessed at: https://www.marketsandmarkets.com/Market-Reports/digital-transformation-market-43010479.html;

- Cisco Systems, Inc., "*Cisco VNI Global IP Traffic Forecast, 2017 – 2022*" dated December 2018 (***Cisco***);

- International Data Corporation (IDC), "*Worldwide Semiannual Robotics and Drones Spending Guide*" dated December 2018 (***IDC***), accessed at: https://www.idc.com/getdoc.jsp?containerId=prUS44505618;

- Alexa Internet, Inc., https://www.alexa.com/siteinfo/teamviewer.com, accessed on 31 July 2019 (***Alexa***); and

- Ahrefs Pte. Ltd., "www.ahrefs.com/dashboard", search term "teamviewer.com", accessed on 4 July 2019 (***Ahrefs***).

It should be noted in particular that references have been made in this Prospectus to information concerning markets and market trends. Such information was obtained from the above-mentioned sources. The Company has accurately reproduced such information and, as far as it is aware and able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Nevertheless, prospective investors are advised to consider this data with caution. For example, market studies are often based on information or assumptions that may be inaccurate or inappropriate, and their methodology is inherently predictive and speculative.

Irrespective of the assumption of responsibility for the content of this Prospectus by the Company and the Underwriters (see "*2.1 Responsibility statement*"), neither the Company nor the Underwriters have independently verified the figures, market data or other information on which third parties have based their studies. Accordingly, the Company and the Underwriters make no representation or warranty as to the accuracy, completeness or verification of any such information from third party studies included in this Prospectus. Prospective investors should note that the Company's own estimates and statements of opinion and belief are not always based on studies of third parties. None of the Company, the Selling Shareholder or the Underwriters, or any of their respective affiliates, is making any representation to any offeree or purchaser of any Shares regarding the legality of an investment in the Shares by such offeree or purchaser.

Information contained on any website mentioned in this Prospectus is not incorporated by reference in this Prospectus and is not part of this Prospectus.

2.5 Currency presentation and presentation of figures

In this Prospectus, "euro", "EUR" and "€" refer to the single European currency adopted by certain participating member states of the EU, including Germany, and "US dollar" and "USD" refer to the official currency of the US.

Where financial data in tables in this Prospectus is labelled "audited", this means that it has been taken from the Audited Consolidated Financial Statements of Regit Eins or the Audited Interim Financial Statements of the Company (each as defined below). The label "unaudited" is used in tables in this Prospectus to indicate financial data that has not been taken from the Audited Consolidated Financial Statements of Regit Eins or the Audited Interim Financial Statements of the Company, but was taken from the Unaudited Interim Consolidated Financial Statements of Regit Eins (as defined below) or from Regit Eins GmbH's internal reporting system, or has been calculated based on financial data from the above-mentioned sources. All of the financial data presented in this Prospectus are shown in thousands of euro (in €/EUR thousand), except as otherwise stated. Certain financial data (including percentages) in this

Prospectus have been rounded according to established commercial standards, whereby aggregate amounts (sum totals, sub-totals, differences or amounts put in relation) are calculated based on the underlying unrounded amounts. As a result, the aggregate amounts in tables in this Prospectus may not correspond in all cases to the corresponding rounded amounts contained in tables in this Prospectus. Furthermore, in those tables, these rounded figures may not add up exactly to the totals contained in those tables. Financial information presented in parentheses denotes the negative of such number presented. With respect to financial data set out in this Prospectus, a dash ("-") signifies that the relevant figure is not applicable, while a zero ("0") signifies that the relevant figure is available but is or has been rounded to zero.

Regit Eins GmbH's financial statements are prepared in thousands of euro. The Company's financial statements will be prepared in thousands of euro.

2.6 Presentation of financial information

All financial and operational data included in this Prospectus, other than to the extent otherwise indicated, has been taken from the Audited Consolidated Financial Statements of Regit Eins, the Unaudited Interim Consolidated Financial Statements of Regit Eins (each as defined below), the audited unconsolidated interim financial statements of the Company as of 31 July 2019 and for the period from 3 July 2019 to 31 July 2019, or Regit Eins GmbH's internal reporting system and, as a result, does not include the impact of the Non-consolidated Entities (as defined below) for any periods prior to the contribution of such entities to TeamViewer GmbH (now Team Viewer Germany GmbH) or Regit Eins GmbH, as applicable. See "*2.6.1.2 IPO Reorganisation–Non-consolidated Entities*" below. With respect to all financial and operational data included in this Prospectus for historic periods, other than where otherwise indicated, references to TeamViewer or the TeamViewer Group in this Prospectus are to Regit Eins GmbH and its subsidiaries.

2.6.1 Application of IFRS

This Prospectus includes (i) the audited consolidated financial statements of Regit Eins GmbH as of and for the fiscal years ended 31 December 2018, 31 December 2017 and 31 December 2016 (the ***Audited Consolidated Financial Statements of Regit Eins***); (ii) the unaudited interim condensed consolidated financial statements of Regit Eins GmbH as of and for the six-month period ended 30 June 2019 (the ***Unaudited Interim Consolidated Financial Statements of Regit Eins***); and (iii) the audited unconsolidated interim financial statements of the Company as of 31 July 2019 and for the period from 3 July 2019 to 31 July 2019 (the ***Audited Interim Financial Statements of the Company***).

The Audited Consolidated Financial Statements of Regit Eins were prepared in accordance with IFRS and audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart (Flughafenstrasse 61, 70629 Stuttgart, Germany) (***Ernst & Young***), as stated in their independent auditor's report (*Bestätigungsvermerk des unabhängigen Abschlussprüfers*) thereon.

The Unaudited Interim Consolidated Financial Statements of Regit Eins were prepared in accordance with IFRS on interim financial reporting **(**IAS 34**)**.

The Audited Interim Financial Statements of the Company were prepared in accordance with IFRS on interim financial reporting **(**IAS 34**)** and audited by Ernst & Young, as stated in their independent auditor's report (*Bestätigungsvermerk des unabhängigen Abschlussprüfers*) thereon.

The Company was newly formed as a holding company by articles of association dated 3 July 2019 and registered with the commercial register on 10 July 2019. Other than the Audited Interim Financial Statements of the Company, the Company has not issued any financial statements since its incorporation. TeamViewer believes that Regit Eins GmbH's consolidated financial statements reflect the Company's operations and current financial position in all material respects except as otherwise disclosed in this Prospectus because the Company is a holding company that does not have operations and liabilities other than in relation to its interest in Regit Eins GmbH and its other subsidiaries.

2.6.1.1 First-time adoption of IFRS

The Audited Consolidated Financial Statements of Regit Eins are the first financial statements that Regit Eins GmbH has prepared in accordance with IFRS and also the first consolidated financial statements that Regit Eins GmbH has prepared. For prior periods, Regit Eins GmbH only prepared stand-alone financial statements, i.e., financial statements on an entity-level, in accordance with the German GAAP. Furthermore, Regit Eins GmbH prepared reporting packages for inclusion in the consolidated IFRS financial statements of its parent, TigerLuxOne S.à r.l., the Selling Shareholder.

According to IFRS 1, Regit Eins GmbH has prepared consolidated financial statements that comply with IFRS applicable as at 31 December 2018, as described in the summary of significant accounting policies, and an opening statement of financial position on its date of transition to IFRS. Regit Eins GmbH's date of transition to IFRS is 1 January 2016.

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS. Regit Eins GmbH has applied the exemption for subsidiaries that become first-time adopters later than their parents in paragraph D16(a) of IFRS 1. Consequently, Regit Eins GmbH measured its assets and liabilities at the carrying amounts that were included in the Selling Shareholder's consolidated IFRS financial statements. With one exception, the application of the exemption results in the adoption of the Selling Shareholder's accounting for Regit Eins GmbH's transactions in its consolidated financial statements. The exception relates to the consolidation adjustments made for including Regit Eins GmbH in the consolidated financial statements of the Selling Shareholder.

No reconciliations of Regit Eins GmbH's equity and comprehensive income reported in accordance with German GAAP to its equity and comprehensive income in accordance with IFRS are presented in the Audited Consolidated Financial Statements of Regit Eins since Regit Eins GmbH did not prepare consolidated financial statements prior to the Audited Consolidated Financial Statements of Regit Eins.

2.6.1.2 IPO Reorganisation – Non-consolidated Entities

To realign the corporate structure and to simplify the group structure, TeamViewer recently implemented several internal reorganisation measures (the ***IPO Reorganisation***). These measures included, among others, a contribution of the shares in certain subsidiaries of the Selling Shareholder (i.e., TV Borrower US, LLC, TeamViewer UK Limited, TeamViewer Pty. Ltd., TeamViewer US, Inc. (former TV Holding US, Inc.) and Monitis CJSC (now TeamViewer Armenia CJSC); such entities, together, the ***Non-consolidated Entities***) into the capital reserve of Regit Eins GmbH and, subsequently, its direct subsidiary TeamViewer GmbH (now TeamViewer Germany GmbH) and corresponding share transfers. These transfers were completed on 12 June 2019 with the exception of the transfers of Monitis CJSC (now TeamViewer Armenia CJSC) to Regit Eins GmbH and, subsequently, to TeamViewer GmbH (now TeamViewer Germany GmbH), which were completed on 26 June 2019 and 11 July 2019, respectively. Prior to the implementation of the IPO Reorganisation, Regit Eins GmbH's consolidated financial statements did not include the Non-consolidated Entities (see "*16.5 General Information on the Company and the TeamViewer Group–Group structure*" for more information on the IPO Reorganisation). As a result, the Audited Consolidated Financial Statements of Regit Eins do not include the results of operations, financial condition and cash flow of the Non-consolidated Entities and the Unaudited Interim Consolidated Financial Statements of Regit Eins do not include the financial information of such entities prior to their contribution to TeamViewer GmbH (now TeamViewer Germany GmbH).

The following table provides an overview of the billings, revenue and Cash EBITDA of the Non-consolidated Entities shown on an IFRS basis for the years ended 31 December 2018 and 2017, compared to the billings, revenue and Cash EBITDA of Regit Eins GmbH and its subsidiaries on a consolidated basis. Since the tables below are presented on a standalone basis for the Non-consolidated Entities, certain effects on the billings, revenue and Cash EBITDA of the Non-consolidated Entities resulting from transactions with Regit Eins GmbH and its subsidiaries and from transactions among the Non-consolidated Entities have not been eliminated in the tables below.

	TV Borrower US, LLC	Team Viewer UK Limited	Team Viewer Pty. Ltd.	TV Holding US, Inc.	TeamViewer US LLC	Monitis US LLC	Monitis CJSC	Aggregated and unconsolidated	TeamViewer Group
	(EUR in thousands, unaudited unless otherwise indicated)								
Year ended 31 December 2018									
Revenue	-	-	-	-	-	3,386	-	3,386	258,157[(1)]
Billings	-	-	-	-	-	3,361	-	3,361	229,844[(1)]
Cash EBITDA......	-	1,108	467	(55)	2,134	160	646	4,460	120,579[(1)]
Year ended 31 December 2017									
Revenue	-	-	-	-	-	3,288	-	3,288	138,467[(1)]
Billings	-	-	-	-	-	3,406	-	3,406	184,568[(1)]
Cash EBITDA......	(3)	(301)	455	(30)	1,094	284	471	1,970	103,059[(1)]

(1) Audited.

Reconciliation of billings and Cash EBITDA of the Non-consolidated Entities

The tables below set out reconciliations of billings and Cash EBITDA of the Non-consolidated Entities to revenue and operating profit, respectively, for the periods indicated. For reconciliations of billings and Cash EBITDA for Regit Eins GmbH and its subsidiaries on a consolidated basis, see "*9 Selected Consolidated Financial and Other Information*".

	Fiscal year ended 31 December 2018							
	TV Borrower US, LLC	Team Viewer UK Limited	Team Viewer Pty. Ltd.	TV Holding US, Inc.	TeamViewer US LLC	Monitis US LLC	Monitis CJSC	Aggregated and unconsolidated
	(EUR in thousands) (unaudited)							
Revenue	**-**	**-**	**-**	**-**	**-**	**3,386**	**-**	**3,386**
Change in deferred revenue p/l effective[(1)]	-	-	-	-	-	(25)	-	(25)
Billings	**-**	**-**	**-**	**-**	**-**	**3,361**	**-**	**3,361**
Operating (loss)/profit	**-**	**923**	**232**	**(55)**	**922**	**182**	**344**	**2,548**
Depreciation and amortisation ..	-	168	106	-	279	2	260	814
EBITDA..................................	**-**	**1,091**	**338**	**(55)**	**1,201**	**184**	**604**	**3,363**
Adjustments for specific non-recurring items.............	-	18	130	-	933	1	41	1,122
Change in deferred revenue p/l effective............................	-	-	-	-	-	(25)	-	(25)
Bad debt..............................	-	-	-	-	-	-	-	-
Cash EBITDA	**-**	**1,108**	**467**	**(55)**	**2,134**	**160**	**646**	**4,460**

(1) Change in deferred revenue p/l effective is the change in deferred revenue as recognised on the statements of profit or loss.

	TV Borrower US, LLC	Team Viewer UK Limited	Team Viewer Pty. Ltd.	TV Holding US, Inc.	TeamViewer US LLC	Monitis US LLC	Monitis CJSC	Aggregated Figures
	Fiscal year ended 31 December 2017							
	(EUR in thousands) (unaudited)							
Revenue	-	-	-	-	-	3,288	-	3,288
Change in deferred revenue p/l effective[(1)]	-	-	-	-	-	118	-	118
Billings	-	-	-	-	-	3,406	-	3,406
Operating (loss)/profit	**(3)**	**(503)**	**243**	**(30)**	**842**	**156**	**384**	**1,088**
Depreciation and amortisation	-	175	105	-	244	5	80	609
EBITDA	**(3)**	**(328)**	**348**	**(30)**	**1,086**	**161**	**464**	**1,697**
Adjustments for specific non-recurring items	-	27	106	-	9	5	7	154
Change in deferred revenue p/l effective	-	-	-	-	-	118	-	118
Bad debt	-	-	-	-	-	-	-	-
Cash EBITDA	**(3)**	**(301)**	**455**	**(30)**	**1,094**	**284**	**471**	**1,970**

(1) Change in deferred revenue p/l effective is the change in deferred revenue as recognised on the statements of profit or loss.

2.6.2 Segmentation

Regit Eins GmbH reports on a single segment basis. This decision for segmentation was based on Regit Eins GmbH's internal organisation which is based on the product as single line of reporting. Regit Eins GmbH reports on different geographic locations as reporting units. These reporting units are Europe, Middle East and Africa (***EMEA***), North and South America (***Americas***) and the Asian Pacific Region (***APAC***).

2.6.3 Alternative performance measures

This Prospectus contains certain alternative performance measures (collectively, ***APMs***) including billings, EBITDA, Cash EBITDA, Cash EBITDA margin, free cash flow (pre-tax), cash conversion, trade working capital, net working capital and change in net working capital that are not required by, or presented in accordance with, IFRS, German GAAP or any other generally accepted accounting principles. Certain of these measures, in particular billings, EBITDA, Cash EBITDA, Cash EBITDA margin, free cash flow (pre-tax), cash conversion, trade working capital, net working capital and change in net working capital, are derived from the IFRS accounts of Regit Eins GmbH for periods prior to 30 June 2019 and will be derived from the IFRS accounts of the Company for periods from 1 July 2019 onwards. These are alternative performance measures as defined in the guidelines issued by the European Securities and Markets Authority (***ESMA***) on 5 October 2015 on alternative performance measures (the ***ESMA Guidelines***). TeamViewer presents APMs because they are used by management in monitoring, evaluating and managing its business and management believes these measures provide an enhanced understanding of TeamViewer's underlying results and related trends. TeamViewer believes billings more closely reflect its cash flow than revenue as billings do not include changes in deferred revenue. TeamViewer considers Cash EBITDA and free cash flow (pre-tax) to be useful metrics for evaluating TeamViewer's performance as they facilitate comparisons of TeamViewer's core operating results from period to period by removing the impact of changes in deferred revenue, its capital structure (net interest expense, debt servicing costs and losses on debt extinguishment), asset base (depreciation and amortisation), tax consequences, specific non-recurring costs and others and, in the case of free cash flow (pre-tax), the impact of capital expenditures and change in net working capital. TeamViewer uses EBITDA for the purposes of calculating Cash EBITDA and free cash flow (pre-tax). TeamViewer uses trade working capital, net working capital and change in net working capital for the purposes of calculating free cash flow (pre-tax). Further, management believes these and similar measures are frequently used by securities analysts, investors and other interested parties in evaluating companies in its industry.

The definitions of the APMs may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should, therefore, not be considered in isolation or as a substitute for analysis of TeamViewer's operating results as reported under IFRS or German

GAAP. APMs such as billings, EBITDA, Cash EBITDA, Cash EBITDA margin, free cash flow (pre-tax), cash conversion, trade working capital, net working capital and change in net working capital are not measurements of TeamViewer's or the Company's performance or liquidity under IFRS or German GAAP and should not be considered as alternatives to results for the period or any other performance measures derived in accordance with IFRS, German GAAP or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities. For a reconciliation of APMs to results or any other performance measures derived in accordance with IFRS, see "*9 Selected Consolidated Financial and Other Information*".

TeamViewer has defined each of the following APMs as follows:

- ***billings*** represent revenue adjusted for change in deferred revenue p/l effective[1];
- ***EBITDA*** means operating (loss)/profit before depreciation and amortisation;
- ***cash conversion*** or ***cash conversion rate*** means the ratio of free cash flow (pre-tax) to Cash EBITDA, represented as a percentage of Cash EBITDA;
- ***Cash EBITDA*** means EBITDA adjusted for specific non-recurring items, change in deferred revenue p/l effective and, in fiscal years 2016 and 2017, for bad debt included in deferred revenue;
- ***Cash EBITDA margin*** means Cash EBITDA expressed as a percentage of billings;
- ***change in net working capital*** means changes in working capital as adjusted for increase/(decrease) in deferred revenue, each based on the corresponding statement of cash flows line items;
- ***free cash flow (pre-tax)*** means Cash EBITDA less capital expenditure and adjusted for change in net working capital;
- ***net working capital*** means trade working capital plus other assets, current plus cost to obtain a contract, current, less accrued expenses, each based on the corresponding statement of financial position line items; and
- ***trade working capital*** means trade receivables less trade payables, each based on the corresponding statement of financial position line items.

2.6.4 Operational metrics

This Prospectus also includes certain operational metrics, including customer acquisition costs, customer lifetime value and net retention rate, used by management in monitoring, evaluating and managing its business. The definitions of these operational metrics may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should, therefore, not be considered in isolation. TeamViewer has defined each of these operational metrics as follows:

- ***customer acquisition costs*** means the average cost to acquire a customer and is defined as the ratio of direct sales and marketing costs to the number of new customers (comprising both subscribers and perpetual licence holders) where direct sales and marketing costs refer to sales and marketing expenses excluding depreciation and amortisation, specific non-recurring items as adjusted in Cash EBITDA and reclassification of IT and facility costs;
- ***customer lifetime value*** for a given period means the average expected billings from a subscriber acquired in such period and is calculated as the ratio of the product of annual recurring billings per subscriber and gross margin to gross value churn, where:
    - ***annual recurring billings*** is defined as value of invoiced subscription billings from existing subscribers (as of the end of the period), excluding billings generated from resellers;

[1] Change in deferred revenue p/l effective is the change in deferred revenue as recognised on the statements of profit or loss.

- ***gross margin*** is defined as cost of sales (excluding specific non-recurring items and depreciation and amortisation) divided by billings; and

- ***gross value churn*** is defined as billings lost from subscribers that had invoices in the prior period but not in the period under review; and

- ***net retention rate*** means annual recurring billings in the period considered less gross value churn plus billings from upselling and cross-selling, including foreign exchange effects and expiring discounts, as a percentage of annual recurring billings in the previous the period considered.

2.7 Documents available for inspection

For the period during which this Prospectus is valid, the following documents will be available for inspection during regular business hours at the Company's offices at Jahnstrasse 30, 73037 Göppingen, Germany (telephone +49 7161 60692 50):

- the Company's articles of association (the ***Articles of Association***);

- the Audited Consolidated Financial Statements of Regit Eins;

- the Unaudited Interim Consolidated Financial Statements of Regit Eins; and

- the Audited Interim Financial Statements of the Company.

The Company's future consolidated annual and interim financial statements and unconsolidated annual financial statements will be available from the Company on its website (www.teamviewer.com) and from the German Company Register (*Unternehmensregister*) (www.unternehmensregister.de). The Company's future consolidated annual and interim financial statements and unconsolidated annual financial statements will also be published in the German Federal Gazette (*Bundesanzeiger*).

2.8 Enforcement of civil liabilities

The Company is a stock corporation (Aktiengesellschaft or AG) governed by German law and all or a substantial portion of its assets are located primarily outside the US. In addition, the management board (*Vorstand*) of the Company and the majority of the members of the supervisory board (*Aufsichtsrat*) are non-residents of the US and all or most of their assets are located outside the US. As a result, it may not be possible for investors to effect service of process within the US upon the Company or such persons or to enforce against them or the Company judgments of courts of the US, whether or not predicated upon the civil liability provisions of the federal securities laws of the US or other laws of the US or any state thereof. The US and Germany do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for payment of money rendered by a federal or state court in the US based on civil liability, whether or not predicated solely upon US federal securities laws, may not be enforceable, either in whole or in part, in Germany. However, if the party in whose favour such final judgment is rendered brings a new suit in a competent court in Germany, such party may submit to the German court the final judgment rendered in the US. Under such circumstances, a judgment by a federal or state court of the US against the Company or such persons will be regarded by a German court only as evidence of the outcome of the dispute to which such judgment relates, and a German court may choose to re-hear the dispute. In addition, awards of punitive damages in actions brought in the US or in other jurisdictions may be unenforceable in Germany.

3 THE OFFERING

3.1 Subject matter of the Offering

The Offering relates to the sale of up to 84,000,000 ordinary bearer shares (*Inhaberaktien*) of the Company with no-par value (*Stückaktien*) and each such share with full dividend rights as of 3 July 2019:

- 60,000,000 Base Sale Shares;
- 15,000,000 Additional Sale Shares; and
- up to 9,000,000 Over-Allotment Shares.

The Offering consists of an initial public offering in Germany and private placements in certain jurisdictions outside Germany. In the US, the Company's shares will be offered and sold only to QIBS as defined in Rule 144A under the Securities Act. Outside the US, the Company's shares will be offered and sold only in "offshore transactions" within the meaning of, and in reliance on, Regulation S under the Securities Act. The Offer Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction in the US.

The share capital of the Company represented by the Offer Shares that are subject to the Offering (including the full exercise of the Upsize Option and potential over-allotments) will total EUR 84,000,000. Thus, approximately 42.00% of the Company's share capital will be offered (approximately 37.50% without the Over-Allotment Shares).

Immediately prior to the Offering, all of the Company's share capital was held by the Selling Shareholder (see "*15.1 Shareholder Information—Current shareholders*"). The Selling Shareholder intends to sell at least the Base Sale Shares in a base deal scenario in order to achieve sufficient freefloat of the Company's shares after listing. The Selling Shareholder will decide on the date of pricing, after consultation with the Joint Global Coordinators and in its free discretion, whether and which amount the Additional Sale Shares shall be allocated to investors who have submitted orders during the Offer Period (as defined below) (the ***Upsize Option***).

Following completion of the Offering and assuming placement of all of the Offer Shares (including full exercise of the Upsize Option) and full exercise of the Greenshoe Option (as defined below), the Selling Shareholder will continue to hold at approximately 58.00% of the Company's share capital. The Selling Shareholder will receive the proceeds from the sale of the Sale Shares and, from a potential sale of Over-Allotment Shares, if and to the extent the Greenshoe Option and the Upsize Options are exercised (in each case after deduction of fees and commissions). The Company will not receive any proceeds from the Offering.

The Underwriters are acting in the following capacities: Goldman Sachs International and Morgan Stanley are acting as Joint Global Coordinators and together with BofA Merrill Lynch and Barclays as Joint Bookrunners and RBC Capital Markets is acting as Co-Lead Manager.

Goldman Sachs International, Morgan Stanley, BofA Merrill Lynch, Barclays and RBC Capital Markets are acting exclusively for the Company and the Selling Shareholder and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this document) as their respective clients in relation to the Offering and will not be responsible to anyone other than the Company and the Selling Shareholder for providing the protections afforded to their respective clients nor for giving advice in relation to the Offering or any transaction or arrangement referred to herein.

In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Offering, including the merits and risks involved.

None of the Company, the Selling Shareholder or the Underwriters, or any of the respective affiliates, is making any representation to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares by such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

The investors also acknowledge that: (i) they have not relied on the Underwriters or any person affiliated with the Underwriters in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; and (ii) they have relied only on the information contained in this document, and (iii) that no person has been authorised to give any information or to make any representation concerning the Company or its subsidiaries or the Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company, the Selling Shareholder or the Underwriters.

3.2 Price Range, Offer Period, Offer Price and Allotment

The price range within which purchase orders may be placed is EUR 23.50 to EUR 27.50 per Offer Share (***Price Range***).

The period during which investors may submit purchase orders for the Offer Shares is expected to begin on 12 September 2019 and is expected to end on 24 September 2019 (the ***Offer Period***). On the last day of the Offer Period, offers to purchase may be submitted (i) until 12:00 noon (Central European Summer Time) (***CEST***) by private investors and (ii) until 15:00 (CEST) by institutional investors. Purchase orders must be for at least 10 shares and be expressed in full euro amounts or increments of 25, 50 or 75 euro cents. Multiple purchase orders are permitted.

The Selling Shareholder reserves the right, after consultation with the Company and Joint Global Coordinators, to increase or decrease the total number of Offer Shares, to increase or decrease the upper limit and/or the lower limit of the Price Range and/or to extend or shorten the Offer Period. Changes in relation to the number of Offer Shares, changes to the Price Range or the extension or shortening of the Offer Period will not invalidate any offers to purchase that have already been submitted. If such change requires the publication of a supplement to this Prospectus, investors who submitted purchase orders before the supplement is published shall have the right, pursuant to Article 23 of the Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 (***Regulation (EU) 2017/1129***), to withdraw these offers to purchase within two working days of the publication of the supplement. To the extent that the terms of the Offering are changed, such change will be published by means of electronic media (such as Reuters or Bloomberg) and, if required by MAR, as an ad-hoc release via an electronic dissemination information system, on the Company's website and as a supplement to this Prospectus. Investors who have submitted offers to purchase will not be notified individually. Under certain conditions, the Underwriters may terminate the underwriting agreement regarding the offer and sale of the Offer Shares in connection with the Offering, expected to be entered into with the Company and the Selling Shareholder on or about 24 September 2019 (the ***Underwriting Agreement***), even after commencement of trading (*Aufnahme des Handels*) of the Company's shares on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (see "*20 Underwriting—Termination/Indemnification*").

The placement price (the ***Offer Price***) and the final number of Offer Shares to be placed in the Offering will be determined jointly by the Company, the Selling Shareholder and the Underwriters following a bookbuilding process. In particular, the Selling Shareholder will, after consultation with the Joint Global Coordinators, decide whether and to which extent to exercise the Upsize Option in its free discretion, taking into account the market demand and using the order book prepared during the bookbuilding process. The price will be set on the basis of the purchase orders submitted by investors during the Offer Period that have been collated in the order book prepared during a book building process. These orders will be evaluated according to the prices offered and the investment horizons of the respective investors. This method of setting the number of shares that will be placed at the Offer Price is, in principle, aimed at maximising proceeds. Consideration will also be given to whether the Offer Price and the number of shares to be placed allow for the reasonable expectation that the share price will demonstrate steady performance in the secondary market given the demand for the Company's shares as reflected in the order book. Attention will be paid not only to the prices offered by investors and the number of investors wanting shares at a particular price, but also to the composition of the group of shareholders in the Company that would result at a given price, and expected investor behaviour. The Company and the Selling Shareholder will not charge any expenses and taxes related to the Offering and listing to investors.

The Offer Price and the final number of Offer Shares placed in the Offering (i.e., the result of the Offering) are expected to be set on 24 September 2019. After the Offer Price has been set, the Offer Shares will be allotted to investors on the basis of the offers to purchase then available. The Offer Price and the final number of Offer Shares (that is, the result of the Offering) are expected to be published on or about 24 September 2019 by means of an ad-hoc release on an electronic information dissemination system and on the Company's website. Investors who have placed orders to purchase Offer Shares with one of the Underwriters can obtain information from that Underwriter about the Offer Price and the number of Offer Shares allotted to them on the business day following the setting of the Offer Price. As commencement of trading (*Aufnahme des Handels*) of the Company's shares on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) is expected to take place one business day following the setting of the Offer Price, investors may not have obtained information about the number of Offer Shares allotted to them at the time of commencement of trading, i.e., on or about 25 September 2019. Book-entry delivery of the allotted Offer Shares against payment of the Offer Price is expected to take place two business days after commencement of stock exchange trading. Particularly if the placement volume proves insufficient to satisfy all orders placed at the placement price, the Underwriters reserve the right to reject orders, or to accept them in part only.

3.3 Expected timetable for the Offering

The following is the expected timetable of the Offering, which may be extended or shortened:

11 September 2019	Approval of this Prospectus by BaFin
	Publication of the approved prospectus on the Company's website (www.teamviewer.com)
12 September 2019	Commencement of the Offer Period
	Application for admission of the Company's shares to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, to the sub-segment thereof with additional post-admission obligations (Prime Standard)
24 September 2019	Close of the Offer Period for private investors (natural persons) at 12:00 noon (CEST) and for institutional investors at 15:00 (CEST)
	Determination of the Offer Price and final number of shares allocated
	Publication of the results of the Offering in the form of an ad-hoc release on an electronic information dissemination system and on the Company's website (www.teamviewer.com)
	Admission decision to be issued by the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*)
	Publication of listing approval issued by the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*)
25 September 2019	Commencement of trading in the Company's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*)
27 September 2019	Book-entry delivery of the Offer Shares against payment of the Offer Price (settlement and closing)

This Prospectus will be published on the Company's website (www.teamviewer.com) under the "Investors Relations" section. Printed copies of this Prospectus are available from the Company free of charge during normal business hours at the following address: Jahnstrasse 30, 73037 Göppingen, Germany.

3.4 Information on the shares

3.4.1 Share capital; form of the shares

As of the date of this Prospectus, the share capital of the Company amounts to EUR 200,000,000.00 and is divided into 200,000,000 ordinary bearer shares (*Inhaberaktien*) with no-par value (*Stückaktien*). The share capital has been fully paid up.

3.4.2 Certification of the shares

As of the date of this Prospectus, all of the Company's shares are ordinary bearer shares (*Inhaberaktien*) with no-par value (*Stückaktien*). The Company's shares are represented by a global share certificate (the ***Global Share Certificate***), which is deposited with Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany.

Article 5(2) of the Articles of Association excludes to the extent legally permissible and not required by the rules and procedures of a stock exchange on which the Company's shares are admitted for trading, the right of the shareholders to receive share certificates.

3.4.3 Voting rights

Each share in the Company carries one vote at the Company's general shareholders' meeting. There are no restrictions on voting rights. Major shareholders do not have different voting rights.

3.4.4 Dividend and liquidation rights

The Company's shares carry full dividend rights as of 3 July 2019. In the event of the Company's liquidation, any proceeds remaining after satisfaction of all liabilities of the Company will be distributed to the holders of the Company's shares in proportion to their interest in the Company's share capital.

3.5 ISIN/WKN/Ticker Symbol

International Securities Identification Number (ISIN)	DE000A2YN900
German Securities Code (Wertpapier-Kenn-Nummer, WKN)	A2YN90
Common Code	205293540
Trading Symbol	TMV

3.6 Transferability of the shares, lock-up

The Company's shares are freely transferable in accordance with the legal requirements for bearer shares (*Inhaberaktien*), except for the restrictions set forth in "*3 The Offering –Lock-up agreement*" and "*20 Underwriting –Selling restrictions*", there are no prohibitions on disposals or restrictions with respect to the transferability of the Company's shares.

3.7 Information on the Existing Shareholder

Immediately prior to the Offering, the existing shareholders of the Company, the Selling Shareholder, holds 100% of the Company's outstanding share capital. It is expected that following completion of the Offering and assuming placement of all of the Offer Shares and full exercise of the Greenshoe Option and the Upsize Option, the Selling Shareholder will continue to hold at approximately 58.00% of the Company's share capital. For further details on the ownership structure of the Company, see "*15 Shareholder Information*".

3.8 Allotment criteria

The allotment of Offer Shares to private investors and institutional investors will be decided by the Company and the Selling Shareholder after consultation with the Joint Global Coordinators. The decision ultimately rests with the Company and the Selling Shareholder. Allotments will be made on the basis of the quality of the individual investors, such as the expected horizon and expected trading behaviour of the investor, and individual orders and other important allotment criteria to be determined by the Company and the Selling Shareholder after consultation with the Joint Global Coordinators. The allocation to private investors will be in accordance with the "Principles for the Allotment of Share Issues to Private Investors" issued by the German Commission of Stock Exchange Experts (*Börsensachverständigenkommission*) on 7 June 2000. "Qualified Investors" (*qualifizierte Anleger*) under the German Securities Prospectus Act in connection with Regulation (EU) 2017/1129, as well as "professional clients" (*professionelle Kunden*) and "suitable counterparties" (*geeignete Gegenparteien*) as defined under the WpHG, are not viewed as "private investors" within the meaning of the allocation rules. Multiple subscriptions by the same investors are permitted. The details of the allotment procedure will be stipulated after expiration of the Offer Period and published in accordance with the above-mentioned allotment principles.

3.9 Preferential allocation

The Company's supervisory board member Jacob Fonnesbech Aqraou will be offered up to 85,106 Offer Shares at the Offer Price in connection with the Offering on a preferential basis.

3.10 Stabilisation measures, Over-Allotments and Greenshoe Option

In connection with the placement of the Offer Shares, Morgan Stanley, acting for the account of the Underwriters, will act as the stabilisation manager (the ***Stabilisation Manager***) and may, as Stabilisation Manager acting in accordance with legal requirements (Article 5 paragraph 4 and 5 of MAR in conjunction with Articles 5 through 8 of the Commission Delegated Regulation (EU) 2016/1052), take stabilisation measures on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) in order to support the market price of the Company's shares during the Stabilisation Period (as defined below) and thereby counteract any selling pressure.

The Stabilisation Manager is under no obligation to take any stabilisation measures. Therefore, no assurance can be provided that any stabilisation measures will be taken. Where stabilisation measures are taken, these may be terminated at any time without notice. Such measures may be taken from the date the Company's shares are listed on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and must be terminated no later than the thirtieth calendar day after such date (the ***Stabilisation Period***). Any profits or losses out of or in connection with stabilisation measures shall be borne by the Underwriters.

These measures may result in the market price of the Company's shares being higher than would otherwise have been the case. Moreover, the market price may temporarily be at an unsustainable level.

Under the possible stabilisation measures, investors may, in addition to the Sale Shares, be allocated the Over-Allotment Shares as part of the allocation of the Offer Shares (the ***Over-Allotment***). For the purpose of a potential Over-Allotment, the Stabilisation Manager, for the account of the Underwriters, will be provided with up to 9,000,000 Over-Allotment Shares in the form of a securities loan; the number of Over-Allotment Shares will not exceed 15% of the of the sum of the final number of placed Sale Shares. In addition, the Selling Shareholder has granted the Underwriters an option to acquire a number of Company's shares equal to the borrowed shares at the Offer Price less agreed commissions (the ***Greenshoe Option***). The Greenshoe Option will terminate 30 calendar days after commencement of the stock exchange trading of the Company's shares expected to take place on 25 September 2019.

The Stabilisation Manager is entitled to exercise the Greenshoe Option up to the extent to which Over-Allotments were initially made; the number of shares from the holdings of the Selling Shareholder for which the Greenshoe Option is exercised is to be reduced by the number of shares held by the Stabilisation Manager as of the date on which the Greenshoe Option is exercised and that were acquired by the Stabilisation Manager in the context of stabilisation measures.

Once the Stabilisation Period has ended, an announcement will be made within one week in various media outlets distributed across the entire EEA as to whether stabilisation measures were taken, the date when price stabilisation started and finished, and the price range within which the stabilisation measures were taken, for each occasion on which price stabilisation measures were taken and the trading venue(s) on which the stabilisation measures were carried, where applicable.

3.11 Target Market Assessment

Information for Distributors: Solely for the purpose of the product governance requirements contained within (i) Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014 on markets in financial instruments, as amended (***MiFID II***), (ii) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 of 7 April2016 supplementing MiFID II and (iii) local implementing measures (together, the ***MiFID II Requirements***), and disclaiming any and all liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Requirements) may otherwise have with respect thereto, the Offer Shares have been subject to a product approval process. As a result, it has been determined that the Offer Shares are (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II, and (ii) eligible for distribution through all distribution channels permitted by MiFID II (the ***Target Market Assessment***).

Notwithstanding the Target Market Assessment, the price of the Offer Shares may decline and investors could lose all or part of their investment. The Offer Shares offer no guaranteed income and no capital protection, and an investment in the Offer Shares is suitable only for investors who:

- do not need a guaranteed income or capital protection;
- either alone or together with an appropriate financial or other adviser, are capable of evaluating the merits and risks of such an investment; and
- who have sufficient resources to be able to bear any losses that may result from such investment, including up to the total amount invested.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions with respect to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Global Coordinators will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute (i) an assessment of suitability or appropriateness for the purposes of MiFID II or (ii) a recommendation to any investor or group of investors to invest in, purchase, or take any other action whatsoever with respect to, the Offer Shares. Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Offer Shares and determining appropriate distribution channels.

3.12 Lock-up agreement

On or about 24 September 2019, the Underwriters, the Company and the Selling Shareholder are expected to enter into an underwriting agreement relating to the offer and sale of the Offer Shares in connection with the Offering (the ***Underwriting Agreement***). In the Underwriting Agreement, the Company will agree with each Underwriter that the Company, its Management Board or its Supervisory Board will not, and will not agree to without the prior written consent of the Joint Global Coordinators for a period of 180 calendar days following the first day of trading of the Company's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (currently expected to take place on 25 September 2019):

- announce or effect an increase of the share capital of the Company out of authorised capital;
- submit a proposal for a capital increase to any shareholders' meeting for resolution;
- announce to issue, effect or submit a proposal for the issuance of any securities convertible into shares of the Company, with option rights for shares of the Company; or

- enter into a transaction or perform any action economically similar to those described in the bullet points above,

in each case of the four bullets above other than as expressly described in this Prospectus. The Company may, however, (i) issue or sell shares or other securities to employees and members of executive bodies of the Company or its subsidiaries under employee or management participation plans, and (ii) undertake any corporate action for purposes of entering into joint ventures or acquiring a company, provided that the parties to the joint venture or the selling shareholders of the company to be acquired (i.e. the entities that will acquire any shares or other securities of the Company) assume towards the Joint Global Coordinators the obligation to comply with the restrictions applicable to the Selling Shareholder on the disposal of shares as set forth in the lock-up undertaking for the then remaining part of the lock-up period.

In the Underwriting Agreement, the Selling Shareholder will undertake, not to, without the prior written consent of the Joint Global Coordinators, which consent shall not to be unreasonably withheld or delayed, for a period of 180 calendar days following the first day of trading of the Company's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (currently expected to take place on 25 September 2019:

- offer, pledge, allot, distribute, sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, transfer or otherwise dispose of, directly or indirectly (including, but not limited to, the issuance or sale of any securities exchangeable into shares of the Company), any shares of the Company;

- cause or approve, directly or indirectly, the announcement, execution or implementation of any increase in the share capital of the Company or a direct or indirect placement of shares of the Company;

- propose, directly or indirectly, any increase in the share capital of the Company to any shareholders' meeting for resolution, or vote in favour of such a proposed capital increase;

- cause or approve, directly or indirectly, the announcement, execution or proposal of any issuance of financial instruments constituting options or warrants convertible into shares of the Company; or

- enter into a transaction or perform any action economically similar to those described in the bullets above, in particular enter into any swap or other arrangement that transfers to another, in whole or in part, the economic risk of ownership of shares of the Company, whether any such transaction is to be settled by delivery of shares of the Company, in cash or otherwise,

in each of the five bullets above other than for the purposes of the Offering and other than as expressly described in this Prospectus.

The foregoing lock-up restrictions for the Selling Shareholder will not restrict the (i) tender, sale and transfer of the Company's shares in a takeover bid for the shares of the Company pursuant to the German Securities Acquisition and Takeover Act *(Wertpapiererwerbs- und Übernahmegesetz)* (the ***WpÜG***), (ii) the over-the-counter *(außerbörsliche)* transfer of Company's shares by the Selling Shareholder to any of its affiliates and the transfer of Company's shares by any Authorised Recipient (as defined below) to another Authorised Recipient, and (iii) any allotments or distributions of Company's shares to direct or indirect shareholders or other securities holders of the Selling Shareholder or any affiliates of such shareholders or securities holders (together with any affiliates under (ii), the ***Authorised Recipients***), provided that in each case mentioned in (ii) and (iii) the Authorised Recipient shall assume towards the Joint Global Coordinators the obligation to comply with the restrictions applicable to the Selling Shareholder thereunder for the then remaining part of the lock-up period. The foregoing lock-up restrictions shall further not apply to (i) any disposal for the purpose of pledging or granting of any other security interest over the Company's shares in connection with any margin loan facility or (ii) any disposal for the purpose of transferring any of the Company's shares to any enforcement of security over any shares of the Company to or for the benefit of a margin loan lender in connection with a margin loan, provided that any proposed transferee of such shares pursuant to an enforcement of security shall have agreed, for the remainder of the lock-up period, to be bound by the same lock-up restrictions as the Selling Shareholder.

3.13 Admission to the Frankfurt Stock Exchange and commencement of trading

The Company will apply for admission of the Company's shares to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, to the sub-segment thereof with additional post-admission obligations (Prime Standard) on or about 12 September 2019. Morgan Stanley Europe SE is acting as listing agent. The listing approval (admission decision) for the Company's shares is expected to be granted and announced on or about 24 September 2019. The decision on the admission of the Company's shares to trading will be made solely by the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) at its discretion. Trading in the Company's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) is expected to commence on or about 25 September 2019.

3.14 Designated sponsors

Goldman Sachs International and Morgan Stanley have been mandated as designated sponsors of the Company's shares traded on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) for a period of at least two years from the first day of trading of the Company's shares. Pursuant to the designated sponsor agreements expected to be concluded among each of the designated sponsors and the Company, the designated sponsors will, among other things, place limited buy and sell orders for the Company's shares in the electronic trading system of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) during regular trading hours. This is intended to achieve greater liquidity in the market for the Company's shares. The designated sponsors are entitled to delegate their duties under the designated sponsor's agreements to third parties. In accordance with Sections 81 and 82 of the Rules of the Frankfurt Stock Exchange (*Börsenordnung für die Frankfurter Wertpapierbörs*), the designated sponsor's agreements stipulate the duties and responsibilities of the designated sponsors. Among other things, the designated sponsors shall be available during trading hours and, upon receipt of a request for a quote, shall promptly supply quotes and enter into transactions on such basis. In addition, the designated sponsors shall provide quotes throughout the auction.

3.15 Interests of parties participating in the Offering

The Underwriters are acting exclusively for the Company and the Selling Shareholder in connection with the Offering and the coordination, structuring and execution of the Offering. In addition, Goldman Sachs International and Morgan Stanley have been mandated to act as designated sponsors for the Company's shares and Deutsche Bank Aktiengesellschaft has been appointed to act as paying agent. Upon successful implementation of the Offering, the Underwriters will receive a commission. As a result of these contractual relationships, the Underwriters have a financial interest in the success of the Offering.

Furthermore, in connection with the Offering, each of the Underwriters and any of their respective affiliates may take up a portion of the shares in the Offering as a principal position and in that capacity may retain, purchase or sell for its own account such shares or related investments and may offer or sell such shares or other investments otherwise than in connection with the Offering. Accordingly, references in this Prospectus to shares being offered or placed should be read as including any offering or placement of shares to any Underwriters or any of their respective affiliates acting in such capacity. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of shares in the Company, for their own account or the account of customers. None of the Underwriters intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Some of the Underwriters or their affiliates have, and may from time to time in the future continue to have, business relations with the TeamViewer Group (including lending activities) or may perform services for the TeamViewer Group in the ordinary course of business. In particular, an affiliate of Goldman Sachs International is a lender under the Existing Senior Facilities Agreement and the Existing Second Lien Facility Agreement (each as defined herein). The Underwriters and/or their affiliates are also mandated lead arrangers and lenders under the New Senior Facilities Agreement. Also, one or more Underwriters and/or their respective affiliates may act as lenders under a margin loan facility. Pursuant to such potential margin loan facility, the Selling Shareholder would grant a security interest to the margin loan lenders over Shares held by the Selling Shareholder. In case of a default of the Selling Shareholder under such facility, the lenders would be in a position to enforce their security interest over such Shares, which may therefore result in a disposal or sale of Shares by the lenders.

The Selling Shareholder will receive the proceeds from the sale of the Sale Shares and the Over-Allotment Shares (if any) in the Offering (after deduction of fees and commissions). Assuming (i) full placement of all Sale Shares including a full exercise of the Upsize Option and (ii) full placement of the Over-Allotment Shares and full exercise of the Greenshoe Option, at the mid-point of the Price Range, and after deducting fees and expenses to be paid by the Selling Shareholder in connection with the Offering, the proceeds to the Selling Shareholder from the Offering would amount to approximately EUR 2,058 million, or 100.00% of the total net proceeds from the Offering (see "*4 Proceeds of the Offering and Costs of the Offering and Listing*"). Accordingly, the Selling Shareholder has an interest in the success of the Offering at the best possible terms.

The funds advised by Permira (***Permira Funds***) and invested in the Company have investment activities that are independent of and may from time to time conflict with the Issuer's interests. Certain partners or employees of Permira serve or may serve as supervisory board members of the Issuer. They may also serve as supervisory board members of or in a similar function for other companies directly or indirectly owned by the Permira Funds, including companies that operate in the same sectors as TeamViewer Group and may compete with it. At the date of this Prospectus, the Company's supervisory board members Dr. Jörg Rockenhäuser and Stefan Dziarski are partners of Permira and invested in the Permira Funds.

With the settlement in the context of the IPO of equity participation arrangements for the benefit of the two members of the Company's management board, these two members are entitled to an equity participation in the Company, which will partly be cash-settled by the Selling Shareholder from its IPO proceeds (*see 18.2.4 Shareholdings of the Members of the Management Board of the Company*).

The Company's supervisory board members Dr. Abraham (Abe) Peled and Holger Felgner and 5 managers of TeamViewer Group are indirectly invested in the Issuer. These individuals directly or indirectly each hold interests in one or more pooling vehicles that in turn hold shares and other instruments in the Selling Shareholder (*see "13.17.3.1 Key Employee Participation Program"*).

The Selling Shareholder will partially use its IPO proceeds to make cash payments to settle bonus entitlements of 76 managers of the Group (*see "13.17.3.2 Employee Bonus Scheme"*).

The Company intends to pay a one-time bonus to all TeamViewer Group employees depending on tenure (and with some exceptions) in case of a successful IPO (*see "13.17.3.4 TV Group IPO Bonus Scheme"*).

Accordingly, all these individuals will receive proceeds from the Offering or payments linked to the Offering or the Offer Price and have an interest in the success of the Offering at the best possible terms.

Other than the interests described above, there are no material interests, in particular no material conflicts of interests, with respect to the Offering.

4 PROCEEDS OF THE OFFERING AND COSTS OF THE OFFERING AND LISTING

The Selling Shareholder will receive the proceeds of the Offering resulting from the sale of the Sale Shares and from the sale of Over-Allotment Shares, if and to the extent that the Greenshoe Option in relation to the Over-Allotment Shares and the Upsize Option in relation to the Additional Sale Shares is exercised. The Company will not receive any proceeds from the Offering.

The Company estimates that at the low end, mid-point and high end of the Price Range, gross proceeds to the Selling Shareholder (assuming placement of (i) all of the 75,000,000 Sale Shares and (ii) all of the Over-Allotment Shares at the mid-point of the Price Range and (iii) full exercise of the Greenshoe Option and of the Upsize Option) would amount to approximately EUR 1,974 million, EUR 2,142 million and EUR 2,310 million, respectively, and net proceeds of approximately EUR 1,895 million, EUR 2,058 million and EUR 2,221 million, respectively.

The costs related to the Offering of the Offer Shares and listing of the Company's entire share capital are expected to total approximately EUR 84 million at the mid-point of the price range (assuming placement of all Sale Shares and assuming full exercise of the Greenshoe Option and of the Upsize Option and including underwriting and placement commissions payable to the Underwriters) and will be borne by the Selling Shareholder.

Assuming an Offer Price at the low end, mid-point and high end of the Price Range and that the maximum number of Offer Shares is placed (i.e., the Greenshoe Option and the Upsize Option have been fully exercised) and assuming further payment in full of the discretionary fee of up to EUR 24.68 million, EUR 26.78 million and EUR 28.88 million, at the low end, mid-point and high end of the Price Range, respectively; the commission payable to the Underwriters will amount to EUR 54.29 million, EUR 58.91 million and EUR 63.53 million, respectively, which will be borne by the Selling Shareholder.

Investors will not be charged expenses by the Company, the Selling Shareholder or the Underwriters in connection with their role as underwriters. Investors may, however, have to bear customary transaction and handling fees charged by their brokers or other financial institutions through which they hold their securities.

5 REASONS FOR OFFERING AND THE LISTING AND USE OF PROCEEDS

The Selling Shareholder intends to partially divest its shareholding in the Company, to ensure sufficient free float and trading liquidity in the Company's shares and to facilitate stabilisation measures. The Selling Shareholder will use parts of the proceeds to make cash payments in relation to bonus arrangements for 76 managers of the Group and the Company's two management board members (see "*13.17.3.2 Employee Bonus Schemes*" and "*18.2.4 Shareholdings of the Members of the Management Board in the Company*").

The Company intends to have the Company's shares admitted to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, on the sub-segment thereof with additional post-admission obligations (Prime Standard) to achieve better access to the capital markets and further support the development of the TeamViewer Group. The Company will not receive any proceeds from the Offering.

The Company and the Selling Shareholder believe the listing will provide a number of benefits to TeamViewer, including an enhanced external profile and further improved brand recognition and increased flexibility and ability to further support and develop the TeamViewer Group's business through organic growth and selected acquisitions.

6 DIVIDEND POLICY, RESULTS AND DIVIDENDS PER SHARE, USE OF PROFITS

6.1 General provisions relating to profit allocation and dividend payments

The shareholders' share of the Company's profits is determined based on their respective interests in the Company's share capital. The participation of new shares may be determined differently. For a stock corporation (*Aktiengesellschaft*) under German law, such as the Company, the distribution of dividends for any given fiscal year, and the amount and payment date thereof, are generally resolved by the shareholders' meeting (*Hauptversammlung*) of the subsequent fiscal year. The shareholders' meeting must be held within the first eight months of each fiscal year. Proposals for the distribution of dividends will be issued by the Management Board and the Supervisory Board jointly or by the Management Board and the Supervisory Board separately, with the shareholders' meeting not bound by those proposals.

Dividends may only be distributed from the distributable profit (*Bilanzgewinn*) of the Company. The distributable profit is calculated based on the Company's unconsolidated financial statements prepared in accordance with the requirements of German GAAP. Accounting regulations under German GAAP differ from the IFRS in material aspects.

When determining the distributable profit, net income or loss for the fiscal year (*Jahresüberschuss*/*-fehlbetrag*) must be adjusted for profit/loss carry-forwards (*Gewinn-*/*Verlustvorträge*) from the prior fiscal year and releases of or allocations to reserves. Certain reserves are required to be set up by law, and amounts mandatorily allocated to these reserves in the given fiscal year must be deducted when calculating the distributable profit. The Management Board must prepare unconsolidated financial statements (balance sheet, income statement and notes to the unconsolidated financial statements) and a management report for the previous fiscal year by the statutory deadline and present these to the auditors and the Supervisory Board immediately after preparation. At the same time, the Management Board must present to the Supervisory Board a proposal for the allocation of the Company's distributable profits pursuant to Section 170 paragraph 2 of the German Stock Corporation Act (*Aktiengesetz*). According to Section 171 of the German Stock Corporation Act (*Aktiengesetz*), the Supervisory Board must review the unconsolidated financial statements, the Management Board's management report and the proposal for the allocation of the distributable profit and report to the shareholders' meeting in writing on the results. The Supervisory Board must submit its report to the Management Board within one month after the documents were received. If the Supervisory Board approves the financial statements after its review, these are deemed adopted unless the Management Board and the Supervisory Board resolve to assign adoption of the financial statements to the shareholders' meeting. If the Management Board and the Supervisory Board choose to allow the shareholders' meeting to adopt the financial statements, or if the Supervisory Board does not approve the financial statements, the Management Board must convene a shareholders' meeting without delay.

The shareholders' meeting's resolution on the allocation of the distributable profits requires a simple majority of the votes cast. If the Management Board and the Supervisory Board adopt the financial statements, they can allocate an amount of up to half of the Company's net loss/income for the year to other retained earnings. In addition, pursuant to Section 21 paragraph 2 of the Articles of Association, they are authorised to allocate up to 100% of the net loss/income for the fiscal year to other retained earnings as long and as far as the other retained earnings do not exceed half of the registered share capital and would not exceed such amount following a transfer. Additions to the legal reserves and loss carry-forwards must be deducted in advance when calculating the amount of net loss/income for the year to be allocated to other retained earnings. Pursuant to Section 22 paragraph 4 of the Articles of Association, the shareholders' meeting may also resolve to distribute the distributable profit by way of a dividend in kind in addition to or instead of a cash dividend, or it may allocate further amounts to retained earnings or carry such amounts forward as profit in the resolution on the appropriation of the distributable profits. Dividends resolved by the shareholders' meeting are due and payable on the third business day following the day of the relevant shareholders' meeting, unless a later due date is provided in the dividend resolution or the Articles of Association, in compliance with the rules of the respective clearing system. Since all of the Company's dividend entitlements will be evidenced by one or more global share certificates deposited with Clearstream Banking AG, Clearstream Banking AG will transfer the dividends to the shareholders' custodian banks for crediting to their accounts and German custodian banks are under an obligation to distribute the funds to their customers. Shareholders using a custodian bank located outside Germany must inquire at their respective bank regarding the terms and conditions applicable in their case. Notifications of any distribution of dividends resolved upon are published in the German Federal Gazette (*Bundesanzeiger*) immediately after the shareholders' meeting. To the extent dividends can be distributed by the Company in accordance with German GAAP and corresponding decisions are taken, there are no restrictions on shareholder rights to receive dividends. Generally, withholding tax (*Kapitalertragsteuer*) is withheld from dividends paid. For more information on the taxation of dividends, see "*21 Warning on Tax Consequences*". Any dividends not claimed within the past three years become time-barred. If dividend payment claims expire, the Company becomes the beneficiary of the dividends.

6.2 Dividend policy and dividend per share

The Company was formed by articles of association dated 3 July 2019 and did not conduct any business activities prior to the contribution of Regit Eins GmbH on 1 August 2019. Therefore, the Company has not paid any dividends or made any other distributions up to and including the date of this Prospectus.

The Company currently does not intend to pay any dividends in 2019 or 2020 and intends to continue to invest in sales and marketing, new products and geographic expansion and reduce its financial liabilities. Post 2020, the Company will examine opportunities to pay dividends. Any future determination to pay dividends will be made in accordance with applicable laws, and will depend upon, among other factors, the Company's results of operations, financial condition, contractual restrictions and capital requirements. The Company's future ability to pay dividends may be limited by the terms of any existing and future debt or preferred securities.

7 CAPITALISATION AND INDEBTEDNESS, STATEMENT ON WORKING CAPITAL AND SIGNIFICANT CHANGES

The following tables set forth TeamViewer's actual capitalisation and indebtedness as of 30 June 2019 based on the Unaudited Interim Consolidated Financial Statements of Regit Eins as well as Regit Eins GmbH's internal reporting system, and as adjusted for the effects of the Shareholder Loan Conversion (as defined below) in the context of the IPO Reorganisation (see "*16 General Information on the Company and the TeamViewer Group–Group structure*"). The adjustments are based on the assumption that the Offering had taken place on 30 June 2019. For simplification purposes no tax effects were considered..

Investors should read these tables in conjunction with "*9 Selected Financial and Other Information*", "*10 Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the Unaudited Interim Consolidated Financial Statements of Regit Eins as of and for the six-month period ended 30 June 2019, which are included in this Prospectus beginning on page F-2.

7.1 Capitalisation

	Actual as of 30 June 2019	Adjustments for the effects of the Shareholder Loan Conversion(9)	As adjusted as of 30 June 2019
		(unaudited) (in EUR thousand)	
Total current debt(1)	**410,125**	(141,896)	**268,229**
thereof guaranteed	-	-	-
thereof secured(2)	5,116	-	5,116
thereof unguaranteed/ unsecured(3)	405,009	(141,896)	263,113
Total non-current debt(4)	**687,527**	**-**	**687,527**
thereof guaranteed	-	-	-
thereof secured(2)	627,793	-	627,793
thereof unguaranteed/ unsecured(3)	59,734	-	59,734
Shareholder's equity(5)	**(161,237)**	**141,896**	**(19,341)**
Share capital(6)	25	-	25
Capital reserve	125,890	141,896	267,786
Other reserves(7)	(287,152)	-	(287,152)
Total(8)	**936,415**	**-**	**936,415**

(1) Total current debt refers to total current liabilities as shown in the Unaudited Interim Consolidated Financial Statements of Regit Eins as of 30 June 2019. Total current liabilities consist of the current component of interest-bearing loans and borrowings; trade payables; current component of deferred revenue; accrued expenses and other payables; current tax liabilities; current provisions; and current financial liabilities.

(2) Secured debt is comprised of the Existing Senior Term Facilities and the Existing Second Lien Facility. Amounts outstanding under the Existing Senior Term Facilities and the Existing Second Lien Facility will be refinanced with proceeds of borrowings under term loan facilities under the New Senior Facilities Agreement, together with cash on balance sheet. The New Senior Facilities Agreement will provide for the following term loan facilities: (i) a euro term loan facility in an amount of up to EUR 125 million, (ii) a USD term loan facility in an amount of up to USD 450 million, and (iii) a GBP term loan facility in an amount of up to the GBP equivalent of EUR 75 million, together with a multicurrency revolving credit facility in an amount of up to EUR 35 million.

(3) Unguaranteed/unsecured debt is comprised of the Shareholder Loan (as defined herein), trade payables, deferred revenue, accrued expenses and other payables, tax liabilities, provisions and financial liabilities.

(4) Total non-current debt refers to total non-current liabilities as shown in the Unaudited Interim Consolidated Financial Statements of Regit Eins as of 30 June 2019. Total non-current liabilities consist of non-current component of interest-bearing loans and borrowings; non-current deferred revenue; non-current component of provisions; deferred tax liabilities; and non-current financial liabilities.

(5) Shareholders' equity refers to total equity attributable to owners of the parent as shown in the Unaudited Interim Consolidated Financial Statements of Regit Eins as of 30 June 2019.

(6) Share capital refers to issued capital as shown in the Unaudited Interim Consolidated Financial Statements of Regit Eins as of 30 June 2019.

(7) Other reserves is the sum of (accumulated losses)/retained earnings, hedge reserve and foreign currency translation reserve, each as shown in the Unaudited Interim Consolidated Financial Statements of Regit Eins as of 30 June 2019.

(8) Total is the sum of total current debt, total non-current debt and shareholder's equity.

(9) As part of the IPO Reorganisation, the receivable under the Shareholder Loan granted by the Selling Shareholder to Regit Eins GmbH was transferred as contribution in kind to the Company on 9 September 2019, increasing on a consolidated basis the Company's capital reserve. It was subsequently contributed and directly transferred to Regit Eins GmbH on the same day; following its transfer to Regit Eins GmbH, the Shareholder Loan ceased to exist by operation of law (together, the ***Shareholder Loan Conversion***). As of 30 June 2019, the carrying amount of this loan was EUR 141,896 thousand.

7.2 Indebtedness

	Actual as of 30 June 2019	Adjustments for the effects of the Shareholder Loan Conversion[7]	As adjusted as of 30 June 2019
		(unaudited) (in EUR thousand)	
A. Cash[1]	48,510	-	48,510
B. Cash equivalents[2]	274	-	274
C. Trading securities	-	-	-
D. Liquidity (A) + (B) + (C)	**48,783**	-	**48,783**
E. Current Financial Receivable[3]	**13,384**	-	**13,384**
F. Current bank debt	-	-	-
G. Current portion of non-current debt[4]	5,116	-	5,116
H. Other current financial debt[5]	141,896	(141,896)	-
I. **Current Financial Debt** (F) + (G) + (H)	**147,012**	**(141,896)**	**5,116**
J. Net Current Financial Indebtedness (I) – (E) – (D)	**84,845**	**(141,896)**	**(57,051)**
K. Non-current bank loans[6]	627,793	-	627,793
L. Bonds issued	-	-	-
M. Other non-current loans	-	-	-
N. Non-current Financial Indebtedness (K) + (L) + (M)	**627,793**	-	**627,793**
O. Net Financial Indebtedness (J) + (N)	**712,638**	**(141,896)**	**570,742**

(1) Cash comprises current bank accounts and cash in hand being part of cash and cash equivalents as shown in the Unaudited Interim Consolidated Financial Statements of Regit Eins as of 30 June 2019.

(2) Cash equivalents comprises short term deposits and other cash equivalents (which consist mainly of open balances on PayPal accounts) being part of cash and cash equivalents as shown in the Unaudited Interim Consolidated Financial Statements of Regit Eins as of 30 June 2019.

(3) Current Financial Receivable refers to financial assets, current as shown in the Unaudited Interim Consolidated Financial Statements of Regit Eins as of 30 June 2019.

(4) Current portion of non-current debt refers to the current portion of the Existing Senior Term Facilities being part of current interest-bearing loans and borrowings as shown in the Unaudited Interim Consolidated Financial Statements of Regit Eins as of 30 June 2019. Amounts outstanding under the Existing Senior Term Facilities and the Existing Second Lien Facility will be refinanced with proceeds of borrowings under term loan facilities under the New Senior Facilities Agreement, together with cash on balance sheet. The New Senior Facilities Agreement will provide for the following term loan facilities: (i) a euro term loan facility in an amount of up to EUR 125 million, (ii) a USD term loan facility in an amount of up to USD 450 million, and (iii) a GBP term loan facility in an amount of up to the GBP equivalent of EUR 75 million, together with a multicurrency revolving credit facility in an amount of up to EUR 35 million.

(5) Other current financial debt refers to the carrying amount of the Shareholder Loan being part of "current interest-bearing loans and borrowings" as shown in the Unaudited Interim Consolidated Financial Statements of Regit Eins as of 30 June 2019.

(6) Non-current bank loans refers to non-current interest-bearing loans and borrowings as shown in the Unaudited Interim Consolidated Financial Statements of Regit Eins as of 30 June 2019 comprising the non-current portions of the Existing Senior Term Facilities and the Existing Second Lien Facility. Nominal amount of non-current banks loans is EUR 620.8 million and, therefore, its carrying amount considers EUR 7.0 million of amortised costs, each as of 30 June 2019.

(7) As part of the IPO Reorganisation, the receivable under the Shareholder Loan granted by the Selling Shareholder to Regit Eins GmbH was transferred as contribution in kind to the Company on 9 September 2019, increasing on a consolidated basis the Company's capital reserve. It was subsequently contributed and directly transferred to Regit Eins GmbH on the

same day; following its transfer to Regit Eins GmbH, the Shareholder Loan ceased to exist by operation of law (together, the ***Shareholder Loan Conversion***). As of 30 June 2019, the carrying amount of this loan was EUR 141,896 thousand.

TeamViewer's indirect and contingent indebtedness amounted to EUR 1.6 million as of 30 June 2019. As of 30 June 2019, these contingent obligations related to tax positions recognised in accordance with IFRS 3.22. For information on contractual obligations and commercial commitments, see "*10 Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and capital resources*".

7.3 Statement on working capital

The Company is of the opinion that the TeamViewer Group is in a position to meet the payment obligations that become due within at least the next twelve months from the date of this Prospectus.

7.4 Statement regarding significant changes

Other than as described in "*24.1 Recent developments*", between 30 June 2019 and the date of this Prospectus, no significant change in the financial and trading position of the Company and its subsidiaries, for which Unaudited Interim Consolidated Financial Statements of Regit Eins as of 30 June 2019 are provided in this Prospectus, has occurred.

For information on current trading and management's view on future trends, see "*11 Profit Forecast*" and "*24 Recent Developments and Outlook*".

8 DILUTION

As the Offering comprises only existing shares of the Company and will not involve the issuance of new shares by the Company, the Offering will not have a dilutive effect to the Shareholders of the Company.

According to its consolidated statement of financial position, Regit Eins GmbH's total equity, i.e., the net asset value (total assets less total non-current and total current liabilities) amounted to EUR (161.2) million as of 30 June 2019 (based on the Unaudited Interim Consolidated Financial Statements of Regit Eins), and would amount to EUR (0.81) per share based on 200,000,000 outstanding Issuer's shares immediately prior to the Offering.

The table below illustrates the amount by which the Offer Price at the mid-point of the Price Range exceeds the equity attributable to shareholders per share after completion of the Offering assuming the steps of the Offering described below had taken place on 30 June 2019.

	As of 30 June 2019
Offer price per share (in EUR; based on the mid-point of the Price Range)	25.50
Estimated total costs of the Offering to be borne by the Issuer (in EUR)	0.00
Equity attributable to shareholders per share as of 30 June 2019 (assuming 200,000,000 outstanding shares of the Issuer immediately prior to the Offering) (in EUR)	(0.81)
Amount by which the Offer Price per share exceeds the equity attributable to shareholders per share as of 30 June 2019 (in EUR; based on the mid-point of the Price Range)	26.31

Prior to the Offering, the Selling Shareholder held 100% of the voting rights. Upon completion of the Offering (including full exercise of the Greenshoe Option and of the Upsize Option), the aggregate voting rights held by the Selling Shareholder would amount to 58.00%.

Prior to the Offering, the net asset value per share as of 30 June 2019 (assuming 200,000,000 outstanding shares) amounted to EUR (0.81). Upon completion of the Offering the offering price per share would amount to EUR 23.50 – EUR 27.50 (depending on the final Offer Price between the low end or high end of the Price Range).

9 SELECTED CONSOLIDATED FINANCIAL AND OTHER INFORMATION

The Company was newly formed as a holding company by articles of association dated 3 July 2019 and registered with the commercial register on 10 July 2019. Other than the Audited Interim Financial Statements of the Company, the Company has not issued any financial statements since its incorporation. TeamViewer believes that Regit Eins GmbH's consolidated financial statements reflect the Company's operations and current financial position in all material respects except as otherwise disclosed in this Prospectus because the Company is a holding company that does not have operations and liabilities other than in relation to its interest in Regit Eins GmbH and its other subsidiaries. Accordingly, the financial information contained in the following tables has been taken or derived from the Audited Consolidated Financial Statements of Regit Eins, from the Unaudited Interim Consolidated Financial Statements of Regit Eins or from Regit Eins GmbH's internal reporting system. The Audited Consolidated Financial Statements of Regit Eins were prepared in accordance with IFRS. The Unaudited Interim Consolidated Financial Statements of Regit Eins were prepared in accordance with IFRS on interim financial reporting (IAS 34).

Ernst & Young has audited and issued an independent auditor's report with respect to the Audited Consolidated Financial Statements of Regit Eins. The Audited Consolidated Financial Statements of Regit Eins and the independent auditor's report thereon as well as the Unaudited Interim Consolidated Financial Statements of Regit Eins mentioned above are included in the Prospectus, beginning on page F-2. Prior to the implementation of the IPO Reorganisation, Regit Eins GmbH's consolidated financial statements did not include the Non-consolidated Entities. As a result, the Audited Consolidated Financial Statements of Regit Eins do not include the impact of the results of operations, financial condition and cash flow of the Non-consolidated Entities and the Unaudited Interim Consolidated Financial Statements of Regit Eins do not include financial information related to such entities prior to their contribution to TeamViewer GmbH (now TeamViewer Germany GmbH) or Regit Eins GmbH, as applicable. See "*2 General Information–Presentation of financial information*" and *"16 General Information on the Company and the TeamViewer Group–Group structure".*

With regard to historical financial information as of and for the fiscal years ended 31 December 2016, 2017 and 2018, and as of and for the six-month periods ended 30 June 2019 and 2018, references to the TeamViewer Group or TeamViewer are to Regit Eins GmbH together with its subsidiaries, unless otherwise indicated.

Where financial data in the following tables is labelled "audited", this means that it has been taken from the Audited Consolidated Financial Statements of Regit Eins. The label "unaudited" is used in the following tables to indicate financial data that has not been taken from the Audited Consolidated Financial Statements of Regit Eins but was taken from the Unaudited Interim Consolidated Financial Statements of Regit Eins or from Regit Eins GmbH's internal reporting system, or has been calculated based on financial data from the above-mentioned sources.

The following selected financial information should be read in conjunction with the sections "*1 Risk Factors*," "*2 General Information–Presentation of financial information*", "*10 Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*13 Business*", as well as the Unaudited Interim Consolidated Financial Statements of Regit Eins and the Audited Consolidated Financial Statements of Regit Eins which are contained in the section *"22 Financial Information"* of this Prospectus.

TeamViewer's historical results are not necessarily indicative of the results that should be expected in the future, and its interim results are not necessarily indicative of the results that should be expected for the year ending 31 December 2019 or any other future period.

9.1 Consolidated Statements of Profit or Loss and Other Comprehensive Income Data

	Fiscal year ended 31 December			Six months ended 30 June	
	2018[(1)]	2017	2016	2019[(1)]	2018
	(audited)			(unaudited)	
	(EUR in thousands)				
Revenue	258,157	138,467	91,670	181,236	101,726
Cost of sales	(46,610)	(41,370)	(39,700)	(23,771)	(22,534)
Gross profit	**211,548**	**97,098**	**51,970**	**157,465**	**79,191**
Other income	1,588	2,651	1,555	8,012	965
Research and development	(23,039)	(16,542)	(13,020)	(16,509)	(10,666)
Sales	(30,458)	(22,421)	(21,621)	(20,534)	(13,347)
Marketing	(17,974)	(13,020)	(10,443)	(11,158)	(8,215)
General and administrative	(26,089)	(21,004)	(15,688)	(20,308)	(12,292)
Other expenses	(166)	(568)	(26)	(47)	-
Bad debt expenses	(8,280)	-	-	(6,679)	(2,718)
Operating (loss)/profit	**107,129**	**26,192**	**(7,272)**	**90,242**	**32,918**
Unrealised foreign exchange gains/(losses)	(20,791)	58,747	(11,638)	(4,683)	(12,610)
Realised foreign exchange gains/(losses)	(162)	(1,772)	(1,252)	1,266	(69)
Finance income	12,311	7,094	26,766	22,281	4,146
Finance costs	(93,988)	(160,466)	(74,822)	(39,354)	(37,213)
(Loss)/profit before taxation	**4,499**	**(70,205)**	**(68,218)**	**69,752**	**(12,828)**
Tax (expense)/income	(16,912)	1,052	9,396	(24,030)	2,493
(Loss)/profit for the period	**(12,413)**	**(69,153)**	**(58,823)**	**45,722**	**(10,335)**
Thereof attributable to owners of the parent	*(12,413)*	*(69,153)*	*(58,823)*	*45,722*	*(10,335)*
Other comprehensive income for the period					
Items that may be reclassified to profit or loss	(10)	-	-	12	-
Hedge reserve, gross	*(14)*	-	-	*1*	-
Exchange differences on translation of foreign operations	*4*	-	-	*10*	-
Total comprehensive income for the period	**(12,423)**	**(69,153)**	**(58,823)**	**45,734**	**(10,335)**
Thereof attributable to owners of the parent	*(12,423)*	*(69,153)*	*(58,823)*	*45,734*	*(10,335)*

(1) Regit Eins GmbH applied IFRS 15 "Revenue from Contracts with Customers" using the modified retrospective method and IFRS 9 "Financial Instruments" for the first time in the 2018 fiscal year and IFRS 16 "Leases" for the first time in the 2019 fiscal year (and accordingly in the six months ended 30 June 2019). Regit Eins GmbH's consolidated financial statements for the 2016 and 2017 fiscal years, were prepared using predecessor standards, including IAS 18, IAS 39 and IAS 17, and have not been restated. As a result, Regit Eins GmbH's consolidated financial statements are not fully comparable across the periods under review. See "*10 Management's Discussion and Analysis of Financial Condition and Results of Operations–Factors affecting comparability of results of operations and financial condition–New accounting pronouncements*".

9.2 Consolidated Statements of Financial Position Data

	As of 31 December			As of 30 June
	2018(1)	2017	2016	2019(1)
	(audited)			(unaudited)
	(EUR in thousands)			
Non-current assets				
Property, plant and equipment	2,239	2,919	2,782	10,298
Goodwill	584,312	584,312	584,312	590,369
Intangible assets	252,563	270,505	290,501	245,117
Financial assets, non-current	-	14,747	19,672	-
Cost to obtain a contract, non-current	427	-	-	188
Other assets, non-current	318	317	219	1,068
Total non-current assets	**839,858**	**872,800**	**897,486**	**847,039**
Current assets				
Trade receivables	15,442	18,571	18,766	17,528
Cost to obtain a contract, current	710	-	-	636
Other assets, current	2,548	2,702	1,939	4,567
Tax assets, current	-	1,869	1,982	4,477
Financial assets, current	9,715	9,279	1,379	13,384
Cash and cash equivalents	79,939	35,154	86,876	48,783
Total current assets	**108,355**	**67,574**	**110,942**	**89,376**
Total assets	**948,213**	**940,374**	**1,008,428**	**936,415**
Equity				
Issued capital	25	25	25	25
Capital reserve	116,312	114,512	114,512	125,890
(Accumulated losses)/retained earnings	(332,876)	(316,226)	(247,073)	(288,043)
Hedge reserve	(14)	-	-	(12)
Foreign currency translation reserve	4	-	-	903
Total equity	**(216,548)**	**(201,689)**	**(132,536)**	**(161,237)**
Thereof equity attributable to owners of the parent	*(216,548)*	*(201,689)*	*(132,536)*	*(161,237)*
Non-current liabilities				
Interest-bearing loans and borrowings, non-current	678,771	664,328	488,189	627,793
Deferred revenue, non-current	47,225	148,660	173,593	17,831
Provisions, non-current	143	24	24	197
Deferred tax liabilities	18,614	6,766	7,544	37,464
Financial liabilities, non-current	2,928	731	1,325	4,242
Total non-current liabilities	**747,681**	**820,509**	**670,675**	**687,527**
Current liabilities				
Interest-bearing loans and borrowings, current	154,818	140,369	349,773	147,012
Trade payables	6,695	4,535	3,952	5,330
Deferred revenue, current	233,410	160,123	94,181	222,105
Accrued expenses and other payables	13,846	9,623	7,100	20,418
Tax liabilities, current	466	-	-	8
Provisions, current	1,205	1,491	1,581	1,289
Financial liabilities, current	6,640	5,413	13,703	13,963
Total current liabilities	**417,080**	**321,553**	**470,289**	**410,125**
Total equity and liabilities	**948,213**	**940,374**	**1,008,428**	**936,415**

(1) Regit Eins GmbH applied IFRS 15 "Revenue from Contracts with Customers" using the modified retrospective method and IFRS 9 "Financial Instruments" for the first time in the 2018 fiscal year and IFRS 16 "Leases" for the first time in the 2019 fiscal year (and accordingly in the six months ended 30 June 2019). Regit Eins GmbH's consolidated financial statements for the 2016 and 2017 fiscal years, were prepared using predecessor standards, including IAS 18, IAS 39 and IAS 17, and have not been restated. As a result, Regit Eins GmbH's consolidated financial statements are not fully comparable across the periods under review. See "*10 Management's Discussion and Analysis of Financial Condition and Results of Operations–Factors affecting comparability of results of operations and financial condition–New accounting pronouncements*".

9.3 Consolidated Statements of Cash Flows Data

	Fiscal year ended 31 December			Six months ended 30 June	
	2018[1]	2017	2016	2019[1]	2018
		(audited)		(unaudited)	
		(EUR in thousands)			
Cash flows from operating activities					
(Loss)/profit for the period	**(12,413)**	**(69,153)**	**(58,823)**	**45,722**	**(10,335)**
Depreciation and amortisation	30,106	27,708	26,368	17,906	14,386
Depreciation of property, plant and equipment	*1,496*	*1,212*	*951*	*2,197*	*699*
Amortisation of intangible assets	*28,611*	*26,496*	*25,417*	*15,709*	*13,686*
(Gain)/loss on sale of fixed assets	-	(2)	12	-	-
Increase/(decrease) of provisions	(221)	(295)	(498)	(137)	(312)
Share-based compensation expenses	1,800	-	-	900	900
Non-operational foreign exchange (gains)/losses	20,208	(58,246)	12,206	2,897	12,226
Financial result effect	81,677	153,372	48,057	17,073	33,067
Net finance costs[2]	*63,727*	*120,307*	*72,776*	*32,398*	*30,283*
Movement in fair value of derivative financial instruments	*17,950*	*33,065*	*(24,719)*	*(15,325)*	*2,784*
Changes in working capital	(24,496)	44,609	83,563	(45,418)	6,269
(Increase)/decrease in trade receivables	*(4,391)*	*324*	*(1,190)*	*(3,064)*	*2,413*
Increase/(decrease) in deferred revenue	*(28,097)*	*41,010*	*81,411*	*(41,529)*	*3,450*
Increase/(decrease) in trade payables	*3,035*	*1,614*	*1,954*	*(3,896)*	*2,303*
(Increase)/decrease in prepayments	*400*	*(757)*	*(225)*	*(982)*	*(1,167)*
(Increase)/decrease in cost to obtain a contract	*164*	*-*	*-*	*314*	*(102)*
Increase/(decrease) in accrued expenses and other payables	*4,412*	*2,522*	*2,044*	*4,291*	*(482)*
(Increase)/decrease in other assets	*(20)*	*(103)*	*(431)*	*(551)*	*(147)*
Tax expense/(income)	16,912	(1,052)	(9,396)	24,030	(2,493)
Taxes (paid)/received	(1,016)	683	(23,446)	(10,262)	(613)
Interest paid (other than borrowings)[3]	(0)	(14)	-	(18)	-
Net cash from operating activities	**112,556**	**97,610**	**78,043**	**52,694**	**53,094**
Cash flows from investing activities					
Investments	180	(7,943)	(897)	-	(54)
Proceeds from loans	*180*	*(8,251)*	*(897)*	*-*	*(54)*
Repayments of loans	*-*	*309*	*-*	*-*	*-*
Capital expenditure	(11,484)	(7,847)	(5,499)	(7,926)	(4,990)
Purchase of property, plant and equipment	*(816)*	*(1,349)*	*(1,622)*	*(696)*	*(277)*
Purchase of intangible assets	*(10,668)*	*(6,501)*	*(3,882)*	*(7,229)*	*(4,713)*
Proceeds from sale of property, plant and equipment	*-*	*2*	*5*	*-*	*-*
Proceeds from sale of intangible assets	*-*	*-*	*-*	*-*	*-*
Finance effects	126	32	69	251	16
Interest received	*126*	*32*	*69*	*251*	*16*
Net cash used in investing activities	**(11,178)**	**(15,757)**	**(6,327)**	**(7,675)**	**(5,028)**
Cash flows from financing activities					
Loans & borrowings third parties	(55,948)	137,556	(39,533)	(81,175)	(26,990)
Repayments of borrowings	*(5,016)*	*(4,430)*	*(3,914)*	*(52,461)*	*(2,480)*
Proceeds from borrowings	*-*	*184,002*	*-*	*-*	*-*
Interest paid on borrowings	*(50,323)*	*(41,416)*	*(35,000)*	*(26,280)*	*(24,223)*
Proceeds / (payments) from the settlement of derivatives	*(610)*	*(600)*	*(618)*	*(64)*	*(288)*
Proceeds from / (repayments) of related party loans	-	(258,773)	-	-	-
Interest received/(paid) on related party loans	-	(11,465)	-	-	-
Net cash used in financing activities	**(55,948)**	**(132,682)**	**(39,533)**	**(81,175)**	**(26,990)**
Net change in cash and cash equivalents	**45,430**	**(50,829)**	**32,183**	**(36,156)**	**21,076**
Net foreign exchange difference	272	(893)	6	388	240
Net change from cash risk provisioning	(917)	-	-	844	(454)
Contribution of foreign entities	-	-	-	3,768	-
Cash and cash equivalents at beginning of period	35,154	86,876	54,687	79,939	35,154
Cash and cash equivalents at end of period	**79,939**	**35,154**	**86,876**	**48,783**	**56,016**

(1) Regit Eins GmbH applied IFRS 15 "Revenue from Contracts with Customers" using the modified retrospective method and IFRS 9 "Financial Instruments" for the first time in the 2018 fiscal year and IFRS 16 "Leases" for the first time in the 2019 fiscal year (and accordingly in the six months ended 30 June 2019). Regit Eins GmbH's consolidated financial statements for the 2016 and 2017 fiscal years, were prepared using predecessor standards, including IAS 18, IAS 39 and IAS 17, and have not been restated. As a result, Regit Eins GmbH's consolidated financial statements are not fully comparable across the periods under review. See "*10 Management's Discussion and Analysis of Financial Condition and Results of Operations–Factors affecting comparability of results of operations and financial condition–New accounting pronouncements*".

(2) Does not comprise movement in fair value of derivatives as the net change of those financial instruments is presented separately in the line below.

(3) Comprises interest paid on current accounts and tax liabilities.

9.4 Revenue by region

The following table sets out revenue by region for the fiscal years ended 31 December 2018, 2017 and 2016 and for the six months ended 30 June 2019 and 2018:

	Fiscal year ended 31 December			Six months ended 30 June	
	2018	2017	2016	2019	2018
	(audited)			(unaudited)	
	(EUR in thousands)				
EMEA	151,204	84,556	58,004	103,092	60,484
Americas	77,485	37,371	23,012	56,183	30,144
APAC	29,468	16,541	10,654	21,961	11,098
Revenue	**258,157**	**138,467**	**91,670**	**181,236**	**101,726**

9.5 Selected other key performance indicators

In addition to its IFRS reporting, TeamViewer tracks certain key business metrics to measure its performance, identify trends and make strategic decisions. These include key operating metrics, such as number of subscribers, as well as measures derived from IFRS accounts, such as billings, cash EBITDA, cash EBITDA margin, free cash flow (pre-tax), cash conversion (***non-GAAP KPIs***). The non-GAAP KPIs are alternative performance measures (***APMs***) and are not required by, or presented in accordance with, IFRS, German GAAP or any other generally accepted accounting principles. TeamViewer presents APMs because they are used by management in monitoring, evaluating and managing its business and management believes these measures provide an enhanced understanding of TeamViewer's underlying results and related trends. Further, management believes these and similar measures are frequently used by securities analysts, investors and other interested parties in evaluating companies in its industry. Such business metrics are not measurements of TeamViewer's performance or liquidity under IFRS, German GAAP or any other generally accepted accounting principles and should not be considered as alternatives to results for the period or any other performance measures derived in accordance with IFRS, German GAAP or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities. See also "*2 General information–Presentation of financial information–Alternative performance measures*".

The following table sets out an overview of TeamViewer's performance indicators for the periods indicated:

	As of and for the fiscal year ended 31 December			As of and for the six months ended 30 June	
	2018	2017	2016	2019	2018
	(unaudited, unless otherwise indicated) (EUR in thousands, except where otherwise indicated)				
Key operating metrics					
Number of subscribers (in thousands)	271	74	29	368	158
Non-GAAP KPIs					
Billings(1)	229,844*	184,568*	177,408*	141,640	103,671
Cash EBITDA(2)	120,579*	103,059*	106,825*	73,543	54,121
Cash EBITDA margin(3)	52%	56%	60%	52%	52%
Free cash flow (pre-tax)(4)	112,696	98,811	103,478	61,728	51,950
Cash conversion(5)	93%	96%	97%	84%	96%

* Audited

(1) Billings represent the value of goods and services invoiced to customers in a given period and is defined as revenue adjusted for change in deferred revenue p/l effective. Change in deferred revenue p/l effective is the change in deferred revenue as recognised on the statements of profit or loss.

The following table sets out billings by region for the fiscal years ended 31 December 2018, 2017 and 2016 and for the six months ended 30 June 2019 and 2018:

	Fiscal year ended 31 December			Six months ended 30 June	
	2018	**2017**	**2016**	**2019**	**2018**
		(audited)		**(unaudited)**	
	(EUR in thousands)				
EMEA	129,531	112,851	104,081	79,896	58,928
Americas	69,211	49,929	52,499	41,118	27,604
APAC	31,102	21,788	20,827	20,627	17,139
Billings	**229,844**	**184,568**	**177,408**	**141,640**	**103,671**

(2) TeamViewer defines EBITDA as operating (loss)/profit before depreciation and amortisation. Cash EBITDA represents EBITDA adjusted for specific non-recurring items, change in deferred revenue p/l effective and, in fiscal years 2016 and 2017, for bad debt included in deferred revenue.

(3) TeamViewer defines Cash EBITDA margin as Cash EBITDA expressed as a percentage of billings.

(4) Free cash flow (pre-tax) represents Cash EBITDA less capital expenditure and adjusted for change in net working capital. Change in net working capital corresponds to changes in working capital as adjusted for increase/(decrease) in deferred revenue, each based on the corresponding statement of cash flows line items.

(5) Cash conversion represents the ratio of free cash flow (pre-tax) to Cash EBITDA, represented as a percentage of Cash EBITDA.

9.6 Reconciliation of alternative performance measures

9.6.1 Billings

The table below sets out a reconciliation of billings to revenue for the fiscal years ended 31 December 2016, 2017 and 2018 and the six months ended 30 June 2018 and 2019:

	Fiscal year ended 31 December			Six months ended 30 June	
	2018	**2017**	**2016**	**2019**	**2018**
		(audited)		**(unaudited)**	
	(EUR in thousands)				
Revenue	**258,157**	**138,467**	**91,670**	**181,236**	**101,726**
Change in deferred revenue p/l effective[(1)]	(28,313)	46,101	85,738	(39,596)	1,945
Billings	**229,844**	**184,568**	**177,408**	**141,640**	**103,671**

(1) Change in deferred revenue p/l effective includes bad debt in 2016 and 2017.

Change in deferred revenue for the fiscal year ended 31 December 2018 does not reconcile to the difference on the balance sheet as of 31 December 2017 and 31 December 2018 due to the application of IFRS 15 "Revenue from Contracts with Customers" using the modified retrospective method and IFRS 9 "Financial Instruments" for the first time in the 2018 fiscal year for the first time in the fiscal year ended 31 December 2018. See "*10 Management's Discussion and Analysis of Financial Condition and Results of Operations–Factors affecting comparability of results of operations and financial condition –New accounting pronouncements*".

Change in deferred revenue p/l effective for the fiscal year ended 31 December 2017 does not reconcile to the difference on the statements of financial position as of 31 December 2016 and 31 December 2017 and change in deferred revenue p/l effective for the fiscal year ended 31 December 2016 does not reconcile to the difference on the statements of financial position as of 1 January 2016 and 31 December 2016 due to bad debt allowances accounted for directly in the statement of financial position item deferred revenue being recognised as profit/loss effective reduction in future periods.

9.6.2 *EBITDA; Cash EBITDA; Free Cash Flow (Pre-tax)*

The table below sets out a reconciliation of EBITDA, Cash EBITDA and free cash flow (pre-tax) to operating (loss)/profit for the fiscal years ended 31 December 2016, 2017 and 2018 and the six months ended 30 June 2018 and 2019:

	Fiscal year ended 31 December			Six months ended 30 June	
	2018	**2017**	**2016**	**2019**	**2018**
	(unaudited, unless otherwise indicated) (EUR in thousands)				
Operating (loss)/profit	**107,129***	**26,192***	**(7,272)***	**90,242**	**32,918**
Depreciation and amortisation(1)	30,106*	27,708*	26,368*	17,906	14,386
EBITDA	**137,235***	**53,900***	**19,096***	**108,148**	**47,304**
Adjustments for specific non-recurring items(2)	11,657*	7,903*	5,413*	4,991	4,872
Change in deferred revenue p/l effective(3)	(28,313)*	46,101*	85,738*	(39,596)	1,946
Bad debt(4)	-	(4,845)*	(3,422)*	-	-
Cash EBITDA	**120,579***	**103,059***	**106,825***	**73,543**	**54,121**
Capital expenditure	(11,484)*	(7,847)*	(5,499)*	(7,926)	(4,990)
Change in net working capital(5)	3,601	3,599	2,152	(3,889)	2,819
Free cash flow (pre-tax)	**112,696**	**98,811**	**103,478**	**61,728**	**51,950**

* Audited

(1) The following table provides an overview of TeamViewer's depreciation and amortisation expenses for the fiscal years ended 31 December 2016, 2017 and 2018 and the six months ended 30 June 2018 and 2019 as included within the respective line item in the consolidated statements of profit or loss and other comprehensive income:

	Fiscal year ended 31 December			Six months ended 30 June	
	2018	**2017**	**2016**	**2019**	**2018**
	(unaudited, unless otherwise indicated) (EUR in thousands)				
Depreciation and amortisation	**(30,106)***	**(27,708)***	**(26,368)***	**(17,906)**	**(14,386)**
Thereof included in cost of sales	(25,255)	(25,145)	(25,073)	(12,755)	(12,592)
Thereof included in research and development	(1,942)	(945)	(437)	(2,008)	(686)
Thereof included in sales	(1,636)	(798)	(427)	(1,774)	(612)
Thereof included in marketing	(367)	(218)	(98)	(455)	(136)
Thereof included in general and administrative	(907)	(601)	(334)	(914)	(359)

* Audited

(2) Specific non-recurring items as adjusted in Cash EBITDA include (i) compliance costs primarily relating to the external consulting cost for GDPR implementation and costs for legal advice and analysis of the existing IT security environment as well as set-up costs for an improved IT security environment; (ii) IT-related costs incurred in connection with the new ERP/CRM system as well as other IT projects; (iii) internal reorganisation-related costs incurred in connection with severance payments to outgoing members of management, recruiter costs, set-up costs for new departments and units as well as the reorganisation of TeamViewer's US operations and certain costs associated with introducing new products; (iv) costs associated with external support on the transition of TeamViewer's business model from sale of perpetual licences towards sale of subscription licences; (v) non-recurring transaction related costs incurred in connection with refinancing of TeamViewer's indebtedness, other contemplated strategic transactions and the Offering (including share-based payments) after reimbursements of costs received from the Selling Shareholder; and (vi) other non-recurring costs.

The following table provides an overview of specific non-recurring items as adjusted in Cash EBITDA by category for the fiscal years ended 31 December 2016, 2017 and 2018 and the six months ended 30 June 2018 and 2019:

	Fiscal year ended 31 December			Six months ended 30 June	
	2018	2017	2016	2019	2018
	(audited)			(unaudited)	
	(EUR in thousands)				
Adjustment for specific non-recurring items	**(11,657)**	**(7,903)**	**(5,413)**	**(4,991)**	**(4,872)**
GDPR and IT Security projects	(5,311)	(1,083)	(370)	(2,174)	(1,757)
IT-related projects	(159)	(527)	(990)	(124)	(132)
Re-Organisation	(3,224)	(3,039)	(2,514)	(1,372)	(1,628)
SaaS transformation	(315)	(644)	(1,199)	-	(341)
Transaction-related	(1,921)	(1,852)	(174)	(1,205)	(901)
Other	(727)	(759)	(166)	(116)	(112)

For further discussion of specific non-recurring items as adjusted in Cash EBITDA in the six months ended 30 June 2018 and 2019, see note 13 to the Unaudited Interim Consolidated Financial Statements of Regit Eins included in this Prospectus in section "*22 Financial Information*".

For further discussion of specific non-recurring items as adjusted in Cash EBITDA in the years ended 31 December 2016, 2017 and 2018, see note 23 to the Audited Consolidated Financial Statements of Regit Eins included in this Prospectus in section "*22 Financial Information*".

The following table provides an overview of specific non-recurring items as adjusted in Cash EBITDA for the fiscal years ended 31 December 2016, 2017 and 2018 and the six months ended 30 June 2018 and 2019 as included within each cost line item on its income statement.

	Fiscal year ended 31 December			Six months ended 30 June	
	2018	2017	2016	2019	2018
	(unaudited, unless otherwise indicated)				
	(EUR in thousands)				
Adjustment for specific non-recurring items	**(11,657)***	**(7,903)***	**(5,413)***	**(4,991)**	**(4,872)**
Thereof included in cost of sales	(6)	54	(26)	(13)	(6)
Thereof included in research and development	(31)	(77)	(126)	(544)	(31)
Thereof included in sales	(419)	(92)	(503)	(240)	(79)
Thereof included in marketing	(8)	(288)	(836)	5	(8)
Thereof included in general and administrative	(11,193)	(7,419)	(4,221)	(4,198)	(4,748)
Thereof included in other expenses	-	(563)	-	-	-
Thereof included in other income	-	482	299	-	-

* Audited

(3) The following table presents TeamViewer's deferred revenue for the fiscal years ended 31 December 2016, 2017 and 2018 and the six months ended 30 June 2019.

	Fiscal year ended 31 December			Six months ended 30 June
	2018	2017	2016	2019
	(unaudited, unless otherwise indicated)			
	(EUR in thousands)			
Perpetual – Beginning of Period[(a)]	**265,428**	**254,132**	**180,621**	**173,390**
Perpetual – Release of Deferred Revenue	(121,749)	(105,545)	(77,865)	(65,582)
Perpetual – Addition of Deferred Revenue	29,711	116,892	151,376	1,024
Perpetual – End of Period	**173,390**	**265,479**	**254,132**	**108,831**
Subscription – Beginning of Period[(a)]	**43,305**	**13,642**	**5,742**	**107,246**
Subscription – Release of Deferred Revenue	(136,185)	(38,155)	(18,154)	(117,988)
Subscription – Addition of Deferred Revenue	200,125	67,817	26,054	141,846
Subscription – End of Period	**107,246**	**43,305**	**13,642**	**131,104**
Total Deferred Revenue – Beginning of Period[(a)]	**308,732**	**267,774**	**186,363**	**280,635**
Total Deferred Revenue – Release	(257,933)	(143,700)	(96,019)	(183,570)
Total Deferred Revenue – Addition	229,836	184,709	177,430	142,870
Total Deferred Revenue – End of Period[(a)]	**280,635***	**308,783***	**267,774***	**239,936**

* Audited

(a) Numbers as of 1 January 2017 and 1 January 2019 equal to numbers as of the balance sheet date of the preceding period.

Change in deferred revenue p/l effective, which represents the change in deferred revenue as recognised on the statements for profit or loss, for the fiscal year ended 31 December 2018 does not reconcile to the difference on the statement of financial position as of 31 December 2017 and 31 December 2018 due to the application of IFRS 15 “Revenue from Contracts with Customers” using the modified retrospective method and IFRS 9 “Financial Instruments” for the first time in the 2018 fiscal year. See “*10 Management’s Discussion and Analysis of Financial Condition and Results of Operations–Factors affecting comparability of results of operations and financial condition–New accounting pronouncements*”.

Change in deferred revenue p/l effective for the fiscal year ended 31 December 2017 does not reconcile to the difference on the statements of financial position as of 31 December 2016 and 31 December 2017 and change in deferred revenue p/l effective for the fiscal year ended 31 December 2016 does not reconcile to the difference on the statements of financial position as of 1 January 2016 and 31 December 2016 due to bad debt allowances accounted for directly in the statement of financial position item deferred revenue being recognised as profit/loss effective reduction in future periods.

(4) Bad debt allowances reduce change in deferred revenue p/l effective in fiscal years 2016 and 2017. See “*10 Management’s Discussion and Analysis of Financial Condition and Results of Operations–Factors Affecting Comparability of Results of Operations–New accounting pronouncements*”.

(5) TeamViewer defines change in net working capital as changes in working capital adjusted for increase/(decrease) in deferred revenue, each based on the corresponding statement of cash flows line items. The following table presents the calculation of change in net working capital for the fiscal years ended 31 December 2016, 2017 and 2018 and the six months ended 30 June 2018 and 2019 based on the line items shown in the consolidated statements of cash flows.

	Fiscal year ended 31 December			Six months ended 30 June	
	2018	**2017**	**2016**	**2019[(a)]**	**2018**
	(EUR in thousands) (unaudited, unless otherwise indicated)				
Changes in working capital	(24,496)*	44,609*	83,563*	(45,418)	6,269
Increase/(decrease) in deferred revenue	28,097*	(41,010)*	(81,411)*	41,529	(3,450)
Change in net working capital	**3,601**	**3,599**	**2,152**	**(3,889)**	**2,819**

* Audited

9.7 Quarterly reporting

The following tables set out TeamViewer’s revenue, billings, Cash EBITDA and Cash EBITDA margin and number of subscribers as of and for the following quarterly periods:

	As of and for the three months ended							
	2016				2017			
	March 31	**June 30**	**Sept. 30**	**Dec. 31**	**March 31**	**June 30**	**Sept. 30**	**Dec. 31**
	(EUR in thousands, unless otherwise indicated) (unaudited)							
Revenue	19,910	21,475	23,621	26,664	29,945	32,662	35,549	40,312
Billings	45,621	36,969	32,170	62,649	52,181	38,066	29,369	64,952
Other key metrics								
Cash EBITDA	30,704	19,873	13,960	42,289	33,206	18,216	9,768	41,869
Cash EBITDA margin (%)	*67%*	*54%*	*43%*	*68%*	*64%*	*48%*	*33%*	*64%*
Number of subscribers (in’000)	n/a	n/a	n/a	29	33	36	45	74

	As of and for the three months ended					
	2018				2019	
	March 31	**June 30**	**Sept. 30**	**Dec. 31**	**March 31**	**June 30**
	(EUR in thousands, except where otherwise indicated) (unaudited)					
Revenue	47,149	54,577	73,355	83,077	86,714	94,523
Billings	55,212	48,460	50,834	75,339	68,557	73,083
Other key metrics						
Cash EBITDA	33,447	20,674	23,554	42,904	37,710	35,833
Cash EBITDA margin (%)	*61%*	*43%*	*46%*	*57%*	*55%*	*49%*
Number of subscribers (in ’000)	108	158	215	271	317	368

The tables below set out a reconciliation of billings to revenue for the following quarterly periods:

	For the three months ended							
	2016				2017			
	March 31	June 30	Sept. 30	Dec. 31	March 31	June 30	Sept. 30	Dec. 31
	(EUR in thousands) (unaudited)							
Revenue	**19,910**	**21,475**	**23,621**	**26,664**	**29,945**	**32,662**	**35,549**	**40,312**
Change in deferred revenue p/l effective	25,711	15,494	8,549	35,985	22,237	5,404	(6,180)	24,640
Billings	**45,621**	**36,969**	**32,170**	**62,649**	**52,181**	**38,066**	**29,369**	**64,952**

	For the three months ended					
	2018				2019	
	March 31	June 30	Sept. 30	Dec. 31	March 31	June 30
	(EUR in thousands) (unaudited)					
Revenue	**47,149**	**54,577**	**73,355**	**83,077**	**86,714**	**94,523**
Change in deferred revenue p/l effective	8,063	(6,117)	(22,521)	(7,738)	(18,157)	(21,440)
Billings	**55,212**	**48,460**	**50,834**	**75,339**	**68,557**	**73,083**

The tables below set out a reconciliation of Cash EBITDA to operating (loss)/profit for the following quarterly periods:

	For the three months ended							
	2016				2017			
	March 31	June 30	Sept. 30	Dec. 31	March 31	June 30	Sept. 30	Dec. 31
	(EUR in thousands) (unaudited)							
Operating (loss)/profit	**(2,301)**	**(1,995)**	**(1,947)**	**(1,029)**	**2,406**	**5,613**	**8,647**	**9,527**
Depreciation and amortisation	6,547	6,495	6,600	6,726	6,804	6,872	6,981	7,051
EBITDA	**4,246**	**4,500**	**4,653**	**5,697**	**9,210**	**12,484**	**15,628**	**16,578**
Adjustments for specific non-recurring items	1,471	833	1,817	1,292	2,597	1,595	1,918	1,792
Change in deferred revenue p/l effective	25,711	15,493	8,549	35,985	22,237	5,404	(6,180)	24,640
Bad debt	(724)	(953)	(1,059)	(685)	(838)	(1,268)	(1,598)	(1,141)
Cash EBITDA	**30,704**	**19,873**	**13,960**	**42,289**	**33,206**	**18,216**	**9,768**	**41,869**

	For the three months ended					
	2018				2019	
	March 31	June 30	Sept. 30	Dec. 31	March 31	June 30
	(EUR in thousands) (unaudited)					
Operating (loss)/profit	**16,319**	**16,599**	**35,586**	**38,624**	**43,474**	**46,769**
Depreciation and amortisation	7,047	7,338	7,818	7,902	8,761	9,145
EBITDA	**23,366**	**23,937**	**43,405**	**46,527**	**52,235**	**55,914**
Adjustments for specific non-recurring items	2,018	2,854	2,671	4,115	3,633	1,358
Change in deferred revenue p/l effective	8,063	(6,117)	(22,521)	(7,738)	(18,157)	(21,439)
Bad debt	-	-	-	-	-	-
Cash EBITDA	**33,447**	**20,674**	**23,554**	**42,904**	**37,710**	**35,833**

10 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Company was newly formed as a holding company by articles of association dated 3 July 2019 and registered with the commercial register on 10 July 2019. Other than the Audited Interim Financial Statements of the Company, the Company has not issued any financial statements since its incorporation. TeamViewer believes that Regit Eins GmbH's consolidated financial statements reflect the Company's operations and current financial position in all material respects except as otherwise disclosed in this Prospectus because the Company is a holding company that does not have operations and liabilities other than in relation to its interest in Regit Eins GmbH and its other subsidiaries. Accordingly, the financial information contained in the following tables has been taken or derived from the Audited Consolidated Financial Statements of Regit Eins, from the Unaudited Interim Consolidated Financial Statements of Regit Eins or from Regit Eins GmbH's internal reporting system. The Audited Consolidated Financial Statements of Regit Eins were prepared in accordance with IFRS. The Unaudited Interim Consolidated Financial Statements of Regit Eins were prepared in accordance with IFRS on interim financial reporting (IAS 34).

Ernst & Young has audited and issued an independent auditor's report with respect to the Audited Consolidated Financial Statements of Regit Eins. The Audited Consolidated Financial Statements of Regit Eins and the independent auditor's report thereon as well as the Unaudited Interim Consolidated Financial Statements of Regit Eins mentioned above are included in the Prospectus, beginning on page F-2. Prior to the implementation of the IPO Reorganisation, Regit Eins GmbH's consolidated financial statements did not include the Non-consolidated Entities. As a result, the Audited Consolidated Financial Statements of Regit Eins do not include the impact of the results of operations, financial condition and cash flow of the Non-consolidated Entities and the Unaudited Interim Consolidated Financial Statements of Regit Eins do not include financial information related to such entities prior to their contribution to TeamViewer GmbH (now TeamViewer Germany GmbH) or Regit Eins GmbH, as applicable. See "*2 General Information–Presentation of financial information*" and "*16 General Information on the Company and the TeamViewer Group–Group structure*".

With regard to historical financial information as of and for the fiscal years ended 31 December 2016, 2017 and 2018, and as of and for the six-month periods ended 30 June 2019 and 2018, references to the TeamViewer Group or TeamViewer are to Regit Eins GmbH together with its subsidiaries, unless otherwise indicated.

Where financial data in the following tables is labelled "audited", this means that it has been taken from the Audited Consolidated Financial Statements of Regit Eins. The label "unaudited" is used in the following tables to indicate financial data that has not been taken from the Audited Consolidated Financial Statements of Regit Eins but was taken from the Unaudited Interim Consolidated Financial Statements of Regit Eins or from Regit Eins GmbH's internal reporting system, or has been calculated based on financial data from the above-mentioned sources.

The following selected financial information should be read in conjunction with the sections "*1 Risk Factors*," "*2 General Information–Presentation of financial information*", "*9 Selected Consolidated Financial and Other Information*", "*12 Business*", as well as the Unaudited Interim Consolidated Financial Statements of Regit Eins and the Audited Consolidated Financial Statements of Regit Eins which are contained in this Prospectus in section *"22 Financial Information"*.

TeamViewer's historical results are not necessarily indicative of the results that should be expected in the future, and its interim results are not necessarily indicative of the results that should be expected for the year ending 31 December 2019 or any other future period.

The discussion and analysis below provides information that the Company believes is relevant to an assessment and understanding of its historical financial position and results of operations. Prospective investors should read this discussion and analysis in conjunction with the sections entitled "*2 General Information–Presentation of financial information*", "*9 Selected Consolidated Financial and Other Information*", and "*23 Recent Developments and Outlook*".

This section includes forward looking statements, including those concerning capital expenditures and financial condition. Such forward looking statements are subject to risks, uncertainties and other factors that could cause TeamViewer's actual results to differ materially from those expressed or implied by such forward looking statements. Results of operations for prior fiscal years are not necessarily indicative of the results to be expected for the next fiscal year or any future period. See "*1 Risk Factors*" and "*2 General Information—Forward-looking statements*". The Company does not undertake any obligation to revise or publicly release the results of any revision to these forward-looking statements.

The following discussion of TeamViewer's results of operations also makes reference to certain alternative performance measures (***APM***s). Prospective investors should bear in mind that these APMs are not financial measures defined in accordance with IFRS, German GAAP or other generally accepted accounting principles, may not be comparable to other similarly titled measures of other companies, have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of TeamViewer's operating results as reported under IFRS, German GAAP or other generally accepted accounting principles. See "*2 General Information–Presentation of financial information –Alternative performance measures*" and "*9 Selected consolidated financial and other information–Reconciliation of alternative performance measures*".

10.1 Overview

10.1.1 Introduction—What is TeamViewer?

TeamViewer operates a leading global connectivity platform with a clear mission to connect anyone, anything, anywhere, anytime.

Through TeamViewer's proprietary software solutions, a wide range of computers, mobile devices and IoT devices can be connected to allow remote control, management and interaction between people and devices, people and people or devices and devices. Its connectivity platform enables customers and users to unlock significant economic value as it permits them to increase process efficiency, reduce or replace onsite presence and manual intervention, improve product and service quality and promote connectivity and collaboration. As a result, TeamViewer believes it is well-positioned to benefit from social, business and technological megatrends such as the proliferation of connected devices, digital transformation and carbon footprint reduction, which are expected to drive increased demand for remote connectivity.

TeamViewer's connectivity platform is cloud-native, very secure and highly scalable. Its modular architecture enables TeamViewer to develop new features and products quickly and efficiently to address a large variety of use cases.

As a result of its free for private use distribution model, TeamViewer benefits from a very large installed base. To date, TeamViewer's software has been activated on more than two billion devices, with 340 million of them active in 2018 and up to 45 million devices online concurrently. In commercial settings, TeamViewer's software is used by more than 360,000 paying subscribers in approximately 180 countries for a multitude of use cases, ranging from providing remote IT support to remote control and monitoring of complex machinery and equipment. TeamViewer's broad platform model enables users and customers to discover and develop new use cases for their specific needs, further promoting the expansion of its offering.

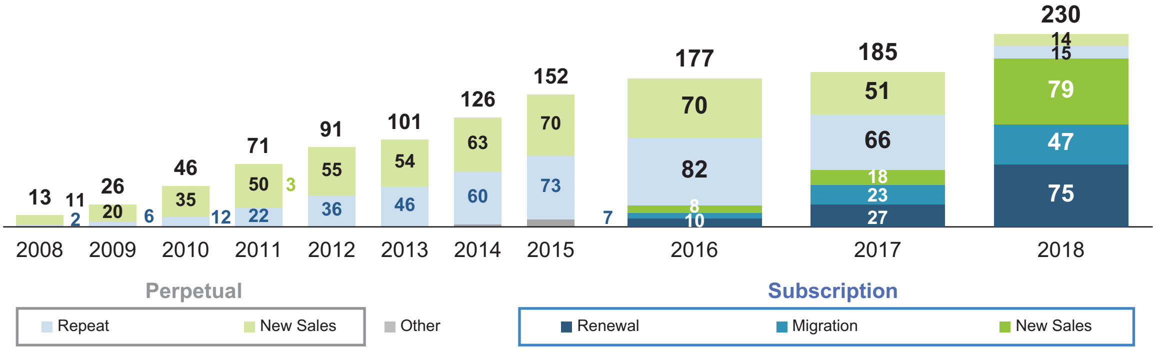
10.1.2 TeamViewer's business model

TeamViewer benefits from a viral distribution model which has fuelled its growth on a global scale. A significant portion of TeamViewer's users come to its website through word of mouth and recommendations, reflecting the quality of its platform. TeamViewer's core product is offered free of charge for private use, with almost no limitations on functionality or duration of use, driving brand recognition and organic traffic to TeamViewer's website. TeamViewer benefits from a powerful network effect, as growth in the number of TeamViewer users regularly drives further adoption of its products. Based on a recent analysis, for every device that makes an outgoing connection through TeamViewer's software, on average four more devices are added over its lifetime.

TeamViewer's solutions are easy to install, intuitive and adaptable, further driving growth of its user base. As the number of users has significantly expanded and awareness of the product has grown, the rate of adoption has continued to increase. TeamViewer's cloud-based model taps into rising demand for secure and flexible software as a service (***SaaS***) solutions. TeamViewer's very large installed base represents significant potential for conversion to paying customers. TeamViewer's data-driven internal analytics engine detects commercial use based on user behaviour and traffic patterns. TeamViewer seeks to monetise such commercial use by providing those users with the option of purchasing a subscription. TeamViewer targets businesses of all sizes, from small offices and home offices, through small- and medium-sized businesses to large, global enterprises.

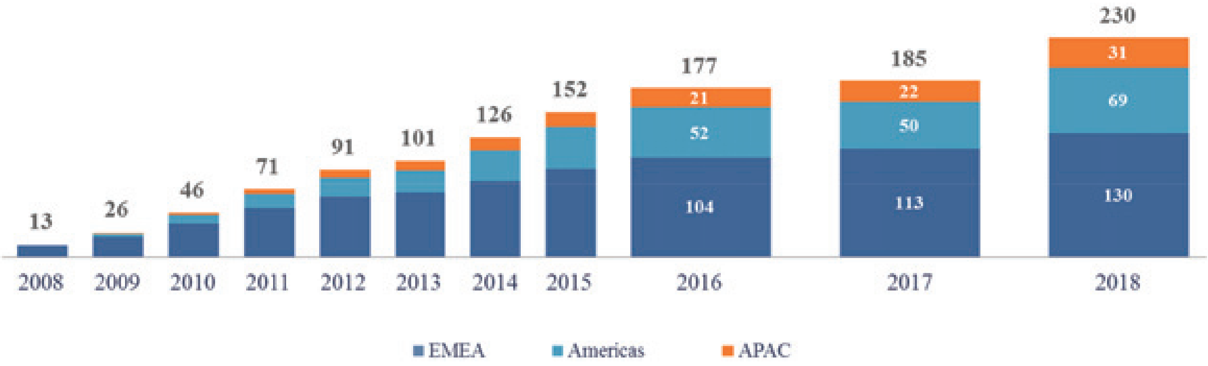
In recent years, TeamViewer successfully migrated its sales model from offering perpetual licences to offering subscriptions which generally renew automatically each year (see *"10.3.1 Transition from perpetual licence model to subscription model"*). Since its inception, TeamViewer has served more than 700,000 customers worldwide. As of 30 June 2019, TeamViewer had more than 360,000 subscribers including a significant number of customers that previously held perpetual licences and were successfully migrated to subscriptions. Considering the number of perpetual licences that TeamViewer has sold historically, management believes there is potential to migrate additional perpetual customers to the subscription model. As of the end of 2018, TeamViewer only sells subscriptions, with very limited exceptions, but continues to migrate existing perpetual customers. In the six months ended 30 June 2019, subscriptions accounted for 99.7% of TeamViewer's billings. TeamViewer's subscription model results in accelerated billings growth, strong billings and revenue visibility with low churn rates and high customer lifetime values.

TeamViewer's billings have grown consistently between 2008 and 2015. Over the past three years, TeamViewer has increased its billings by successfully retaining existing customers, migrating its existing customers to subscriptions, upselling and cross-selling additional products and add-ons and growing its overall customer base by attracting new customers. In the twelve months ended 30 June 2019, TeamViewer generated 50% of its billings from renewals of subscriptions, 14% from migrating existing customers and 34% from sales of new subscriptions, with the remaining billings generated from repeat sales to perpetual licence customers and limited sales of new perpetual licences. The following graph represents the increase in TeamViewer's billings from 2008 to 2018, including the impact of new sales, migration to subscriptions, renewal of subscriptions and repeat sales of perpetual licences (billings in EUR million):



Source: Company information

TeamViewer's differentiated product portfolio targets specific customer segments and use cases. See "*13.7 Business–Product offering*" for an overview of its products. TeamViewer distributes its products globally, with customers in approximately 180 countries. Its operations are organised by three regions: EMEA, Americas and APAC. The following graph represents the development in TeamViewer's billings in each of the three regions from 2008 to 2018:



Source: Company information

10.2 Key factors affecting results of operations

The Company believes that the factors discussed below have significantly affected its results of operations, financial position and cash flow in the past periods for which financial information is presented in the Prospectus, and that these factors will continue to have a material influence on its results of operations, financial position and cash flow in the future.

10.2.1 Developments in remote connectivity

TeamViewer's results of operations are affected by general developments in the remote connectivity sector in which it operates, i.e., providers of technologies that enable end users to access devices and networks remotely, as well as macroeconomic factors and the global business climate. TeamViewer believes its use case categories, "connect", "manage" and "interact" align favourably with multiple social, business and technological megatrends which are driving significant demand for remote connectivity as well as remote management and interaction. These megatrends include: the ongoing digital transformation of all business processes and ways of working; the proliferation of connected devices; the breakthrough of cloud-computing; the rise of IoT and augmented and virtual reality-enabled connectivity solutions as well as robotics and automation; the evolving future of work with focus on virtual workspaces and increasing emphasis on home office options; and growing consciousness of greener living. As a result of these and other megatrends driving demand for remote connectivity, the total addressable market for TeamViewer's solutions increased from EUR 5 billion in 2014 to EUR 10 billion in 2018 and is expected to grow with a compound annual growth rate (***CAGR***) of 24% between 2018 and 2023 leading to an estimated total addressable market of EUR 30 billion in 2023, according to a study by McKinsey[2]. TeamViewer regularly analyses emerging market and technology trends and aims to develop new features and products to capture these developments with investments in R&D.

10.2.2 Business model transition

In recent years, TeamViewer transitioned from a perpetual licence model to a subscription model. Under the perpetual licence model, customers bought a perpetual licence with a long-term guarantee of typically ten years. TeamViewer released annual product updates, typically during the fourth quarter of any given calendar year. Such updates included new features, extended and retained compatibility with other operating systems and major functionality improvements. TeamViewer's customers updated their licences regularly, with each year approximately 30% to 40% of licences not older than four years being updated. Other customers had less regular update cycles and typically only

[2] Source: McKinsey, see page 6

bought the newest version of TeamViewer's products every two to four years. Customers were required to buy product updates to maintain version compatibility, i.e., the ability to connect to devices running newer versions than their own devices. Prices for annual updates were typically approximately 35% of the initial perpetual licence purchase price.

Under the subscription model, subscribers generally purchase annual subscriptions which renew automatically at the same price as the initial subscription price. The annual subscription price is generally lower than the previous perpetual licence price for a corresponding product (typically ranging from between 55% to 80% of such price). The migration price offered to existing perpetual licence holders largely reflects the price they would have had to pay for an annual update, driving TeamViewer's successful migration strategy. In 2018, TeamViewer experienced billings growth of 25% despite lower overall prices for new subscriptions, reflecting strong underlying growth in new subscriptions and the impact of higher rates of recurring billings. As a result of the recurring nature of yearly subscriptions, TeamViewer now has significantly higher billings visibility and expects the cumulative value of billings typically generated from subscribers to exceed the cumulative value of billings from customers under the perpetual licence model within the first two to three years of a subscription. Therefore, the successful transition to the subscription model allowed TeamViewer to increase its recurring revenue base and customer lifetime value. Fully recurring billings (subject to churn) now represent the vast majority of TeamViewer's billings amounting to 99.7% for the six months ended 30 June 2019. The transition also enabled TeamViewer to move to quarterly, or even monthly, updates instead of providing yearly updates, thus significantly reducing dependency on successful yearly new product releases. In addition, TeamViewer's sales teams can now focus more on upselling and cross-selling rather than selling updates.

See also "*–Factors affecting comparability of results of operations and financial condition–Transition from perpetual licence model to subscription model*" for a discussion of the impact of the business model transition on the recognition of deferred revenue.

10.2.3 Customer retention and expansion

Maintaining relationships with its existing end users drives TeamViewer's billings and revenue. TeamViewer seeks to retain customers through its customer-focused R&D, customer support operations and attractive pricing. TeamViewer regularly develops improvements to its existing products to better address additional use cases and to provide additional value to its customers. TeamViewer's R&D function also aims to maintain compatibility and interoperability of its solutions with customers' devices, operating systems and other software. These measures contributed to TeamViewer's low gross churn rate of less than 10% in 2018.

TeamViewer also explores upselling and cross-selling opportunities for its existing customers. Customers that use TeamViewer's products often expand their number of use cases and required capacity, with an average of 4.5 use cases per customer[3]. These expanding use cases, together with TeamViewer's existing customers' evolving IT needs, provide an opportunity for TeamViewer to cross-sell additional products and services or to upsell existing products through the sale of add-ons and higher-value products. TeamViewer has historically been successful at upselling to existing customers and its ability to upsell and cross-sell has significantly increased recently as a result of its expanded product portfolio. Billings from upselling and cross-selling in 2018 amounted to over 10% of annual recurring billings for the year ended 31 December 2017.

As a result of its focus on subscriber retention and increased cross-selling and upselling efforts, TeamViewer achieved a net retention rate of over 100% in each of 2017 and 2018, which in turn has an impact on its billings, revenue growth, cash flows and operating results.

10.2.4 Customer acquisition

TeamViewer's growth and operating results depend in part on its ability to attract new subscribers across all segments and convert existing free users to paying subscribers. See "*13.9.1 Business–Marketing–Go-to-market approach*" for a discussion of TeamViewer's customer acquisition strategy. TeamViewer has generally low customer acquisition costs relative to customer lifetime values, enabling it to increase its billings without substantially increasing its cost base as a proportion of billings. In 2018, TeamViewer's average customer lifetime value, at approximately

[3] Source: Company market survey of approximately 1,200 respondents

EUR 8,500, was more than 30 times its average customer acquisition costs of approximately EUR 250 per customer. TeamViewer's efficient strategy for bringing its solutions to users and customers (go-to-market model), competitive pricing and ease of installation and use further benefit its ability to acquire new subscribers. TeamViewer plans to continue to invest in marketing, sales and R&D in order to continue to acquire new customers.

10.2.4.1 New use cases; investment in product development

TeamViewer's R&D team regularly discovers new use cases in its customer and user base. For example, in 2018, TeamViewer launched Pilot, an augmented reality application which enables live visual connections between two devices. The launch of Tensor, Pilot and other new products is intended to help TeamViewer realise sales to previously underpenetrated customer segments and use cases.

TeamViewer's platform is structured as a modular stack, enabling fast and cost-efficient development of new features and products. Accelerated investments in TeamViewer's product development initiatives resulted in a substantial increase in overall R&D spend in 2017 and 2018 but its modular technology stack ensures that many of the benefits of these investments accrue across its suite of products, helping drive billings growth in 2018 and the six months ended 30 June 2019.

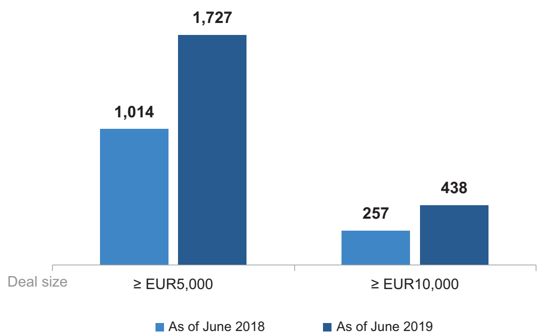
TeamViewer's R&D expenses, excluding depreciation and amortisation expenses and specific non-recurring items as adjusted in Cash EBITDA, which amounted to EUR 21.1 million, EUR 15.5 million and EUR 12.5 million, respectively, in 2018, 2017 and 2016 reflect its commitment to R&D as well as its efficient product development.

10.2.4.2 Free-to-paid conversion

TeamViewer's very large installed base represents significant potential for conversion. TeamViewer's analytical approach helps drive conversion to detect commercial users in the free users base and drive their conversion to paying subscribers, enabling TeamViewer to achieve free-to-paid conversion with limited marketing costs. TeamViewer uses a number of means to monetise such commercial use, such as its free-to-paid tool, an internal analytics engine using pattern recognition algorithms.

10.2.4.3 Customer segment expansion

TeamViewer intends to further penetrate adjacent customer segments to achieve full segment coverage, focusing both on single commercial users and, more importantly, on large organisations globally. Historically, TeamViewer has been associated with a large, free, private user base as well as with small- and medium-sized companies as paying customers. With the introduction of Tensor in 2018, TeamViewer now offers a dedicated solution for large enterprises, with enterprise-grade features such as mass deployment, single sign-on, auditability and conditional access. In the first half of 2019, TeamViewer significantly expanded its enterprise sales force, primarily in the EMEA region, which resulted in higher sales and marketing costs in that period as compared to the six months ended 30 June 2018. As a result of these measures, in the twelve months ended 30 June 2019, the number of customers with annual recurring billings equal to or exceeding EUR 10,000 and equal to or exceeding EUR 5,000 increased by 70% each, as represented by the graphs below:



Source: Company information

Changes to TeamViewer's subscriber mix, particularly an increase in enterprise customers, may result in longer sales cycles. TeamViewer also aims to expand in the small offices and home offices customer segment with its Remote Access product.

10.2.4.4 International expansion

TeamViewer invested significantly in its international sales and marketing coverage, particularly in 2018, driven by its goal of international expansion. In particular, TeamViewer invested significantly in enhancing its operations in the USA, which is the single largest country market for TeamViewer. While this resulted in higher costs in these periods, TeamViewer's billings from the USA increased by 42% in 2018 as compared to 2017.

TeamViewer has low market penetration in the Asia-Pacific region, with paid device penetration in 2018 of 1% in China and 2% in India, as compared to paid device penetration rates of 12% and 7%, respectively, in Germany and the US[4]. In order to further increase its presence in this region and better monetise existing users, TeamViewer opened new offices in Japan, India and Singapore in 2018 as well as an office in China in 2019. TeamViewer pursues a localised go-to-market strategy tailored to these countries. TeamViewer also aligns its pricing strategy to the local markets in which it operates, taking into account, among other factors, local demand, purchasing power and market maturity. As a result of these efforts, TeamViewer's billings from the APAC region increased by 43% from EUR 21.8 million in 2017 to EUR 31.1 million in 2018, and TeamViewer's billings from China increased from EUR 1.8 million in the twelve months ended 31 March 2017 to EUR 5.5 million in the twelve months ended 30 June 2019. TeamViewer's geographical expansion strategy also exposes it to additional risks associated with operating in multiple jurisdictions.

10.2.5 Investments in infrastructure

TeamViewer's IT infrastructure is a core part of its operations and is crucial for ensuring seamless delivery of its software. In 2016, TeamViewer initiated the process of optimising its existing ERP and e-commerce system and the migration of its IT enterprise architecture to a more scalable cloud-based solution. In 2017 and 2018, TeamViewer invested in a new fully cloud-based ERP, CRM and e-commerce system. The new application landscape replaces TeamViewer's previously more fragmented internal technology suite with a more integrated one. The transition to the new application landscape is expected to be completed in the first half of 2020. TeamViewer invested EUR 1.8 million, EUR 3.4 million and EUR 8.0 million in the implementation of the new application landscape in 2016, 2017 and 2018, respectively. In addition, expenditure on its master server and routers comprises a significant portion of TeamViewer's total expenses.

10.2.6 Tax loss carryforwards and interest carryforwards

As of 31 December 2018, TeamViewer has existing tax loss carryforwards of EUR 31.2 million, and with respect to the German fiscal unity the full amount of tax loss carryforwards were recognised as deferred tax assets, and interest carryforwards of EUR 193.5 million for which no deferred tax assets were recognised. Existing tax loss carryforwards as of 31 December 2018 are expected to be used in full in the year ending 31 December 2019.

TeamViewer recognises deferred tax assets for unused tax losses, unused interest carryforwards, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are adjusted to the extent that it is no longer probable that the related tax benefit will be realised. See note 11 of the Audited Consolidated Financial Statements of Regit Eins included in this Prospectus in *"22 Financial Information"* for a discussion of TeamViewer's income tax and deferred tax assets.

The existing tax loss carryforwards result from negative income of prior periods which could not be offset against profits (positive income) of previous periods. These tax loss carryforwards may be offset to various degrees against future profits. The existing tax loss carryforwards and interest carryforwards can generally be used for an unlimited period but, in the case of interest carryforwards, are subject to limitations imposed by German interest barrier rules.

If prior to the complete use of the tax loss carryforwards and interest carryforwards, more than 50% of the subscribed capital or voting rights of the Company are transferred to an acquirer (including parties related to the acquirer) within five years, directly or indirectly, or a comparable acquisition occurs, all tax loss carryforwards and interest carryforwards are forfeited subject to certain exemptions.

[4] Source: Company market study

As a result, if such a transaction occurs in respect of the subscribed capital or voting rights of the Company, this could result in a forfeiture of TeamViewer's tax loss carryforwards and interest carryforwards, and TeamViewer's deferred taxes, financial condition and results of operations could be impaired. See "*1 Risk Factors– TeamViewer's ability to use tax loss carryforwards and interest carryforwards and certain other tax attributes may be limited.*"

Up to an amount of EUR 1 million of tax loss carryforwards may be offset in their entirety. If taxable profits in a given assessment period exceed EUR 1 million, the excess amount may be offset only to a level of 60% (so-called "minimum taxation rules"). As such, 40% of the annual taxable profits exceeding EUR 1 million remain taxable. Thus, if TeamViewer is able to utilise the existing tax loss carryforwards in future assessment periods, the German aggregate (effective) tax rate (corporate income tax and trade tax) could be reduced, depending on the amount of taxable income generated in the respective tax period and other factors. The reduction of the tax burden leads to a reduction in tax expenses and, therefore, has a positive effect on TeamViewer's, or the TeamViewer Group's, results, as applicable.

Different tax rules in Germany restrict the tax deductibility of interest expenses for corporate income and trade tax purposes. Due to the interest deduction ceiling, the deductibility of net interest expenses is generally limited to 30% of taxable EBITDA (taxable income adjusted for interest expense and certain types of depreciation) in any given year, unless certain exceptions apply. Any amount of interest expense which exceeds the 30% threshold and, therefore, is non-deductible, can be carried forward to future periods and may be deductible in future financial years under certain circumstances. In future periods, the utilisation of interest carryforwards is expected to continue to be subject to limitations imposed by German interest barrier rules and the general German change of ownership (as outlined above).

10.2.7 Currency and interest rate fluctuations

10.2.7.1 Currency fluctuations

TeamViewer has customers in approximately 180 countries and sells its products in more than 40 currencies. TeamViewer's reporting currency is the euro while TeamViewer generates sales, incurs costs and has assets and liabilities in other currencies in addition to the euro. Several of TeamViewer's subsidiary companies report in currencies other than the euro, including US dollars, British pound, Australian dollar, Japanese yen, Indian rupee, Singapore dollar and Armenian dram. Profit translation exposures from overseas operations are not hedged. Therefore, for currencies in which TeamViewer has more cash inflows than outflows, depreciation of the euro relative to that currency will have a positive effect on reported results and appreciation of the euro relative to that currency will have an adverse effect on reported results.

TeamViewer's primary exchange rate exposure is against the US dollar, with 24% of billings in 2018 denominated in US dollars. No other foreign currency represented more than 15% of billings in 2018. Approximately 75% of TeamViewer's cost base in 2018 was denominated in euros, with approximately 15% denominated in US dollars. TeamViewer expects its cost base denominated in euros to decrease to approximately 70% going forward as it continues its international expansion. TeamViewer is also exposed to currency fluctuation with respect to its US dollar-denominated term loan debt, (Regit Loan First and Second Lien) which represented a principal amount of EUR 427 million of total interest-bearing liabilities of EUR 778 million as of 30 June 2019. TeamViewer's operations and financing may give rise to transactional exposures where cash inflows and outflows are not aligned for a given currency and the actual repayment amounts of TeamViewer's financial indebtedness, particularly its US dollar-denominated term loans, will depend on future foreign exchange movements.

TeamViewer does not currently hedge against operational foreign exchange rate fluctuations but may opportunistically consider hedging in the future. TeamViewer has a partial natural hedge against the US dollar as an increasing share of its costs are paid in US dollars, together with US dollar-denominated outflows for interest and amortisation payments on its US dollar-denominated debt. TeamViewer has a similar natural hedge against the Australian dollar. TeamViewer may become more exposed to further currency exchange rate risks as it continues to expand its international operations.

The following table sets out a sensitivity analysis of the impact of a 10% negative or positive fluctuation in the value of the top 10 foreign currencies contributing to TeamViewer's billings, in each case as compared to the euro, on TeamViewer's billings for the year ended 31 December 2018:

	Top 10 currency FX Variance vs. Euro (based on 2018 Billings)		
	-10% vs. EUR(1)	**2018 Actual**	**+10% vs. EUR(2)**
		(unaudited) **(EUR in millions)**	
Euro	**83**	**83**	**83**
US Dollar	51	56	62
British Pound	14	15	17
Australian Dollar	9	10	11
Canadian Dollar	6	7	7
Swiss Franc	5	6	7
Japanese Yen	5	6	6
Brazilian Real	4	5	5
Polish Zloty	4	4	5
Danish Krone	3	4	4
Total Top 10	**185**	**195**	**207**

(1) Indicates the impact on TeamViewer's billings for the year ended 31 December 2018 that were generated in the currency indicated if the relevant currency had depreciated by 10% against the euro as compared to the actual exchange rate for the period.

(2) Indicates the impact on TeamViewer's billings for the year ended 31 December 2018 that were generated in the currency indicated if the relevant currency had appreciated by 10% against the euro as compared to the actual exchange rate for the period.

10.2.7.2 Interest rate fluctuations

The majority of TeamViewer's indebtedness bears interest at a floating rate with reference to benchmark rates, such as EURIBOR and LIBOR, which fluctuate with global interest rate trends in financial markets. TeamViewer uses interest rate swaps to hedge against interest rate fluctuations. Changes in interest rates impact TeamViewer's finance income and finance costs, due to changes in interest payable as well as in the fair value of the related derivatives. Changes in interest rates also affect taxes payable by TeamViewer as they affect the amount of interest that may be deducted for tax purposes, as well as TeamViewer's interest carry-forwards.

See also note 21 to the Audited Consolidated Financial Statements of Regit Eins included in this Prospectus in *"22 Financial Information"*.

10.3 Factors affecting comparability of results of operations and financial condition

10.3.1 Transition from perpetual licence model to subscription model

The switch from a perpetual licence model to a subscription model, which started in 2017, following initial test waves between 2013 and the first half of 2017, and was materially completed in the second half of 2018, affected TeamViewer's revenue recognition policies during all periods presented. Under the perpetual licence model, revenue was recognised over a three year period from December 2016 (and over a four year period prior to December 2016) to reflect the estimated use of the licence. Under the subscription model, revenue is recognised on a straight-line basis over the subscription term.

This transformation of the business model is reflected in change in deferred revenue. In general, licences are paid upfront; therefore, the deferred revenue position on the balance sheet shows the amount of revenue not yet realised as the services were not yet delivered to the customer. For perpetual licences, TeamViewer chose to defer revenue over a period of three years (and over a four year period prior to the release of TeamViewer 12 in the fourth quarter of 2016) to reflect the estimated time of use of the licence. For subscription licences, revenue is deferred over the term of the subscription, which is generally a twelve-month period. Therefore, assuming the overall revenue to be recognised from the sale of a licence is the same, the amount of revenue to be deferred to future periods decreases under the subscription model while deferred revenue from sales of perpetual licences in prior periods continues to be released and recognised until the end of the revenue recognition period for these licences. TeamViewer expects to realise the amounts accounted for as deferred revenue from perpetual licences over the course of the next three years, with the majority of the amount expected to be recognised in fiscal year 2019. As a result, change in deferred revenue p/l effective in 2018 had a net positive effect of EUR 28.3 million on revenue whereas change in deferred revenue p/l effective in 2017 had a negative effect of EUR 46.1 million on revenue.

The following table presents TeamViewer's deferred revenue for the fiscal years ended 31 December 2016, 2017 and 2018 and the six months ended 30 June 2019.

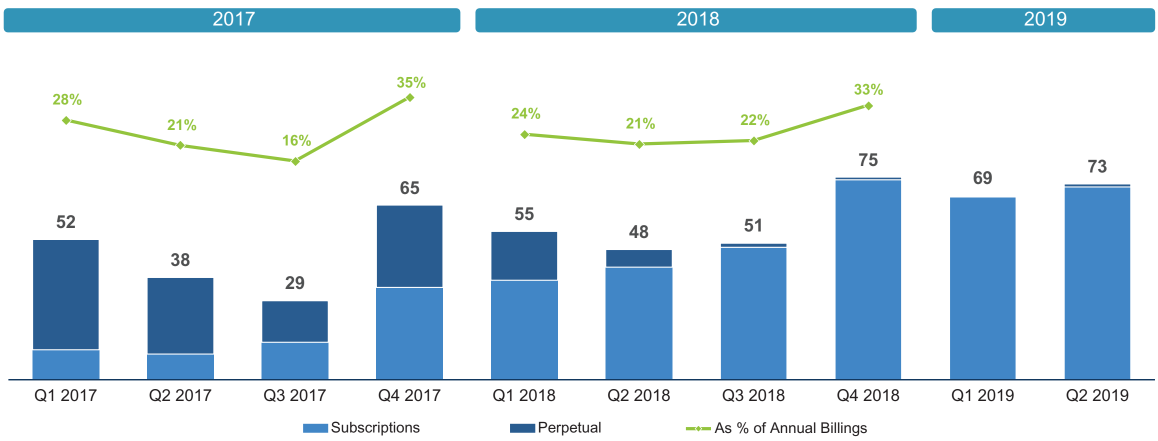
	Fiscal year ended 31 December			Six months ended 30 June
	2018	**2017**	**2016**	**2019**
	(unaudited, unless otherwise indicated)			
	(EUR in thousands)			
Perpetual – Beginning of Period(a)	**265,428**	**254,132**	**180,621**	**173,390**
Perpetual – Release of Deferred Revenue	(121,749)	(105,545)	(77,865)	(65,582)
Perpetual – Addition of Deferred Revenue	29,711	116,892	151,376	1,024
Perpetual – End of Period	**173,390**	**265,479**	**254,132**	**108,831**
Subscription – Beginning of Period(a)	**43,305**	**13,642**	**5,742**	**107,246**
Subscription – Release of Deferred Revenue	(136,185)	(38,155)	(18,154)	(117,988)
Subscription – Addition of Deferred Revenue	200,125	67,817	26,054	141,846
Subscription – End of Period	**107,246**	**43,305**	**13,642**	**131,104**
Total Deferred Revenue – Beginning of Period(a)	**308,732**	**267,774**	**186,363**	**280,635**
Total Deferred Revenue – Release	(257,933)	(143,700)	(96,019)	(183,570)
Total Deferred Revenue – Addition	229,836	184,709	177,430	142,870
Total Deferred Revenue – End of Period(a)	**280,635***	**308,783***	**267,774***	**239,936**

* Audited

(a) Numbers as of 1 January 2017 and 1 January 2019 equal to numbers as of the balance sheet date of the preceding period.

10.3.2 Seasonality

As a legacy from its previous perpetual licence model, TeamViewer experiences seasonality in billings. Under its perpetual licence model TeamViewer typically launched new products and product updates, designed to be compatible with newer or more up-to-date operating systems and devices, in the last quarter of its fiscal year. In addition, historically, TeamViewer had higher rates of new customers in the fourth quarter. As a result, TeamViewer experienced a seasonality effect in its billings and cash flow under the perpetual licence model. The following graph illustrates the effect of seasonality on TeamViewer's billings (in EUR million) in each quarter from the first quarter of the 2017 fiscal year to the second quarter of the 2019 fiscal year:



Source: Company information

A significant proportion of customer migrations to the subscription model have been carried out in the final quarter of the year when customers would have otherwise had to update their licences. As a result, TeamViewer expects the seasonality effect in billings patterns to continue in the medium-term. However, it expects that as it gains new customers on its subscription model and introduces products that do not follow the same renewal timeline or pattern, this seasonality effect is expected to decrease in the long-term. In addition, TeamViewer no longer expects new customers to peak in the fourth quarter due to more frequent updates under the subscription model.

10.3.3 Personnel expenses

In 2018, TeamViewer adopted material changes to its remuneration policy. These changes were driven by the need to address imbalances in its remuneration policy, to improve competitiveness and generally to improve employee morale. The changes included a substantial increase in base pay, additional vacation days and an introduction of a general and company-wide bonus scheme which was expressed as a target of 10% on top of the base salary for all employees except employees with a sales compensation plan. For the latter, the variable component of compensation was also increased significantly, enabling them to also benefit from the changes to TeamViewer's remuneration policy. Those measures led to a significant increase in personnel expenses in 2018 but TeamViewer believes these measures make its remuneration more competitive in the marketplace and resulted in a substantial boost to employee morale and engagement.

10.3.4 New accounting pronouncements

TeamViewer applied IFRS 15 "Revenue from Contracts with Customers" using the modified retrospective method and IFRS 9 "Financial Instruments" for the first time in the 2018 fiscal year and IFRS 16 "Leases" for the first time in the six months ended 30 June 2019. TeamViewer's financial statements for the 2016 and 2017 fiscal years, were prepared using predecessor standards, including IAS 18, IAS 39 and IAS 17, and have not been restated. As a result, TeamViewer's financial statements are not fully comparable across the periods under review. In addition, TeamViewer's results for fiscal year 2019 will reflect the full year impact of the implementation of IFRS 16 for the first time and will therefore not be fully comparable to TeamViewer's financial results for prior periods.

10.3.4.1 IFRS 9 – Financial Instruments

IFRS 9 "Financial Instruments", published in July 2014, replaces guidance in IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 includes revised guidance on the classification and measurement of financial instruments, implementing a new expected credit loss model for calculating impairment on financial assets and the new general hedge accounting requirements. The application of IFRS 9 as of 1 January 2018 resulted in a change to TeamViewer's calculation of expected credit losses of trade receivables and, therefore, total expenses. The loss allowance on TeamViewer's trade receivables was recognised in line with IFRS 9 using the expected credit loss model for the first time in 2018.

Until 2017, TeamViewer reduced the revenue at recognition using weighted historical default rates as the measurement. This mainly led to an increase of deferred revenue on the balance sheet of EUR 9.1 million as well as an increase of EUR 14.4 million of trade receivables as of 31 December 2017. The new valuation allowance for trade receivables recognised on 1 January 2018 was EUR 12.7 million. The change in accounting had a negative net effect of EUR 7.1 million that was recognised in equity at transition date. Prior to the adoption of IFRS 9, expected losses on trade receivables were deducted from revenue directly while, following the adoption of IFRS 9, valuation allowance for trade receivables is required to be shown in expenses as a separate line item (bad debt expenses). For 2018, total expenses include bad debt expenses of EUR 8.3 million.

10.3.4.2 IFRS 15 – Revenue from contracts with customers

Starting from 1 January 2018, revenue was recognised according to IFRS 15 rather than IAS 18. The Company has adopted the Selling Shareholder's accounting for TeamViewer's transactions (with the exception of some consolidation adjustments) for the Audited Consolidated Financial Statements of Regit Eins. The Selling Shareholder chose to apply IFRS 15 retrospectively with the cumulative effect of initially applying this standard as an adjustment to the opening balance of retained earnings as of 1 January 2018. TeamViewer has applied the IFRS 15 standard only with respect to contracts that were not completed at the date of initial application.

The primary effect of the transition to IFRS 15 on TeamViewer's statement of financial position is that receivables are not recognised to the full extent until the company has an unconditional right to receive consideration and the consideration is not due. Until then, the company can only show a contractual asset which is released over the estimated period of the licence or subscription, for the portion of services already delivered to the customers. The major effect of this change was a decrease in deferred revenue (contractual liability) of EUR 9.1 million as of 1 January 2018. A corresponding contract asset amounting to EUR 0.2 million was recognised, containing the part of the trade receivables that was not unconditional. See note 5 to the Audited Consolidated Financial Statements of Regit Eins for the 2018 fiscal year included in this Prospectus in *"22 Financial Information"* for further details.

If TeamViewer would have still recognised revenue in 2018 in accordance with IAS 18 as it was used in 2017, revenue would have been lower by EUR 5.5 million, as revenue would have been reduced by the valuation of deferred impairments on billings. On the other hand, total operational expenses would have been lower by EUR 8.3 million. The overall effect on profit for the year would have been an increase of EUR 2.8 million and the retained earnings would have increased accordingly. The difference between the revenue effect and the effect on operational expenses and the other income is due to the loss from derecognition of trade receivables, which are now realised in profit and loss but would have been realised in revenue over the following years through reduction of the release of the deferred revenue position under the prior accounting standards.

See notes 3 Significant Accounting Policies, 5 Revenue, 12 Trade receivables and 21 Financial instruments to the Audited Consolidated Financial Statements of Regit Eins included in this Prospectus in *"22 Financial Information"* for further discussion of the impact of the transition to IFRS 9 and IFRS 15.

10.3.4.3 IFRS 16 – Leases

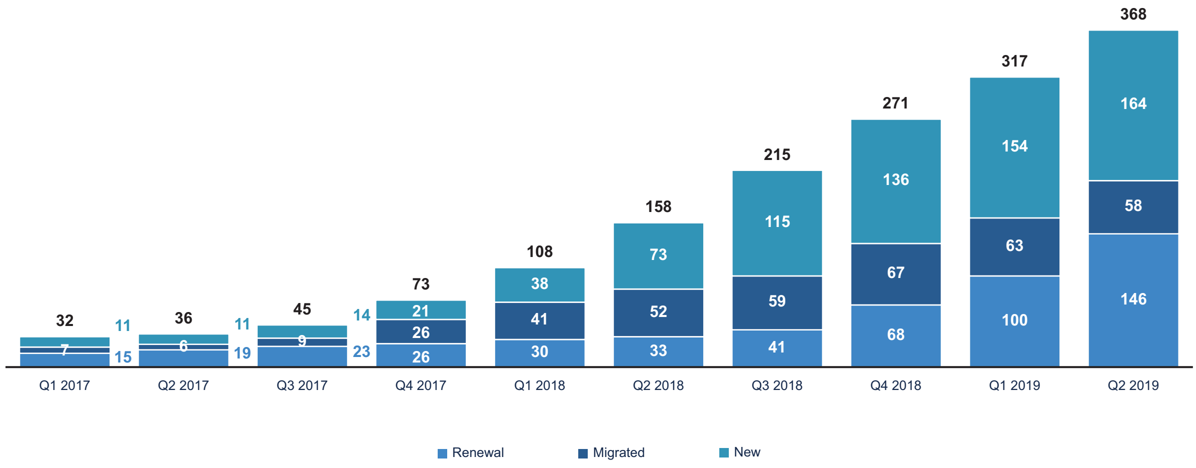
IFRS 16– Leases was implemented in TeamViewer's results for the six months ended 30 June 2019. IFRS 16 replaces existing guidance on leases, including IAS 17 "Leases". The significant impact of IFRS 16 for lessees is the elimination of the classification according to IAS 17 of lease contracts as operating leases and finance leases. As a result, leases, which were shown off-balance sheet according to IAS 17, are now recognised as a right-of-use assets and lease liability on the balance sheet. Most leases treated as operating leases under IAS 17, including real estate leases and certain server leases, are required to be recognised on the consolidated statement of financial position following implementation of IFRS 16, resulting in the recognition of lease liabilities of EUR 7.1 million as of 1 January 2019, together with a corresponding increase of total assets of EUR 7.1 million comprising the recognition of EUR 7.3 million in respect of total right-of-use assets and the derecognition of other assets related to prepaid lease payments of EUR 0.2 million, each as of 1 January 2019. As of 30 June 2019 right-of-use assets amounted to EUR 7.2 million and lease liabilities amounted to EUR 6.3 million, respectively. See note 3 to the Unaudited Interim Consolidated Financial Statements of Regit Eins included in this Prospectus in *"22 Financial Information"*.

10.4 Selected other key performance indicators

In addition to its IFRS reporting, TeamViewer tracks certain key business metrics to measure its performance, identify trends and make strategic decisions. These include key operating metrics, such as number of subscribers, as well as measures derived from IFRS accounts, such as billings, cash EBITDA, cash EBITDA margin, free cash flow (pre-tax) and cash conversion (***non-GAAP KPIs***). The non-GAAP KPIs are alternative performance measures (***APMs***) and are not required by, or presented in accordance with, IFRS, German GAAP or any other generally accepted accounting principles. TeamViewer presents APMs because they are used by management in monitoring, evaluating and managing its business and management believes these measures provide an enhanced understanding of TeamViewer's underlying results and related trends. Further, management believes these and similar measures are frequently used by securities analysts, investors and other interested parties in evaluating companies in its industry. Such business metrics are not measurements of TeamViewer's performance or liquidity under IFRS, German GAAP or any other generally accepted accounting principles and should not be considered as alternatives to results for the period or any other performance measures derived in accordance with IFRS, German GAAP or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities. See also "*2 General Information–Presentation of financial information–Alternative performance measures*", "*9 Selected Consolidated Financial and Other Information–Selected other key performance indicators*" and "*9 Selected Consolidated Financial and Other Information–Reconciliation of alternative performance measures*".

10.4.1 Number of subscribers

Prior to the implementation of the subscription model, TeamViewer measured volumes of sales primarily in terms of units, i.e., licences and add-ons sold. Following the transition to the subscription model, TeamViewer measures sales volumes primarily in terms of number of subscribers. As of 30 June 2019, TeamViewer had over 368 thousand subscribers, an increase of 132.9% as compared to the number of subscribers as of 30 June 2018. TeamViewer believes it has a significant opportunity to grow its total number of subscribers as a result of market opportunities supported by global megatrends as well as TeamViewer's platform advantages. The following graph presents the increase in TeamViewer's number of subscribers from the first quarter of 2017 to the second quarter of 2019, including the contribution of migration of perpetual licence customers to subscriptions, renewal of existing subscriptions and new subscribers (subscribers in '000s as of each of the dates below):

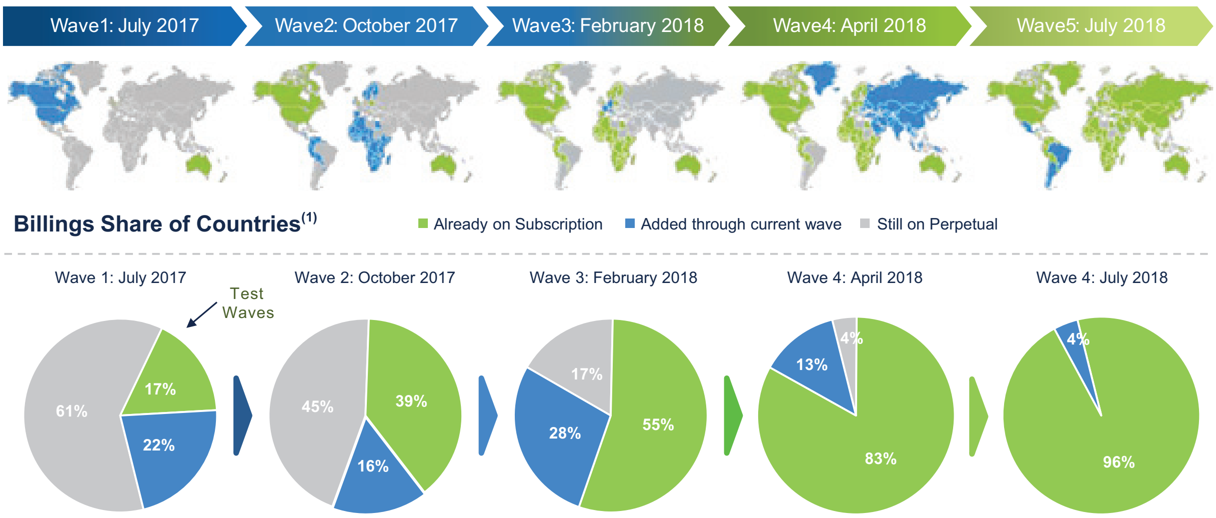


Source: Company information

10.4.2 Billings

Billings represent the value of goods and services invoiced to customers in a given period. TeamViewer believes billings are an important performance measure for management to evaluate and monitor the performance of its business. Billings are derived from contracts with customers. Billings derive from the sales of licences, under both the subscription model and the perpetual licence model. A minor portion of billings is also derived from other services that TeamViewer offers as support for the implementation of the software at the client's site. As billings do not include changes in deferred revenue, TeamViewer believes billings more closely reflect its cash flow. See "*9 Selected Consolidated Financial and Other Information–Reconciliation of alternative performance measures*" for a reconciliation of billings to revenue.

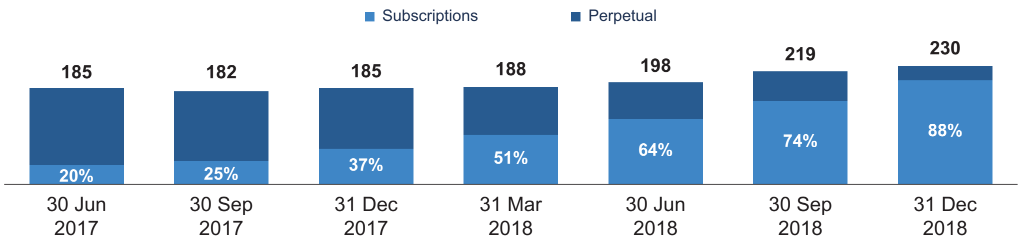
The subscription model was introduced in several waves across different countries, starting with a limited number of test countries between 2013 and the first half of 2017 and expanding to the other countries in which TeamViewer operates. In the first main wave in July 2017, the subscription model was introduced in the US and Canada, followed by Spain, Austria and Colombia, among others, in the second wave in October 2017. Germany, France and Italy were added in the third wave in February 2018, with Russia, Japan, China and other countries added in the fourth wave in April 2018 and Brazil, Argentina and Mexico, among others, in the final wave in July 2018. This resulted in the impact of the subscription model transition being reflected in TeamViewer's financial statements on a staggered basis. The following graph represents the share of TeamViewer's billings generated from countries transitioned to the subscription model in each wave in each of the periods indicated below:



Source: Company information

(1) Represents share of billings from each country in the year ended 31 December 2017; represents size of the markets switched to the subscription model in the period and does not represent actual subscription billings.

The following graph represents the proportion of TeamViewer's billings from sales of perpetual licences and subscriptions for the preceding twelve months as of each of the dates indicated below (billings in EUR million)*:



Source: Company information

* Amounts as of each of the dates indicated are calculated by summing up billings for the respective preceding four quarters as set out in "9.7 *Quarterly Reporting*".

TeamViewer's billings increased by EUR 7.2 million, or 4.0%, from EUR 177.4 million in the fiscal year ended 31 December 2016 to EUR 184.6 million in the fiscal year ended 31 December 2017. The increase was primarily due to an increase in billings in 2017 from customers in the countries that had transitioned to the subscription model in the early waves in 2016 as well as due to underlying growth in countries, including Germany, that were still operating on the perpetual licence model. This increase was partially offset by a decrease in billings from countries, including the US, that transitioned to the subscription model in 2017. The relatively low billings growth in 2017 was also attributable to a lower overall level of commercial activities, including sales and marketing efforts, as TeamViewer was focused on the business model transition.

TeamViewer's billings increased by EUR 45.3 million, or 24.5%, from EUR 184.6 million in the fiscal year ended 31 December 2017 to EUR 229.8 million in the fiscal year ended 31 December 2018. During early 2018, TeamViewer put in place several billings growth initiatives, most notably an increased focus on sales and marketing coupled with new product initiatives. This resulted in an overall increase in new sales even as average selling prices for new customers decreased as compared to 2017. In addition, TeamViewer realised the positive impact of the subscription model transition waves in 2016 and 2017 with a higher proportion of billings being renewal billings. The increased focus on sales and marketing included the adoption of a more localised sales approach in the APAC region with new sales offices opened in Japan, India and Singapore. In addition, TeamViewer's management invested significantly in a reorganisation of its operations in the US, engaging management consultants as well as putting in place a new management team. In the EMEA region, TeamViewer opened new sales offices in Madrid and Paris to address underrepresented markets in Spain and France. However, such measures are expected to drive growth only in 2019 and later periods. TeamViewer also introduced an improved algorithm for commercial use detection in 2018, together with other initiatives to improve free-to-paid monetisation rates such as a new entry-level package.

TeamViewer's billings increased by EUR 38.0 million, or 36.6%, from EUR 103.7 million in the six months ended 30 June 2018 to EUR 141.6 million in the six months ended 30 June 2019. The increase in billings for the six months ended 30 June 2019 as compared to the six months ended 30 June 2018 reflects the impact of a successful first renewal cycle in all countries following the completion of the transition to the subscription model in the third quarter of 2018. The percentage of subscription billings in the Americas, EMEA and APAC regions increased from 80%, 78% and 62%, respectively, in the six months ended 30 June 2018 to approximately 100% in each of the regions in the six months ended 30 June 2019, and subscription sales made in prior periods helped drive a substantial increase in billings from renewals of subscriptions. In addition, the increase was supported by actions taken and investments implemented in the second half of 2018, which include, most prominently, TeamViewer's increased focus on sales and marketing, a more localised setup in the Americas and APAC, with a new sales office opened in China in the six months ended 30 June 2019, as well as billings contributions from new products such as Tensor, Remote Access and Pilot. These measures resulted in billings of EUR 47 million from new sales in the six months ended 30 June 2019.

10.4.3 Cash EBITDA; Cash EBITDA margin

TeamViewer defines EBITDA as operating (loss)/profit before depreciation and amortisation. TeamViewer defines Cash EBITDA as EBITDA adjusted for specific non-recurring items, change in deferred revenue p/l effective and, in fiscal years 2016 and 2017, for bad debt included in deferred revenue.

TeamViewer's Cash EBITDA margin decreased from 60% in fiscal year 2016 to 56% in fiscal year 2017 and 52% in fiscal year 2018. The decrease was primarily due to the transition of TeamViewer's business model as well as the introduction of a new employee compensation plan with salary adjustments and the introduction of a variable compensation component. Additional investments were made into sales and marketing and R&D. Sales and marketing costs increased primarily as a result of TeamViewer's strategy to drive international expansion with the opening of new offices in APAC and the new set-up for the Americas. R&D expenses increased as TeamViewer invested substantially into new products.

TeamViewer considers Cash EBITDA to be a useful metric for evaluating TeamViewer's performance as it facilitates comparisons of TeamViewer's core operating results from period to period by removing the impact of changes in deferred revenue, its capital structure (net interest expense, debt servicing costs and losses on debt extinguishment), asset base (depreciation and amortisation), tax consequences, specific non-recurring costs and others. "*9 Selected consolidated financial and other information – Reconciliation of Alternative Performance Measures*" for a reconciliation of Cash EBITDA to operating (loss)/profit and for a further description of specific non-recurring items as adjusted in Cash EBITDA. TeamViewer defines Cash EBITDA margin as Cash EBITDA expressed as a percentage of billings.

10.4.4 Free cash flow (pre-tax); cash conversion

Free cash flow (pre-tax) represents Cash EBITDA less capital expenditure and adjusted for change in net working capital. Change in net working capital corresponds to changes in working capital as adjusted for increase/(decrease) in deferred revenue, each based on the corresponding statement of cash flows line items. All adjustment items are derived from TeamViewer's consolidated statements of cash flows. TeamViewer had free cash flow (pre-tax) of EUR 112.7 million, EUR 98.8 million and

EUR 103.5 million, respectively, in the fiscal years ended 31 December 2018, 2017 and 2016. TeamViewer defines cash conversion as free cash flow (pre-tax) expressed as a percentage of Cash EBITDA. As a result of its low capital expenditures and working capital requirements, TeamViewer achieved cash conversion rates of 93%, 96% and 97% in the years ended 31 December 2018, 2017 and 2016, respectively, and a cash conversion rate of 84% in the six months ended 30 June 2019.

See "*9 Selected Consolidated Financial and Other Information–Reconciliation of alternative performance measures*" for a reconciliation of free cash flow (pre-tax) to operating (loss)/profit.

10.5 Key components of results of operations

10.5.1 Revenue

TeamViewer derives its revenue primarily from the sales of subscriptions for its software solutions. Historically, TeamViewer also derived revenue from perpetual software licence arrangements. Post-contract support or maintenance sales are bundled in a single transaction with the subscription or perpetual licence agreement. TeamViewer makes its sales primarily through direct sales to end users, with a portion of its sales being indirect sales through resellers, distributors and through original equipment manufacturers (OEMs).

TeamViewer treats each subscription or perpetual licence arrangement as a single performance obligation for revenue recognition purposes, since the components of the arrangements are not individually distinct or separable. TeamViewer has determined that proportional recognition on a straight-line basis over the term of the arrangement is the most appropriate attribution methodology as TeamViewer has to provide services over the complete term of the contract. Accordingly, when the criteria for revenue recognition associated with provisioning of services are met, TeamViewer records revenue for the entire arrangement on a straight-line basis.

Subscription-based Software. Since the second half of the 2018 fiscal year, all of TeamViewer's offerings are marketed and sold as software subscriptions for the most current version of the applicable licence. TeamViewer records revenue for the entire arrangement on a straight-line basis over the subscription term (predominantly one year terms) as this is estimated to be the most appropriate way to recognise the revenue.

Perpetual Licence Agreements. The estimated technological life of a particular software version approximates the period over which the connectivity services are provided and thus the period over which revenue should be recognised. Prior to the fourth quarter of 2016, TeamViewer determined that the appropriate period was four years. Due to changes in expected user behaviour, the duration of revenue recognition was changed to three years starting with the release of TeamViewer 12 in October 2016. If updates for existing perpetual licence agreements were provided, the new revenue derived from the updates was again proportioned for the next three years and any remaining deferred revenue from the previous licence purchase was also deferred over the new three-year timeframe.

Add-on Components. TeamViewer offers add-on components to existing licences. These are separately priced optional products – which may be offered on either subscription or perpetual terms. Since the add-ons are only usable in connection with the existing licence, revenue from sales of add-on components is recognised over the remaining lifetime of the base licence.

10.5.2 Cost of sales

Cost of sales consists of direct personnel and overhead costs for technical support, royalty costs, payment fees, data centre and router charges, charges for third party contractors, hardware, third party software as well as acquired software and patents. More than half of cost of sales is broadly fixed and comprises amortisation and depreciation, including amortisation of acquired customer relationships. TeamViewer does not add any content, resulting in relatively low cloud costs.

10.5.3 Research and development

Research and development expenses refers to expenditure on R&D activities. Research and development expenses include personnel costs as well as external and contracted labour from service providers and cooperation partners and licence costs.

10.5.4 Sales

Sales expenses primarily relate to personnel costs related to sales personnel and, to a lesser extent, commissions, contract labour and licence costs. Sales personnel costs include business development, enterprise account management, inside- & channel-sales, sales operations and customer satisfaction teams.

10.5.5 Marketing

Marketing expenses primarily consist of digital demand generation activities like online search and advertising costs, wages, commissions and benefits for marketing personnel and offline marketing costs such as events and trade shows, media advertising, as well as charges for third party contractors, licences and legal fees.

10.5.6 General and administrative

General and administrative expenses include costs incurred in operating and administering the business and consist primarily of headquarter expenses and costs for corporate functions including human resources, finance, legal, business intelligence, internal IT, office management and other corporate functions. Other general and administrative costs include costs for third party contractors and external hardware and software.

10.5.7 Other expenses/Other Income

Other expenses primarily relate to expenses and/or income that belong to prior periods. Other expenses usually contain VAT payments for prior periods and bookings related to the tax audit. Other income mainly contains the release of provisions/accruals (such as bonus accruals and VAT accruals).

10.5.8 Bad debt expenses

Bad debt expenses reflect the loss allowance on trade receivables – prior to the implementation of IFRS 9 for periods commencing 1 January 2018, these were deducted from revenue directly but for periods from 1 January 2018 onwards these are recognised in a separate expense line item.

10.5.9 Unrealised foreign exchange gains/(losses)

Unrealised foreign exchange gains/(losses) relate to foreign exchange gains or losses from operating and financing activities that have been recognised but relate to transactions that have not yet been completed.

10.5.10 Realised foreign exchange gains/(losses)

Realised foreign exchange gains/(losses) relate to foreign exchange gains or losses from completed transactions.

10.5.11 Finance income

Finance income substantially comprises gains in the fair value of derivative financial instruments as well as the interest income from an upstream loan granted to TigerLuxOne HoldCo and bank deposits in USD.

10.5.12 Finance costs

Finance costs includes interest expense on bank loans and shareholder loans and other finance costs, which primarily consist of losses in the fair value of derivative financial instruments, the amortisation of transaction costs of banks loans, the recognition of amortised costs of the shareholder loans and impairment of cash and cash equivalents.

10.5.13 Tax (expense)/income

Tax (expense)/income comprises current and deferred taxes.

10.6 Results of operations – Consolidated Statements of Profit or Loss

The table below sets forth TeamViewer's consolidated statements of profit or loss for the fiscal years ended 31 December 2018, 2017 and 2016 as well as for the six months ended 30 June 2019 and 2018.

	Fiscal year ended 31 December			Six months ended 30 June	
	2018(1)	2017	2016	2019(1)	2018
	(audited)			(unaudited)	
	(EUR in thousands)				
Revenue	258,157	138,467	91,670	181,236	101,726
Cost of sales	(46,610)	(41,370)	(39,700)	(23,771)	(22,534)
Gross profit	**211,548**	**97,098**	**51,970**	**157,465**	**79,191**
Other income	1,588	2,651	1,555	8,012	965
Research and development	(23,039)	(16,542)	(13,020)	(16,509)	(10,666)
Sales	(30,458)	(22,421)	(21,621)	(20,534)	(13,347)
Marketing	(17,974)	(13,020)	(10,443)	(11,158)	(8,215)
General and administrative	(26,089)	(21,004)	(15,688)	(20,308)	(12,292)
Other expenses	(166)	(568)	(26)	(47)	–
Bad debt expenses	(8,280)	–	–	(6,679)	(2,718)
Operating (loss)/profit	**107,129**	**26,192**	**(7,272)**	**90,242**	**32,918**
Unrealised foreign exchange gains/ (losses)	(20,791)	58,747	(11,638)	(4,683)	(12,610)
Realised foreign exchange gains/ (losses)	(162)	(1,772)	(1,252)	1,266	(69)
Finance income	12,311	7,094	26,766	22,281	4,146
Finance costs	(93,988)	(160,466)	(74,822)	(39,354)	(37,213)
(Loss)/profit before taxation	**4,499**	**(70,205)**	**(68,218)**	**69,752**	**(12,828)**
Tax (expense)/income	(16,912)	1,052	9,396	(24,030)	2,493
(Loss)/profit for the period	**(12,413)**	**(69,153)**	**(58,823)**	**45,722**	**(10,335)**

(1) Regit Eins GmbH applied IFRS 15 "Revenue from Contracts with Customers" using the modified retrospective method and IFRS 9 "Financial Instruments" for the first time in the 2018 fiscal year and IFRS 16 "Leases" for the first time in the 2019 fiscal year (and accordingly in the six months ended 30 June 2019). Regit Eins GmbH's consolidated financial statements for the 2016 and 2017 fiscal years, were prepared using predecessor standards, including IAS 18, IAS 39 and IAS 17, and have not been restated. As a result, Regit Eins GmbH's consolidated financial statements are not fully comparable across the periods under review. See "*–Factors affecting comparability of results of operations and financial condition– New accounting pronouncements*".

10.6.1 Revenue

Six months ended 30 June 2019 compared to the six months ended 30 June 2018

TeamViewer's revenue increased by EUR 79.5 million, or 78.2%, from EUR 101.7 million in the six months ended 30 June 2018 to EUR 181.2 million in the six months ended 30 June 2019. The increase was driven by an increase in billings in the six months ended 30 June 2019 as compared to the six months ended 30 June 2018, as described above under "*10.4.2 Selected other key performance indicators–Billings*" as well as by a positive impact from change in deferred revenue p/l effective, as the release of deferred revenue in the six months ended 30 June 2019 (which primarily related to sales of perpetual licences in prior periods) exceeded additions to deferred revenue in the same period (which related primarily to the sales of subscriptions).

Fiscal year ended 31 December 2018 compared to the fiscal year ended 31 December 2017

TeamViewer's revenue increased by EUR 119.7 million, or 86.4%, from EUR 138.5 million in the fiscal year ended 31 December 2017 to EUR 258.2 million in the fiscal year ended 31 December 2018. The increase was primarily due to an increase in billings in the fiscal year ended 31 December 2018 as compared to the fiscal year ended 31 December 2017, as described above under "*10.4.2 Selected other key performance indicators–Billings*" as well as due to the effect of an increase in change in deferred revenue p/l effective in the fiscal year ended 31 December 2018, with the release of deferred revenue exceeding additions to deferred revenue in the period. The increase in change in deferred revenue was primarily due to the continued transition from a perpetual licence model to a subscription model in 2018, as discussed under "*10.3.1 Factors affecting comparability of results of* *operations and financial condition–Transition from perpetual licence model to subscription model*". Another effect was the termination in July 2018 of a purchase price allocation adjustment to deferred revenue recognised in connection with the acquisition in 2014 of TeamViewer GmbH (now TeamViewer Germany GmbH) by TigerLuxOne S. à r.l, which led to recognition of higher revenue of EUR 19.9 million in the fiscal year ended 31 December 2018 versus the fiscal year ended 31 December 2017. Due to the first-time adoption of IFRS 9 and IFRS 15 in the fiscal year ended 31 December 2018, revenue increased by EUR 5.5 million compared to revenue accounted in accordance with IAS 18, which was used in the fiscal year ended 31 December 2017.

Fiscal year ended 31 December 2017 compared to the fiscal year ended 31 December 2016

TeamViewer's revenue increased by EUR 46.8 million, or 51.0%, from EUR 91.7 million in the fiscal year ended 31 December 2016 to EUR 138.5 million in the fiscal year ended 31 December 2017. The increase was primarily due to an increase in billings in the fiscal year ended 31 December 2017 as compared to the fiscal year ended 31 December 2016, as described above under "*10.4.2 Selected other key performance indicators-Billings*" as well as due to the lower negative effect of the change in deferred revenue p/l effective, of EUR 46.1 million in 2017 compared to EUR 85.7 million in 2016. This change was due to the decrease in 2017 of perpetual licences and increase in the sale of subscription licences which are recognised over a shorter time period, resulting in a decrease in the amount of revenue required to be recognised as deferred revenue.

10.6.1.1 Revenue by Region

TeamViewer reports revenue by geographical region. Revenue is allocated to the following regions: Europe, the Middle East and Africa (EMEA), North and South America (Americas); and Asia-Pacific Continents (APAC).

The table below sets out a breakdown of revenue by region:

	Fiscal year ended 31 December			Six months ended 30 June	
	2018	2017	2016	2019	2018
		(audited)		(unaudited)	
			(EUR in thousands)		
EMEA	151,204	84,556	58,004	103,092	60,484
Americas	77,485	37,371	23,012	56,183	30,144
APAC	29,468	16,541	10,654	21,961	11,098
Revenue	**258,157**	**138,467**	**91,670**	**181,236**	**101,726**

EMEA

Six months ended 30 June 2019 compared to the six months ended 30 June 2018

Revenue from the EMEA region increased by EUR 42.6 million, or 70.4%, from EUR 60.5 million for the six months ended 30 June 2018 to EUR 103.1 million for the six months ended 30 June 2019. This increase was primarily due to the acquisition of new customers, the first successful renewal cycle under the subscription business model which resulted in significant billings growth as well as the release of deferred revenue recognised in connection with previous sales of perpetual licences.

Fiscal year ended 31 December 2018 compared to the fiscal year ended 31 December 2017

Revenue from the EMEA region increased by EUR 66.6 million, or 78.8%, from EUR 84.6 million for the fiscal year ended 31 December 2017 to EUR 151.2 million for the fiscal year ended 31 December 2018. This increase was primarily due to an increase in billings in the EMEA region in the year ended 31 December 2018 as compared to the year ended 31 December 2017, as well as due to an increase in change in deferred revenue in the year ended 31 December 2018 as compared to the year ended 31 December 2017. The increase in billings in the EMEA region in the year ended 31 December 2018 was primarily due to an overall increase in volume of subscribers and an increase in recurring billings from countries where the subscription model had been implemented prior to 2018, partially offset by the pricing impact of the shift to the subscription model in the EMEA countries where the subscription model was introduced in 2018.

Fiscal year ended 31 December 2017 compared to the fiscal year ended 31 December 2016

Revenue from the EMEA region increased by EUR 26.6 million, or 45.8%, from EUR 58.0 million for the fiscal year ended 31 December 2016 to EUR 84.6 million for the fiscal year ended 31 December 2017. This increase was primarily due to an increase in billings in the EMEA region as well as an increase in change in deferred revenue, following the impact of the first wave of transition to the subscription model in certain countries in the EMEA region.

Americas

Six months ended 30 June 2019 compared to six months ended 30 June 2018

Revenue from the Americas region increased by EUR 26.0 million, or 86.4%, from EUR 30.1 million for the six months ended 30 June 2018 to EUR 56.2 million for the six months ended 30 June 2019. This increase was primarily due to the billings growth from existing customers, with a net retention rate of greater than 100%, combined with successful new customer acquisition. At the same time, the ongoing release of deferred revenue recognised in connection with previous sales of perpetual licences supported the growth in revenue.

Fiscal year ended 31 December 2018 compared to the fiscal year ended 31 December 2017

Revenue from the Americas region increased by EUR 40.1 million, or 107.3%, from EUR 37.4 million for the fiscal year ended 31 December 2017 to EUR 77.5 million for the fiscal year ended 31 December 2018. This increase was primarily due to an increase in billings in the Americas region in the year ended 31 December 2018 as compared to the year ended 31 December 2017, following the completion of the first renewal cycle under the subscription model in the Americas with net retention rates (including upselling and cross-selling) of over 100%.

Fiscal year ended 31 December 2017 compared to the fiscal year ended 31 December 2016

Revenue from the Americas region increased by EUR 14.4 million, or 62.4%, from EUR 23.0 million for the fiscal year ended 31 December 2016 to EUR 37.4 million for the fiscal year ended 31 December 2017. This increase was primarily due to an increase in change in deferred revenue in 2017 as compared to 2016 as a result of the decrease in the amount of revenue required to be recognised as addition to deferred revenue in 2017 following the transition to the subscription model in the US and Canada in the period. This increase was partially offset by a decrease in billings in the Americas region which was also primarily due to the effect of the transition in the business model due to lower initial prices associated with licence subscriptions as compared to perpetual licences.

APAC

Six months ended 30 June 2019 compared to the six months ended 30 June 2018

Revenue from the APAC region increased by EUR 10.9 million, or 97.9%, from EUR 11.1 million for the six months ended 30 June 2018 to EUR 22.0 million for the six months ended 30 June 2019. This increase was primarily due to the first successful renewal cycle under the subscription business model that resulted in significant billings growth together with successful investments in the new local sales organisations and marketing activities which resulted in the acquisition of new customers. Similar to the other regions, revenue from the APAC region also benefited from the ongoing release of deferred revenue recognised in connection with previous sales of perpetual licences.

Fiscal year ended 31 December 2018 compared to the fiscal year ended 31 December 2017

Revenue from the APAC region increased by EUR 12.9 million, or 78.2%, from EUR 16.5 million for the fiscal year ended 31 December 2017 to EUR 29.5 million for the fiscal year ended 31 December 2018. This increase was primarily due to an increase in billings in the APAC region as a result of an increase in subscribers in the region following the establishment of local sales and marketing operations in Japan, India and Singapore in line with TeamViewer's strategic decision to focus on increasing its presence in Asia and an improved free-to-paid monetisation rate.

Fiscal year ended 31 December 2017 compared to the fiscal year ended 31 December 2016

Revenue from the APAC region increased by EUR 5.9 million, or 55.3%, from EUR 10.7 million for the fiscal year ended 31 December 2016 to EUR 16.5 million for the fiscal year ended 31 December

2017. This increase was primarily due to an increase in revenue generated by operations in Australia, which increased by EUR 2.4 million, as a result of Australia being one of three test countries that switched to the subscription model at the end of 2015 and which reflects the positive full subscription effect in 2017. Additionally, EUR 0.8 million of the increase was driven by Japan and EUR 2.7 million of the increase was generated in other APAC countries due to more local marketing activities.

10.6.2 Cost of sales

Six months ended 30 June 2019 compared to the six months ended 30 June 2018

Cost of sales increased by EUR 1.2 million, or 5.5%, from EUR 22.5 million for the six months ended 30 June 2018 to EUR 23.8 million for the six months ended 30 June 2019. This increase was primarily due to an increase in billings in the six months ended 30 June 2019 as compared to the six months ended 30 June 2018, together with increased costs associated with higher usage, such as costs in connection with payment and internet providers, as well as investments in infrastructure, including an increase in master server and router costs. As a result of an increase in billings, cost of sales expressed as a percentage of billings decreased from 21.7% in the six months ended 30 June 2018 to 16.8% in the six months ended 30 June 2019. This decrease was primarily due to the first-time adoption of IFRS 16 which led to changes in accounting for infrastructure lease contracts and to a shift in costs from cost of sales to interest expense as well as due to the realisation of economies of scale, for instance for infrastructure costs or the customer support team.

Fiscal year ended 31 December 2018 compared to the fiscal year ended 31 December 2017

Cost of sales increased by EUR 5.2 million, or 12.7%, from EUR 41.4 million for the fiscal year ended 31 December 2017 to EUR 46.6 million for the fiscal year ended 31 December 2018. This increase was primarily due to an increase in billings and usage, resulting in higher master server and router costs as a result of investment in better infrastructure in addition to higher usage, higher payment costs as these are fully variable and dependent on billings and higher internet costs. As a percentage of billings, cost of sales decreased from 22% in the year ended 31 December 2017 to 20% in the year ended 31 December 2018. This decrease was primarily due to a significant portion of cost of sales being comprised of depreciation and amortisation, which is largely fixed and does not increase along with billings growth.

Fiscal year ended 31 December 2017 compared to the fiscal year ended 31 December 2016

Cost of sales increased by EUR 1.7 million, or 4.2%, from EUR 39.7 million for the fiscal year ended 31 December 2016 to EUR 41.4 million for the fiscal year ended 31 December 2017. This increase was primarily due to higher costs associated with TeamViewer’s master server and routers. As a percentage of billings, cost of sales remained stable at 22% in each of the years ended 31 December 2017 and 31 December 2016.

10.6.3 Gross profit

Six months ended 30 June 2019 compared to six months ended 30 June 2018

As a result of the foregoing, gross profit increased by EUR 78.3 million, or 98.8%, from EUR 79.2 million for the six months ended 30 June 2018 to EUR 157.5 million for the six months ended 30 June 2019.

Fiscal year ended 31 December 2018 compared to the fiscal year ended 31 December 2017

As a result of the foregoing, gross profit increased by EUR 114.5 million, or 117.9% from EUR 97.1 million for the fiscal year ended 31 December 2017 to EUR 211.5 million for the fiscal year ended 31 December 2018.

Fiscal year ended 31 December 2017 compared to the fiscal year ended 31 December 2016

As a result of the foregoing, gross profit increased by EUR 45.1 million, or 86.8%, from EUR 52.0 million for the fiscal year ended 31 December 2016 to EUR 97.1 million for the fiscal year ended 31 December 2017.

10.6.4 Other income

Six months ended 30 June 2019 compared to six months ended 30 June 2018

Other income increased by EUR 7.0 million, from EUR 1.0 million for the six months ended 30 June 2018 to EUR 8.0 million for the six months ended 30 June 2019. This increase was primarily due to the reimbursement of TeamViewer by the Selling Shareholder of transaction and preparation costs incurred by TeamViewer (and recognised in general and administrative expenses) in connection with the Offering.

Fiscal year ended 31 December 2018 compared to the fiscal year ended 31 December 2017

Other income decreased by EUR 1.1 million, or 40.1%, from EUR 2.7 million for the fiscal year ended 31 December 2017 to EUR 1.6 million for the fiscal year ended 31 December 2018. This decrease reflects a normalisation of other income following an increase in 2017 as a result of the release of provisions booked in 2016.

Fiscal year ended 31 December 2017 compared to the fiscal year ended 31 December 2016

Other income increased by EUR 1.1 million, or 70.5%, from EUR 1.6 million for the fiscal year ended 31 December 2016 to EUR 2.7 million for the fiscal year ended 31 December 2017. This increase was primarily due to income from the release of provisions mainly relating to bonus accruals from 2016 and VAT payment accruals for prior periods.

10.6.5 Research and development

Six months ended 30 June 2019 compared to the six months ended 30 June 2018

Research and development expenses increased by EUR 5.8 million, or 54.8%, from EUR 10.7 million for the six months ended 30 June 2018 to EUR 16.5 million for the six months ended 30 June 2019. This increase was primarily due to ongoing investments and ramp-up of the R&D team in connection with the introduction of new products like Tensor, IoT and Pilot, the launch of a company-wide bonus scheme in the first half of 2018 and the increased IT and facility overhead costs, which were allocated to research and development expenses.

Fiscal year ended 31 December 2018 compared to the fiscal year ended 31 December 2017

Research and development expenses increased by EUR 6.5 million, or 39.3%, from EUR 16.5 million for the fiscal year ended 31 December 2017 to EUR 23.0 million for the fiscal year ended 31 December 2018. This increase was primarily due to an increase in staff costs as a result of increases in base salaries, as well as variable compensation, together with the introduction of a company-wide bonus scheme for all employees in April 2018.

Fiscal year ended 31 December 2017 compared to the fiscal year ended 31 December 2016

Research and development expenses increased by EUR 3.5 million, or 27.1%, from EUR 13.0 million for the fiscal year ended 31 December 2016 to EUR 16.5 million for the fiscal year ended 31 December 2017. This increase was primarily due to an increase in staff costs as a result of TeamViewer hiring 10 additional full-time employees in 2017 in connection with the development of new products as well as updates for TeamViewer Core, together with increases in salaries and licence expenses.

10.6.6 Sales expenses

Six months ended 30 June 2019 compared to the six months ended 30 June 2018

Sales expenses increased by EUR 7.2 million, or 53.8%, from EUR 13.3 million for the six months ended 30 June 2018 to EUR 20.5 million for the six months ended 30 June 2019. This increase was primarily due to continued investments in TeamViewer's sales organisation. Main investments included further localisation through the opening of offices in China and a ramp-up of teams in APAC and US as well as the launch of the enterprise sales team, with 34 FTEs, for Tensor, and greater investments in IoT distribution. Furthermore, the customer satisfaction team was granted variable pay and all other compensation schemes were adjusted in the first half of 2018 and high target achievements led to increased pay-outs in the six months ended 30 June 2019.

Fiscal year ended 31 December 2018 compared to the fiscal year ended 31 December 2017

Sales expenses increased by EUR 8.0 million, or 35.8%, from EUR 22.4 million for the fiscal year ended 31 December 2017 to EUR 30.5 million for the fiscal year ended 31 December 2018. This increase was primarily due to an increase in staff costs in connection with the employment of 24 additional full time employees in 2018, changes to compensation packages for customer satisfaction team resulting in an increase in base compensation and the introduction of a variable bonus, higher variable payments for sales representatives based on quota achievements and costs associated with strengthening the business development team to support sales of TeamViewer Tensor and TeamViewer IoT.

Fiscal year ended 31 December 2017 compared to the fiscal year ended 31 December 2016

Sales expenses increased by EUR 0.8 million, or 3.7%, from EUR 21.6 million for the fiscal year ended 31 December 2016 to EUR 22.4 million for the fiscal year ended 31 December 2017. This increase was primarily due to increases in salaries.

10.6.7 Marketing expenses

Six months ended 30 June 2019 compared to the six months ended 30 June 2018

Marketing expenses increased by EUR 2.9 million, or 35.8% from EUR 8.2 million for the six months ended 30 June 2018 to EUR 11.2 million for the six months ended 30 June 2019. This increase was driven by the setup of local marketing activities in APAC and the expansion of existing activities in the Americas region. Further, additional expenses were required for both digital and non-digital marketing (such as trade fairs and panels) for recently launched products and expansion into the enterprise customer segment. In addition, staff costs increased as a result of both the expansion of the team and the full period impact of the company-wide bonus scheme implemented in the first half of 2018.

Fiscal year ended 31 December 2018 compared to the fiscal year ended 31 December 2017

Marketing expenses increased by EUR 5.0 million, or 38.0% from EUR 13.0 million for the fiscal year ended 31 December 2017 to EUR 18.0 million for the fiscal year ended 31 December 2018. This increase was primarily due to changes to compensation packages resulting in an increase in compensation payable, focus on localisation of marketing operations including expanding sales and marketing operations in the Americas, campaigning relating to the migration to the subscription model, resulting in increases in advertising and search engine marketing costs.

Fiscal year ended 31 December 2017 compared to the fiscal year ended 31 December 2016

Marketing expenses increased by EUR 2.6 million, or 24.7% from EUR 10.4 million for the fiscal year ended 31 December 2016 to EUR 13.0 million for the fiscal year ended 31 December 2017. This increase was primarily due to costs associated with increased discretionary marketing spending, campaigning relating to the migration to the subscription model, search engine marketing as well as increasing headcount for marketing staff in the Americas region together with TeamViewer launching more localised marketing campaigns.

10.6.8 General and administrative expenses

Six months ended 30 June 2019 compared to the six months ended 30 June 2018

General and administrative expenses increased by EUR 8.0 million, or 65.2%, from EUR 12.3 million for the six months ended 30 June 2018 to EUR 20.3 million for the six months ended 30 June 2019. This increase was due to transaction and preparation costs incurred by TeamViewer in connection with the Offering (which were mostly reimbursed by the Selling Shareholder with such reimbursements recognised in other income). This increase was partly offset by favourable effects from the first-time adoption of IFRS 16 in the six months ended 30 June 2019.

Fiscal year ended 31 December 2018 compared to the fiscal year ended 31 December 2017

General and administrative expenses increased by EUR 5.1 million, or 24.2%, from EUR 21.0 million for the fiscal year ended 31 December 2017 to EUR 26.1 million for the fiscal year ended 31 December 2018. This increase was primarily due to an increase in rental costs as a result of capacity expansion in existing locations and establishing new offices and co-working spaces in the APAC region, increase in legal fees payable including in connection with external consulting costs for GDPR implementation and the issuance of share-based compensation to key management personnel. General and administrative costs such as internet, telephone and licences also increased in 2018 as compared to 2017, reflecting increased business volume and global expansion.

Fiscal year ended 31 December 2017 compared to the fiscal year ended 31 December 2016

General and administrative expenses increased by EUR 5.3 million, or 33.9%, from EUR 15.7 million for the fiscal year ended 31 December 2016 to EUR 21.0 million for the fiscal year ended 31 December 2017. This increase was primarily due to an increase in rental expenses as a result of new locations ad increases in rent, higher legal and consulting fees payable, higher IT licence costs as well as an increase in headcount across functions to cope with increased business volumes.

10.6.9 Other expenses

Six months ended 30 June 2019 compared to the six months ended 30 June 2018

Other expenses amounted to EUR 0.0 million in the six months ended 30 June 2019 as well as in the six months ended 30 June 2018.

Fiscal year ended 31 December 2018 compared to the fiscal year ended 31 December 2017

Other expenses decreased by EUR 0.4 million, from EUR 0.6 million for the fiscal year ended 31 December 2017 to EUR 0.2 million for the fiscal year ended 31 December 2018 as a result of higher VAT payments in 2017.

Fiscal year ended 31 December 2017 compared to the fiscal year ended 31 December 2016

Other expenses increased by EUR 0.5 million from EUR 0.0 million for the fiscal year ended 31 December 2016 to EUR 0.6 million for the fiscal year ended 31 December 2017 as a result of higher VAT payments in 2017.

10.6.10 Bad debt expenses

Six months ended 30 June 2019 compared to the six months ended 30 June 2018

Bad debt expenses increased by EUR 4.0 million, or 145.7%, from EUR 2.7 million for the six months ended 30 June 2018 to EUR 6.7 million for the six months ended 30 June 2019. This increase was primarily due to an increase in billings.

Fiscal year ended 31 December 2018 compared to the fiscal year ended 31 December 2017

Bad debt expenses were EUR 8.3 million for the fiscal year ended 31 December 2018.

Bad debt expenses were recognised as operating expenses for the first time in the fiscal year ended 31 December 2018 as a result of the implementation of IFRS 9. Prior to the implementation of IFRS 9, costs for bad debt were included in revenue and in the deferred revenue calculation. See "*10.3 Factors affecting comparability of results of operations and financial condition–New accounting pronouncements–IFRS 9 – Financial Instruments*".

10.6.11 Operating (loss)/profit

Six months ended 30 June 2019 compared to the six months ended 30 June 2018

As a result of the foregoing, operating profit increased by EUR 57.3 million, or 174.1%, from EUR 32.9 million for the six months ended 30 June 2018 to EUR 90.2 million for the six months ended 30 June 2019.

Fiscal year ended 31 December 2018 compared to the fiscal year ended 31 December 2017

As a result of the foregoing, operating profit increased by EUR 80.9 million, or 309.0%, from EUR 26.2 million for the fiscal year ended 31 December 2017 to EUR 107.1 million for the fiscal year ended 31 December 2018.

Fiscal year ended 31 December 2017 compared to the fiscal year ended 31 December 2016

As a result of the foregoing, operating (loss)/profit increased by EUR 33.5 million from a loss of EUR 7.3 million for the fiscal year ended 31 December 2016 to a profit of EUR 26.2 million for the fiscal year ended 31 December 2017.

10.6.12 Unrealised foreign exchange gains/(losses)

Six months ended 30 June 2019 compared to the six months ended 30 June 2018

Unrealised foreign exchange losses decreased by EUR 7.9 million, or 62.9%, from EUR 12.6 million for the six months ended 30 June 2018 to EUR 4.7 million for the six months ended 30 June 2019. This decrease was primarily due to the development of the US dollar/euro exchange rate in the periods under review.

Fiscal year ended 31 December 2018 compared to the fiscal year ended 31 December 2017

Unrealised foreign exchange gains/(losses) changed from a gain of EUR 58.7 million for the fiscal year ended 31 December 2017 to a loss of EUR 20.8 million for the fiscal year ended 31 December 2018. This change was primarily due to the appreciation of the US dollar against the euro in the year ended 31 December 2018 as compared to in the year ended 31 December 2017 resulting in an increase in unrealised foreign exchange losses from financing activities.

Fiscal year ended 31 December 2017 compared to the fiscal year ended 31 December 2016

Unrealised foreign exchange gains/(losses) changed from a loss of EUR 11.6 million for the fiscal year ended 31 December 2016 to a gain of EUR 58.7 million for the fiscal year ended 31 December 2017. This change was primarily due to a depreciation in the value of the US dollar against the euro in the year ended 31 December 2017 as compared to the year ended 31 December 2016.

10.6.13 Realised foreign exchange gains/(losses)

Six months ended 30 June 2019 compared to the six months ended 30 June 2018

Realised foreign exchange gains/(losses) changed by EUR 1.3 million, from a loss of EUR 0.1 million for the six months ended 30 June 2018 to a gain of EUR 1.3 million for the six months ended 30 June 2019. This change was primarily due to the development of the US dollar/euro exchange rate in the periods under review.

Fiscal year ended 31 December 2018 compared to the fiscal year ended 31 December 2017

Realised foreign exchange losses decreased by EUR 1.6 million from EUR 1.8 million for the fiscal year ended 31 December 2017 to EUR 0.2 million for the fiscal year ended 31 December 2018. This decrease was primarily due to the effect of foreign exchange fluctuations on cash positions and accounts receivables.

Fiscal year ended 31 December 2017 compared to the fiscal year ended 31 December 2016

Realised foreign exchange losses increased by EUR 0.5 million from EUR 1.3 million for the fiscal year ended 31 December 2016 to EUR 1.8 million for the fiscal year ended 31 December 2017. This increase was primarily due to the effect of foreign exchange fluctuations on cash positions and accounts receivables.

10.6.14 Finance income

Six months ended 30 June 2019 compared to the six months ended 30 June 2018

Finance income increased by EUR 18.1 million from EUR 4.1 million for the six months ended 30 June 2018 to EUR 22.3 million for the six months ended 30 June 2019. This increase was primarily due to gains from changes in fair value of the interest rate floor, impacted by the anticipated refinancing of outstanding loans in September 2019.

Fiscal year ended 31 December 2018 compared to the fiscal year ended 31 December 2017

Finance income increased by EUR 5.2 million, or 73.5%, from EUR 7.1 million for the fiscal year ended 31 December 2017 to EUR 12.3 million for the fiscal year ended 31 December 2018.

Certain of TeamViewer's loans have embedded derivatives which relate to a cancellation right held by group companies and the maintenance of a minimum interest rate floor. The increase in finance income was primarily due to an increase in gains in the fair value of these derivative financial instruments over the period. A decrease in benchmark interest rates during 2018 resulted in lower credit default swap (***CDS***) spreads in relation to the cancellation right, which increased the fair value of the cancellation right during 2018. Additionally, temporarily rising USD and EUR benchmark interest rates positively impacted the fair value of the interest rate floor derivative by decreasing its cost to TeamViewer.

Fiscal year ended 31 December 2017 compared to the fiscal year ended 31 December 2016

Finance income decreased by EUR 19.7 million, or 73.5%, from EUR 26.8 million for the fiscal year ended 31 December 2016 to EUR 7.1 million for the fiscal year ended 31 December 2017. This decrease was primarily due to a decrease in gains in the fair value of the aforementioned embedded derivative financial instruments, primarily as a result of changes in the EUR and USD benchmark interest rates. The benchmark interest rates improved in 2016 which resulted in better CDS spreads for the cancellation right, while in 2017 the benchmark interest rates improved further, but not to the extent in 2016.

10.6.15 Finance costs

Six months ended 30 June 2019 compared to the six months ended 30 June 2018

Finance costs increased by EUR 2.1 million, or 5.8%, from EUR 37.2 million for the six months ended 30 June 2018 to EUR 39.4 million for the six months ended 30 June 2019. This increase was primarily due to higher interest expenses due to higher underlying interest rates and foreign currency exchange rate effects in connection with US dollar denominated loans.

Fiscal year ended 31 December 2018 compared to the fiscal year ended 31 December 2017

Finance costs decreased by EUR 66.5 million, or 41.4%, from EUR 160.5 million for the fiscal year ended 31 December 2017 to EUR 94.0 million for the fiscal year ended 31 December 2018. This decrease was primarily due to one-time effects related to the refinancing in 2017 and lower losses on fair values of embedded derivatives.

Fiscal year ended 31 December 2017 compared to the fiscal year ended 31 December 2016

Finance costs increased by EUR 85.6 million, or 114.5%, from EUR 74.8 million for the fiscal year ended 31 December 2016 to EUR 160.5 million for the fiscal year ended 31 December 2017. This increase was primarily due to an increase in other finance costs as a result of the accelerated recognition of amortised costs in connection with the repayment of bank loans and the de-recognition of embedded derivatives (both of which combined contributed EUR 40 million to the increase) as well as payment of a call premium in connection with the repayment of certain bank loans in February 2017 that also led to an accelerated recognition of amortised costs in connection with a partial repayment of the Shareholder Loan (EUR 35 million, gross of deferred tax effect).

10.6.16 (Loss)/profit before taxation

Six months ended 30 June 2019 compared to the six months ended 30 June 2018

As a result of the foregoing, (loss)/profit before taxation increased by EUR 82.6 million, from a loss of EUR 12.8 million for the six months ended 30 June 2018 to a profit of EUR 69.8 million for the six months ended 30 June 2019.

Fiscal year ended 31 December 2018 compared to the fiscal year ended 31 December 2017

As a result of the foregoing, (loss)/profit before taxation increased by EUR 74.7 million, from a loss of EUR 70.2 million for the fiscal year ended 31 December 2017 to a profit of EUR 4.5 million for the fiscal year ended 31 December 2018.

Fiscal year ended 31 December 2017 compared to the fiscal year ended 31 December 2016

As a result of the foregoing, loss before taxation increased by EUR 2.0 million, or 2.9%, from a loss of EUR 68.2 million for the fiscal year ended 31 December 2016 to a loss of EUR 70.2 million for the fiscal year ended 31 December 2017.

10.6.17 Tax (expense)/income

Six months ended 30 June 2019 compared to the six months ended 30 June 2018

Tax (expense)/income changed by EUR 26.5 million, from tax income of EUR 2.5 million for the six months ended 30 June 2018 to tax expense of EUR 24.0 million for the six months ended 30 June 2019. This development was primarily due to a change from deferred tax income, net of EUR 2.7 million in the six months ended 30 June 2018 to deferred tax expense, net of EUR 18.7 million in the six months ended 30 June 2019. The deferred tax expense of EUR 18.7 million was partly caused by the expected utilisation of the unused tax loss carried forward in the amount of EUR 30 million for the entire fiscal year 2019 (on 31 December 2018, a deferred tax asset of EUR 9 million was recognised for this unused tax loss carried forward). Further, a major part of the deferred tax expense results from a significant decrease of the deferred tax assets related to the liabilities for deferred revenue in connection with the transition to the subscription model. The increase in current tax expenses also was influenced by these factors.

Fiscal year ended 31 December 2018 compared to the fiscal year ended 31 December 2017

Tax (expense)/income changed by EUR 18.0 million, from tax income of EUR 1.1 million for the fiscal year ended 31 December 2017 to tax expense of EUR 16.9 million for the fiscal year ended 31 December 2018. This change was mainly driven by a change of EUR 14.3 million from deferred tax income, net to deferred tax expense, net as well as a change of EUR 3.6 million in current tax (expense)/income, net.

Fiscal year ended 31 December 2017 compared to the fiscal year ended 31 December 2016

Tax income decreased by EUR 8.3 million from EUR 9.4 million for the fiscal year ended 31 December 2016 to tax income of EUR 1.1 million for the fiscal year ended 31 December 2017. There was a change of EUR 17.6 million from EUR 17.3 million current tax expense, net in the 2016 fiscal year to EUR 0.3 million current tax income, net in 2017. This change, however, was fully offset by a decrease of EUR 25.9 million in deferred tax income, net from EUR 26.7 million in the 2016 fiscal year to EUR 0.8 million in the 2017 fiscal year, driven by deferred revenue and related to financing.

10.6.18 (Loss)/profit for the year/period

Six months ended 30 June 2019 compared to the six months ended 30 June 2018

As a result of the foregoing, (loss)/profit for the period changed by EUR 56.1 million, from a loss of EUR 10.3 million for the six months ended 30 June 2018 to a profit of EUR 45.7 million for the six months ended 30 June 2019.

Fiscal year ended 31 December 2018 compared to the fiscal year ended 31 December 2017

As a result of the foregoing, loss for the year decreased by EUR 56.7 million from EUR 69.2 million for the fiscal year ended 31 December 2017 to EUR 12.4 million for the fiscal year ended 31 December 2018.

Fiscal year ended 31 December 2017 compared to the fiscal year ended 31 December 2016

As a result of the foregoing, loss for the year increased by EUR 10.3 million from a loss of EUR 58.8 million for the fiscal year ended 31 December 2016 to EUR 69.2 million for the fiscal year ended 31 December 2017.

10.7 Discussion of Consolidated Statements of Financial Position

The following table shows TeamViewer's overview of the consolidated statements of financial position as of the dates shown:

	As of 31 December			As of
	2018	2017	2016	30 June 2019
		(EUR in thousands)		
		(audited)		(unaudited)
Total non-current assets	839,858	872,800	897,486	847,039
Total current assets	108,355	67,574	110,942	89,376
Total assets	**948,213**	**940,374**	**1,008,428**	**936,415**
Total equity	**(216,548)**	**(201,689)**	**(132,536)**	**(161,237)**
Total non-current liabilities	747,681	820,509	670,675	687,527
Total current liabilities	417,080	321,553	470,289	410,125
Total equity and liabilities	**948,213**	**940,374**	**1,008,428**	**936,415**

10.7.1 Non-current assets

TeamViewer's non-current assets consist of property, plant and equipment; goodwill; intangible assets; deferred tax assets; non-current financial assets; non-current component of cost to obtain a contract; and non-current other assets.

As of 30 June 2019 compared to 31 December 2018

TeamViewer's total non-current assets increased by EUR 7.2 million, or 0.9%, from EUR 839.9 million as of 31 December 2018 to EUR 847.0 million as of 30 June 2019. The increase was primarily driven by the change in the structure of the TeamViewer Group in June 2019, as described in note 4 to the Unaudited Interim Consolidated Financial Statements of Regit Eins, which resulted in an increase in non-current assets as of 30 June 2019, as well as by the first-time adoption of IFRS 16 as of 1 January 2019.

As of 31 December 2018 compared to 31 December 2017

TeamViewer's total non-current assets decreased by EUR 32.9 million, or 3.8%, from EUR 872.8 million as of 31 December 2017 to EUR 839.9 million as of 31 December 2018. The decrease was primarily driven by a decrease in intangible assets, mainly as a result of amortisation of intangible assets, and a decrease in financial assets, as a result of the movement of the embedded derivatives in certain of TeamViewer's loans from the asset side to the liability side of the statement of financial position due to fair value changes in 2018. The changes in fair value were driven by an increase in CDS benchmark spreads which resulted in lower values. Additionally, the long-term EUR and USD interest rates at year end declined which increased the cost of the interest rate floor derivative which in turn negatively impacted value of the embedded derivatives.

As of 31 December 2017 compared to 31 December 2016

TeamViewer's total non-current assets decreased by EUR 24.7 million, or 2.8%, from EUR 897.5 million as of 31 December 2016 to EUR 872.8 million as of 31 December 2017. The decrease was primarily driven by a decrease in intangible assets, as a result of amortisation of intangible assets. The decrease in total non-current assets was partially offset by higher deferred revenue, tax loss carryforwards (driven by the refinancing) and tax netting effects.

10.7.2 Current assets

TeamViewer's total current assets consist of trade receivables; current component of cost to obtain a contract; current tax assets; current financial assets; cash and cash equivalents; and current other assets.

As of 30 June 2019 compared to 31 December 2018

TeamViewer's total current assets decreased by EUR 19.0 million, or 17.5%, from EUR 108.4 million as of 31 December 2018 to EUR 89.4 million as of 30 June 2019. This decrease was primarily driven by a decrease in cash and cash equivalents from EUR 79.9 million as of

31 December 2018 to EUR 48.8 million as of 30 June 2019, mainly as a result of voluntary partial repayments of the Shareholder Loan and loans under the Existing Senior Facilities Agreement in the aggregate principal amount of EUR 60.8 million in June 2019. The decrease in cash and cash equivalents was partially offset by increases in current tax assets, current financial assets, trade receivables and current other assets.

As of 31 December 2018 compared to 31 December 2017

TeamViewer's total current assets increased by EUR 40.8 million, or 60.4%, from EUR 67.6 million as of 31 December 2017 to EUR 108.4 million as of 31 December 2018. This increase was primarily driven by an increase in cash and cash equivalents of EUR 44.8 million, as a result of collected trade receivables. The increase in TeamViewer's total current assets was partially offset by a decrease in trade receivables as a result of stronger sales in December 2017 compared to December 2018 and a decrease in current tax assets (which moved to current tax liabilities) due to additional tax payments related to a tax audit (2012-2016).

As of 31 December 2017 compared to 31 December 2016

TeamViewer's total current assets decreased by EUR 43.4 million, or 39.1%, from EUR 110.9 million as of 31 December 2016 to EUR 67.6 million as of 31 December 2017. This decrease was primarily driven by a decrease in cash and cash equivalents, as a result of the partial repayment of the loan from the Selling Shareholder in February 2017, which was partially offset by an increase in current financial assets, as a result of an upstream loan granted to TigerLuxOne HoldCo.

10.7.3 Total equity

The major items of total equity are issued capital; capital reserves; (accumulated losses)/ retained earnings; hedge reserve; and foreign currency translation reserve.

As of 30 June 2019 compared to 31 December 2018

TeamViewer's total equity increased by EUR 55.3 million from negative EUR 216.5 million as of 31 December 2018 to negative EUR 161.2 million as of 30 June 2019. The increase was primarily driven by a decrease in accumulated losses as of 30 June 2019 as compared to 31 December 2018.

As of 31 December 2018 compared to 31 December 2017

TeamViewer's total equity decreased by EUR 14.9 million, or 7.4%, from negative EUR 201.7 million as of 31 December 2017 to a negative of EUR 216.5 million as of 31 December 2018. The decrease was primarily driven by an increase in accumulated losses including the effect of the initial application of the IFRS 9 and 15 standards (which contributed EUR 4.2 million to the increase in accumulated losses).

As of 31 December 2017 compared to 31 December 2016

TeamViewer's total equity decreased by EUR 69.2 million, or 52.2%, from negative EUR 132.5 million as of 31 December 2016 to negative EUR 201.7 million as of 31 December 2017. The decrease was primarily driven by an increase in accumulated losses.

10.7.4 Non-current liabilities

TeamViewer's non-current liabilities consist of non-current component of interest-bearing loans and borrowings; non-current deferred revenue; non-current component of provisions; deferred tax liabilities; and non-current financial liabilities.

As of 30 June 2019 compared to 31 December 2018

TeamViewer's total non-current liabilities decreased by EUR 60.2 million from EUR 747.7 million as of 31 December 2018 to EUR 687.5 million as of 30 June 2019. The decrease was primarily driven by a decrease in interest-bearing loans and borrowings following partial repayments of the Existing Senior Term Facilities and the Shareholder Loan as well as a decrease in the non-current portion of deferred revenue, partially offset by an increase in deferred tax liabilities.

As of 31 December 2018 compared to 31 December 2017

TeamViewer's total non-current liabilities decreased by EUR 72.8 million, or 8.9%, from EUR 820.5 million as of 31 December 2017 to EUR 747.7 million as of 31 December 2018. The decrease was primarily driven by a decrease in the non-current portion of deferred revenue, as a result of the transition from a perpetual licence model to subscription model. The decrease in non-current portion of deferred revenue was partially offset by an increase in non-current interest-bearing loans and borrowings, as a result of an unfavourable movement in USD exchange rates, an increase in deferred tax liabilities and an increase in non-current financial liabilities as a result of changes in the fair value of TeamViewer's derivative positions.

As of 31 December 2017 compared to 31 December 2016

TeamViewer's total non-current liabilities increased by EUR 149.8 million, or 22.3%, from EUR 670.7 million as of 31 December 2016 to EUR 820.5 million as of 31 December 2017. The increase was primarily driven by an increase in non-current interest-bearing loans and borrowings, mainly as a result of TeamViewer restructuring certain debt facilities in 2017. The increase in total non-current liabilities was partially offset by a decrease in deferred tax liabilities as a result of the refinancing.

10.7.5 Total current liabilities

TeamViewer's total current liabilities consist of current component of interest-bearing loans and borrowings; trade payables; current component of deferred revenue; accrued expenses and other payables; current tax liabilities; current provisions; and current financial liabilities.

As of 30 June 2019 compared to 31 December 2018

TeamViewer's total current liabilities decreased by EUR 7.0 million, from EUR 417.1 million as of 31 December 2018 to EUR 410.1 million as of 30 June 2019. This decrease was primarily due to a decrease in current deferred revenue as well as a decrease in current interest-bearing loans and borrowings, partially offset by increases in current financial liabilities and accrued expenses and other payables.

As of 31 December 2018 compared to 31 December 2017

TeamViewer's total current liabilities increased by EUR 95.5 million, or 29.7%, from EUR 321.6 million as of 31 December 2017 to EUR 417.1 million as of 31 December 2018. The increase was primarily driven by an increase in the current portion of deferred revenue, as a result of the transition from a perpetual licence model to subscription model. The increase was also partially driven by increases in current interest-bearing loans and borrowings, as a result of the capitalisation of non-cash interest on the Shareholder Loan.

As of 31 December 2017 compared to 31 December 2016

TeamViewer's total current liabilities decreased by EUR 148.7 million, or 31.6%, from EUR 470.3 million as of 31 December 2016 to EUR 321.6 million as of 31 December 2017. The decrease was primarily driven by a decrease in current interest-bearing loans and borrowings, as a result of the partial repayment of the loan from the Selling Shareholder, which was part of the restructuring of certain debt facilities in 2017. The decrease was partially offset by increases in current deferred revenue, as a result of the reduction of revenue recognised from perpetual licences and an increase in the sale of subscription licences which are recognised over a shorter period, and accrued expenses and other payables, as a result of higher accruals for consultancy and router costs as well as a higher liability for payroll tax.

10.8 Liquidity and capital resources

10.8.1 Overview

TeamViewer's primary sources of liquidity are cash generated from operations, supplemented by proceeds from borrowings under debt instruments, including bank facilities. TeamViewer had cash and cash equivalents of EUR 86.9 million, EUR 35.2 million, EUR 79.9 million and EUR 48.8 million as of 31 December 2016, 31 December 2017, 31 December 2018 and 30 June 2019, respectively.

As of 30 June 2019, TeamViewer's bank facilities included a first lien credit and guaranty agreement providing for borrowings denominated in euros and US dollars (the ***Existing Senior Facilities Agreement***), a second lien credit and guarantee agreement providing for borrowings in US dollars (the ***Existing Second Lien Facility Agreement***) and a revolving credit facility. In addition, the Selling Shareholder granted a shareholder loan to Regit Eins GmbH, which bears payment-in-kind interest (the ***Shareholder Loan***). Following the completion of the Offering, TeamViewer expects that its key sources of liquidity will continue to be cash flows from operations, together with borrowings under the New Senior Facilities Agreement (as defined below).

TeamViewer aims to manage capital to ensure that all Group companies can continue to operate as a going concern. TeamViewer's ability to generate cash flow from operations depends on its future operating performance, which is in turn dependent on general economic, financial, market and other factors, many of which are beyond its control. See "*10.2 Key factors affecting results of operations*" for a discussion of certain factors that could affect its future performance and the industries in which TeamViewer operates.

10.8.2 Working capital

TeamViewer defines (i) trade working capital as trade receivables less trade payables and (ii) net working capital as trade working capital plus other assets, current and cost to obtain a contract, current, less accrued expenses and other payables, each based on the corresponding statement of financial position line items considering only current assets and liabilities. By contrast, TeamViewer defines change in net working capital as changes in working capital adjusted for increase/(decrease) in deferred revenue, each based on the corresponding statement of cash flows line items considering also changes in certain non-current assets and liabilities, see "*9 Selected Consolidated Financial and Other Information*". TeamViewer's business is generally not capital intensive as most billings are settled and remitted quickly (and up front) via payment providers. TeamViewer's net working capital primarily relates to trade payables and payroll-related liabilities. The following table sets out TeamViewer's days sales outstanding, which it calculates as trade receivables at the end of the year divided by billings for the year and multiplied by 360, and days payments outstanding, which it calculates as trade payables at the end of the year divided by total expenses, excluding depreciation and amortisation and specific non-recurring items as adjusted in Cash EBITDA as well as other expenses and bad debt expenses, and multiplied by 360, for each of the years ended 31 December 2018, 2017 and 2016:

	Fiscal year ended 31 December		
	2018	**2017**	**2016**
		(unaudited)	
Days sales outstanding	24	36	38
Days payments outstanding	24	21	21

Historically, TeamViewer's net working capital has experienced seasonality, with net working capital generally higher at the end of the year following the release of product updates in the fourth quarter under the perpetual licence model. TeamViewer's working capital requirements can fluctuate for a variety of factors such as any increase in trade receivables due to longer time periods to collect payment from any customers or increases in other (mainly staff-related) liabilities. However, generally, year-on-year changes in working capital are not material.

The following table sets out the calculation of TeamViewer's trade working capital and net working capital as of 31 December 2018, 2017, 2016:

	As of 31 December		
	2018	**2017**	**2016**
	(EUR in thousand) (audited, unless otherwise indicated)		
Trade receivables	15,442	18,571	18,766
Trade payables	(6,695)	(4,535)	(3,952)
Trade working capital (unaudited)	**8,747**	**14,036**	**14,814**
Accrued expenses and other payables	(13,846)	(9,623)	(7,100)

	As of 31 December		
	2018	2017	2016
Other assets, current	2,548	2,702	1,939
Cost to obtain a contract, current	710	-	-
Net working capital (unaudited)	**(1,841)**	**7,115**	**9,653**

10.8.3 Cash Flows

The following table sets forth the principal components of TeamViewer's cash flows for the periods indicated.

	Fiscal year ended 31 December			Six months ended 30 June	
	2018	2017	2016	2019	2018
	(audited) (EUR in thousand)			(unaudited) (EUR in thousand)	
Net cash from operating activities	**112,556**	**97,610**	**78,043**	**52,694**	**53,094**
Net cash used in investing activities	**(11,178)**	**(15,757)**	**(6,327)**	**(7,675)**	**(5,028)**
Net cash used in financing activities	**(55,948)**	**(132,682)**	**(39,533)**	**(81,175)**	**(26,990)**
Net change in cash and cash equivalents	**45,430**	**(50,829)**	**32,183**	**(36,156)**	**21,076**
Net foreign exchange difference	272	(893)	6	388	240
Net change from cash risk provisioning	(917)	-	-	844	(454)
Contribution of foreign entities	-	-	-	3,768	-
Cash and cash equivalents at beginning of period	35,154	86,876	54,687	79,939	35,154
Cash and cash equivalents at end of period	**79,939**	**35,154**	**86,876**	**48,783**	**56,016**

10.8.3.1 Net cash from operating activities

Net cash from operating activities amounted to EUR 52.7 million for the six months ended 30 June 2019 and EUR 53.1 million for the six months ended 30 June 2018. The expansion of the business in the six months ended 30 June 2019 compared to the six months ended 30 June 2018 was more than offset by unfavourable changes in working capital, primarily as a result of a decrease in deferred revenue in the six months ended 30 June 2019 as compared to the six months ended 30 June 2018,and higher tax payments in the six months ended 30 June 2019, as tax payments in the six months ended 30 June 2018 were positively impacted by loss carried forward from the refinancing of TeamViewer's debt in 2017.

Net cash from operating activities increased by EUR 14.9 million, or 15.3%, from EUR 97.6 million for the fiscal year ended 31 December 2017 to EUR 112.6 million for the fiscal year ended 31 December 2018. The increase compared to the prior year was primarily due to growing business in 2018 (especially with the first renewal cycles in major markets), partly offset by higher costs.

Net cash from operating activities increased by EUR 19.6 million, or 25.1%, from EUR 78.0 million for the fiscal year ended 31 December 2016 to EUR 97.6 million for the fiscal year ended 31 December 2017, primarily due to taxes paid of EUR 23.4 million in the fiscal year 2016 and taxes received of EUR 0.7 million in 2017 due to realised foreign exchange losses in relation to the refinancing in 2017. This positive effect was partly offset by higher operational costs.

10.8.3.2 Net cash used in investing activities

Net cash used in investing activities for the six months ended 30 June 2019 was EUR 7.7 million while net cash used in investing activities for the six months ended 30 June 2018 was EUR 5.0 million. This increase was primarily a result of higher capital expenditures for intangible assets, primarily in connection with the new application landscape.

Net cash used in investing activities for the fiscal year ended 31 December 2018 was EUR 11.2 million, primarily as a result of capital expenditures, particularly in respect of intangible assets such as those relating to the new internal application landscape project, and to a lesser extent for the purchase of computer equipment.

Net cash used in investing activities for the fiscal year ended 31 December 2017 was EUR 15.8 million, primarily as a result of investments, relating to a loan granted to TigerLuxOne HoldCo, and capital expenditures, particularly in respect of intangible assets such as those relating to the new internal application landscape project, and to a lesser extent for the purchase of computer equipment.

Net cash used in investing activities for the fiscal year ended 31 December 2016 was EUR 6.3 million, primarily as a result of capital expenditures, particularly in respect of intangible assets such as a customer relationship management system and a community platform licence, and for the purchase of computer equipment.

10.8.3.3 Net cash used in financing activities

Net cash used in financing activities for the six months ended 30 June 2019 was EUR 81.2 million and primarily related to partial repayments of the Shareholder Loan and borrowings under the Existing Senior Facilities Agreement and interest paid on borrowings, while net cash used in financing activities for the six months ended 30 June 2018 was EUR 27.0 million and primarily related to interest paid on borrowings.

Net cash used in financing activities for the fiscal year ended 31 December 2018 was EUR 55.9 million and primarily related to interest paid on borrowings and the repayment of bank borrowings.

Net cash used in financing activities for the fiscal year ended 31 December 2017 was EUR 132.7 million and primarily related to the repayment of loans to the Selling Shareholder and bank borrowings, as well as the payment of interest on bank borrowings and the loan granted by the Selling Shareholder, partially offset by the proceeds from bank borrowings in relation to the refinancing executed in 2017.

Net cash used in financing activities for the fiscal year ended 31 December 2016 was EUR 39.5 million and primarily related to the repayment of borrowings and interest paid on borrowings.

10.8.4 Capital expenditures and investments in progress

TeamViewer's capital expenditure encompasses purchases of property, plant and equipment and intangible assets. TeamViewer's business is characterised by low levels of capital expenditure in line with the industry in which it operates. TeamViewer's core IT infrastructure is leased or rented and therefore does not require high levels of capital expenditure from TeamViewer.

In the six months ended 30 June 2019, TeamViewer's total capital expenditure was EUR 7.9 million, of which EUR 5.3 million related to implementation of a new internal application landscape, which is essentially a new ERP, CRM and e-commerce system.

In fiscal year 2018, TeamViewer's total capital expenditure was EUR 11.5 million, of which EUR 8.0 million related to the new internal application landscape.

In fiscal year 2017, TeamViewer's total capital expenditure was EUR 7.8 million, of which EUR 3.4 million related to the new internal application landscape.

In fiscal year 2016, TeamViewer's total capital expenditure was EUR 5.5 million, of which EUR 1.8 million related to the new internal application landscape.

Between 1 July 2019 and the date of this Prospectus, TeamViewer continued its ongoing capital expenditures, primarily in connection with the new internal application landscape. TeamViewer expects capital expenditure for the year ending 31 December 2019 to range between EUR 10 million and EUR 15 million, primarily in connection with the new internal application landscape.

As of the date of this Prospectus, TeamViewer expects its capital expenditure requirements, as a percentage of billings, to be higher between 2018 and 2020 due to additional costs associated with the continued process of transitioning to the new internal application landscape as well as planned capital expenditures for leasehold installations and office equipment in TeamViewer's new headquarters. Capital expenditure requirements are expected to decrease to approximately the mid-to-high single digits million per annum from 2021 onwards following the implementation and finalisation of these projects. The Company expects to fund its ongoing capital expenditures with cash generated from operations.

10.8.5 Off-balance sheet arrangements

TeamViewer has no material off-balance sheet arrangements.

10.8.6 Financial liabilities

The table below sets out TeamViewer's interest-bearing financial liabilities as at 31 December 2018 and 30 June 2019:

	As of 31 December 2018 (audited)				
	Currency	**Nominal interest rate**	**Year of maturity**	**Principal amount (EUR in thousands)**	**Carrying amount (EUR in thousands)**
TigerLuxOne S.à r.l	EUR	7.00%(1)	2024	162,515	149,720
Regit Loan First Lien	USD	7.55%	2024	278,876	282,984
Regit Loan First Lien	EUR	5.50%	2024	222,045	224,927
Regit Loan Second Lien	USD	11.05%	2025	174,673	176,219
Regit Revolver loan	various	n/a(2)	2022	-	(260)
Total interest-bearing liabilities				**838,109**	**833,589**

	As of 30 June 2019 (unaudited)				
	Currency	**Nominal interest rate**	**Year of maturity**	**Principal amount (EUR in thousands)**	**Carrying amount (EUR in thousands)**
TigerLuxOne S.à r.l	EUR	7.00%(1)	2024	151,981	141,896
Regit Loan First Lien	USD	7.08%	2024	251,318	254,674
Regit Loan First Lien	EUR	5.50%	2024	198,880	201,247
Regit Loan Second Lien	USD	10.58%	2025	175,747	177,207
Regit Revolver loan	various	n/a(2)	2022	-	(220)
Total interest-bearing liabilities				**777,926**	**774,805**

(1) Due to the different fair market interest rate at initial recognition, the effective interest rate deviates from nominal interest rate. The loan was initially recognised at fair value at the issuance date which was calculated using the discounted cash flow method with applicable market interest rates, expected repayment date and a credit spread that is consistent with secured bank loans, taking into account that the loan is subordinated. The loan was subsequently measured at amortised cost using the effective interest rate method applying an effective rate of 10.44% at initial recognition. Consequently, a portion of the loan amount has been accounted for as a shareholder contribution to equity.

(2) The revolver loan has an interest rate that is variable plus an applicable margin rate and therefore no nominal interest rate is presented in the tables above. The interest on the first and second lien loans contain a variable component (three month USD LIBOR / three month EUR LIBOR). The nominal interest presented includes the current rates at reporting date and the floor.

The loan from the Selling Shareholder TigerLuxOne S.à r.l (the ***Shareholder Loan***) was issued on 7 July 2014, with a nominal amount of EUR 350 million and a fair value at the date of issuance of EUR 280 million. The difference between the fair value recognition of the Shareholder Loan and the nominal value at the issuance date in an amount of EUR 50 million (net of deferred tax) was accounted for as a shareholder contribution to equity and recognised in other components of equity. In February 2017, TeamViewer carried out a refinancing of its debt and as a result made a partial repayment of this loan. As part of the IPO Reorganisation, the receivable under the Shareholder Loan granted by the Selling Shareholder to Regit Eins GmbH was contributed into the free capital reserve of the Company on 9 September 2019, increasing the Company's equity, and was subsequently contributed and directly transferred to Regit Eins GmbH on the same day; following its transfer to Regit Eins GmbH, the Shareholder Loan ceased to exist by operation of law (together, the ***Shareholder Loan Conversion***).

On 8 July 2014, Regit Eins GmbH entered into two seven-year credit agreements, the Existing Senior Facilities Agreement and Existing Second Lien Facility Agreement, in each case as amended and restated on 22 February 2017. See "*13.20.1 Business–Material contracts –Financing agreements–Existing Senior Facilities Agreement and Existing Second Lien Facility Agreement*". The Existing Senior Term Facilities and the Existing Second Lien Facility have embedded features which are subject to separate derivative accounting treatment. These embedded derivatives are (i) a right of redemption enabling Regit Eins GmbH to cancel the loans and (ii) an interest rate derivative associated with a guarantee of a minimum interest rate of 1.00%. Regit Eins GmbH measures these instruments at their estimated fair value and recognises changes in fair value in finance income/(expense). The revolving credit facility has an original term of five years and a variable interest rate with an applicable margin rate. The revolving credit facility was not drawn as at 30 June 2019 or in 2018, 2017 or 2016.

On 22 August 2019, a new English law governed facilities agreement was signed between, among others, the Company as the parent and guarantor, Regit Eins GmbH and TeamViewer Germany GmbH as borrowers and guarantors, Goldman Sachs International, Morgan Stanley Bank International Limited, Bank Of America Merrill Lynch International Designated Activity Company, Barclays Bank PLC, Commerzbank Aktiengesellschaft, Landesbank Baden-Württemberg, ING Bank, a branch of ING-DiBa AG, Royal Bank Of Canada and Deutsche Bank AG Filiale Deutschlandgeschäft as mandated lead arrangers, certain financial institutions as lenders and Commerzbank Finance & Covered Bond S.A. as agent and as security agent, to refinance the Existing Senior Financing Agreements and for general corporate purposes (the ***New Senior Facilities Agreement***). Proceeds from borrowings under the New Senior Facilities Agreement, together with cash on balance sheet, will be used to refinance amounts outstanding under the Existing Senior Facilities Agreement and Existing Second Lien Facility Agreement.

See "*13.20.1 Business–Material contracts –Financing agreements*" for more information on the underlying financing agreements. See also note 16 to the Audited Consolidated Financial Statements of Regit Eins and note 11 to the Unaudited Interim Consolidated Financial Statements of Regit Eins.

10.8.7 Commitments and contingencies

The table below sets out TeamViewer's commitments and contingencies as of 31 December 2018, 2017, and 2016:

	As of 31 December		
	2018	**2017**	**2016**
	(audited)		
	(EUR in thousands)		
Within one year	7,281	5,325	6,656
Between one and five years	3,104	5,072	11,920
More than five years	-	-	1,679
Total commitments and contingencies	**10,385**	**10,397**	**20,255**

Commitments and contingencies relate primarily to rental costs for server and routers (which amounted to EUR 9.5 million, EUR 10.3 million and EUR 20.0 million, respectively, as of 31 December 2018, 31 December 2017 and 31 December 2016). The decrease in commitments and contingencies as of 31 December 2017 as compared to commitments and contingencies as of 31 December 2016 results from server contracts being recognised under operating leases in the 2017 fiscal year for the first time. Commitments and contingencies as of 30 June 2019 were materially unchanged as compared to commitments and contingencies as of 31 December 2018. See also note 26 to the Audited Consolidated Financial Statements of Regit Eins.

10.8.8 Contingent tax liabilities

TeamViewer recognised contingent liabilities related to tax positions in accordance with IFRS 3.22 in connection with the acquisition of the TeamViewer business by the Selling Shareholder in 2014. At the date of the acquisition, these contingent liabilities amounted to EUR 1.6 million and were not increased, used or reversed as of 30 June 2019.

10.8.9 Contractual obligations

TeamViewer had no material other contractual or financial obligations as of 30 June 2019.

10.9 Quantitative and qualitative disclosures about financial risk management

TeamViewer's assets, liabilities, and forecast transactions are exposed to credit and default, liquidity and market risk due to its business activities and international focus. These risks are described below and in more detail in the Notes to TeamViewer's financial statements included in section "*22 Financial Information*" of this Prospectus.

10.9.1 Credit risk

Credit risk is the risk of financial loss to TeamViewer if a customer or counterparty to a financial instrument fails to meet its contractual obligations. TeamViewer is exposed to a credit and counterparty risk from its financing and operating activities. The carrying amount of financial assets in the statement of the financial position reflects the maximum credit risk exposure. TeamViewer seeks to minimise such risk by entering into transactions with counterparties that are believed to be creditworthy business partners or with financial institutions that meet high credit rating requirements.

TeamViewer's exposure to credit risk from operating activities is mainly influenced by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. Portfolios of receivables are monitored on a continuous basis. Credit risk is limited to a specified amount with regard to individual receivables.

TeamViewer seeks to minimise such risk by considering the factors that may influence the credit risk of its customer base. In the event of non-payment, TeamViewer may block the software licences and services. TeamViewer does not require collateral in respect of trade and other receivables. TeamViewer establishes an allowance that represents its estimate of incurred losses in respect to trade and other receivables. Management believes that the unimpaired amounts that are neither past due nor impaired are collectible in full, based on historical payment behaviour.

10.9.2 Liquidity risk

Liquidity risk is the risk that TeamViewer will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. TeamViewer's approach to manage liquidity is to ensure that it will, as far as possible, have sufficient liquidity to meet its liabilities when they are due, under both normal as well as stressed conditions, without incurring unacceptable losses or risking damage to TeamViewer's reputation.

TeamViewer aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) on a weekly basis. TeamViewer also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

TeamViewer's credit agreements incorporate a USD 35 million revolving overdraft facility that is unsecured. Interest would be payable at a percentage per annum equal to the applicable fixed rate or base rate plus the adjustable applicable margin for revolving loans. There were no drawdowns on the revolving loan as of 30 June 2019.

10.9.3 Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect TeamViewer's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. TeamViewer uses derivatives to manage market risks. Generally, TeamViewer seeks to apply hedge accounting to manage volatility in profit or loss.

10.9.4 Currency risk

Foreign currency exchange rate fluctuations may create adverse and unpredictable earnings and cash flow volatility. TeamViewer is exposed to currency risk to the extent that currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of Group companies may differ from each other. Currency risks exist in USD and several other currencies. Only the exposure to USD is considered significant and disclosed in detail, as other currencies do not comprise more than 3% of monetary assets and liabilities in total. Currency risk in most currencies is mitigated because TeamViewer entities mainly conduct business in the same currency area. In addition, the foreign currency transaction exposure is partly balanced by purchase of goods and services in the respective currencies as well as business activities and other contributions along the value chain in the local markets. This effect leads to future cash flows denominated in each entity's respective local currency.

The net statement of financial position exposure as of 31 December 2018 was negative USD 512,547 thousand (31 December 2017: negative USD 507,580 thousand; 31 December 2016: negative USD 413,817 thousand), which results mainly from debt denominated in US dollars, the corresponding embedded derivatives and the interest cap hedging instrument. TeamViewer receives cash inflows in USD from billings in the US. As a result, to a large extent, TeamViewer has a natural currency hedge for interest and redemption payments payable in US dollars and therefore TeamViewer does not have a financial hedge in place.

10.9.5 Interest rate risk

Interest rate risks are understood as the negative impact of fluctuating interest rates on the net profit of TeamViewer. TeamViewer is exposed to interest rate fluctuations as part of its financing structure with floating-rate liabilities that have underlying volatility and fluctuate with global interest rate trends of financial markets. A distinction must be made between fixed-interest and floating-rate financial instruments. For fixed-interest financial instruments, a fixed market interest rate is agreed on for the full term of the financial instrument whereas the interest rate for a floating-rate financial instruments is not fixed and is generally linked to a reference rate (such as LIBOR or EURIBOR) linked to market interest rates. The risk is that when market interest rates fluctuate, the market price of the financial instrument will change (fair value risk due to changes in interest rates). The market price is based on the present value of future payments (interest payments plus repayment of principal) discounted using the market interest rate prevailing at the end of the reporting period for the residual term of the respective payment. The fair value risk due to changes in interest rates will therefore lead to a gain or loss if the fixed-interest instrument is sold before maturity.

TeamViewer uses long-term interest rate derivatives to hedge the underlying volatility and its interest rate exposure. A swap to exchange floating-rate interest payments with fixed payments is in place as well as interest cap to establish a threshold to protect against strongly unfavourable interest increases.

For floating-rate financial instruments the interest rate is adjusted in line with respective market interest rates. However, there is a risk that there may be fluctuations in interest rates leading to changes in the future interest payment (cash flow risk due to interest rates).

TeamViewer uses interest swaps to hedge interest risks. An interest swap involves swapping the fixed or floating interest rate in the underlying transaction for a floating or fixed interest rate respectively for the entire term of the underlying instrument. The decision on whether to use derivative financial instruments is based on the projected interest rate risk and debt. The interest hedging strategy is reviewed regularly and new targets are defined.

As TeamViewer does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, TeamViewer is only exposed to fair value changes regarding the hedging instruments and the embedded derivatives.

In 2014, TeamViewer entered into an interest cap agreement and an interest swap agreement. The cap agreement expired 31 December 2018 and was renewed with trade date 28 December 2018 and effective date 01 January 2019 under new conditions. As of 30 June 2019, the cap (financial asset) has a carrying amount and fair value of EUR 0 thousand (31 December 2018: EUR 11 thousand; 31 December 2017: EUR 0 thousand) whereas the swap (financial liability) has a carrying amount and fair value of EUR 66 thousand (31 December 2018: EUR 131 thousand; 31 December 2017: EUR 255 thousand).

The notional volume of the swap agreement is EUR 100 million and is amortising to a notional volume of EUR 95 million at the end of 2019. The interest cap hedges the interest on a notional volume of USD 390 million amortising to a notional volume of USD 388 million at the end of 2019 with a cap rate of 3.3% on the three month USD LIBOR. The interest cap agreement and the interest swap agreement will both expire on 31 December 2019.

10.10 Significant accounting policies

TeamViewer's reported financial condition and results of operations can be impacted by the accounting methods, assumptions and estimates which form the basis of its consolidated financial statements. TeamViewer's critical accounting policies, as well as the judgments made in the creation and application of such policies, and the sensitivities of the reported results to changes in these policies and related assumptions and estimates should be considered along with TeamViewer's consolidated financial statements. For a detailed discussion, see note 3 to the Audited Consolidated Financial Statements of Regit Eins and note 3 to the Unaudited Interim Consolidated Financial Statements of Regit Eins included in this Prospectus in *"22 Financial Information"*.

10.11 Audited Interim Financial Statements of the Company

The Company was newly formed as a holding company by articles of association dated 3 July 2019 and registered with the commercial register on 10 July 2019.

As at 3 July 2019, total assets and total equity of the Company each amounted to EUR 25 thousand. In the period from 3 July 2019 to 31 July 2019, total equity of the Company decreased by EUR 2 thousand to EUR 23 thousand as of 31 July 2019. General and administrative expenses during the period from 3 July 2019 to 31 July 2019 amounted to EUR 2 thousand. The Company had no other expenses or income during this period.

11 PROFIT FORECAST

11.1 Important disclaimers

This forecast for billings and Cash EBITDA of TeamViewer AG, Göppingen, (hereinafter also the ***Company***) and its subsidiaries (together with the Company, hereinafter ***TeamViewer*** or the ***TeamViewer Group***) for the fiscal year ending 31 December 2019 (the billings and Cash EBITDA forecasts, together with the respective explanatory notes, hereinafter collectively referred to as the ***Profit Forecast***) discussed in this section is not a statement of facts and should not be regarded as such by investors.

Rather, it reflects the forward-looking expectations of the Company which are necessarily based on a number of assumptions and estimates about future events and actions, including management's assessment of opportunities and risks. Such assumptions and estimates are inherently subject to significant business, operational, economic and competitive uncertainties and contingencies, many of which are beyond the Company's control. Should one or more of these assumptions prove to be inappropriate or incorrect, TeamViewer's actual results could materially deviate from the Profit Forecast made by the Company. Accordingly, prospective investors should treat this information with caution and should not place undue reliance on the Profit Forecast.

The key performance indicators as well as selected cost items presented before depreciation and amortisation as well as specific non-recurring items are not measurements of TeamViewer's performance under International Financial Reporting Standards as adopted by the European Union (IFRS) and should not be considered in isolation or as a substitute for analysis of the Company's operating results as reported under IFRS as alternatives to results for the period or any other performance measures derived. The key performance indicators described below may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools.

11.2 Definitions of the forecasted Key Performance Indicators

11.2.1 Billings

The Company's primary measure for managing and controlling its growth is billings. Billings represent the value of goods and services invoiced to customers in a given period and are defined as revenue adjusted for change in deferred revenue p/l effective. Billings are calculated before any deduction for potential payment defaults.

11.2.2 Cash EBITDA

The Company uses Cash EBITDA as its primary measure for managing and controlling profitability. The Company considers Cash EBITDA to be a useful metric for evaluating TeamViewer's performance as it facilitates comparisons of TeamViewer's operating results from period to period by removing the impact of changes in deferred revenue, its capital structure (net interest expense and debt servicing costs), asset base (depreciation and amortisation), tax charges and specific non-recurring items.

Cash EBITDA is derived from operating (loss)/profit and defined as follows:

Operating (loss)/profit

+ Depreciation and amortisation

+/- Specific non-recurring items

+/- Change in deferred revenue p/l effective

= Cash EBITDA

Specific non-recurring items adjusted in Cash EBITDA include: (i) compliance costs primarily relating to external consulting costs for the implementation of the General Data Protection Regulation and costs for legal advice and analysis of the existing IT security environment as well as set-up costs for an improved IT security environment; (ii) IT-related costs incurred in connection with the new ERP/CRM system as well as other IT projects; (iii) internal reorganisation-related costs incurred in connection with severance payments to outgoing members of the senior management team and their direct staff, recruiter costs, set-up costs for the new departments and units as well as the reorganisation of TeamViewer's US operations and certain costs associated with introducing new products; (iv) costs associated with external support on the transition of TeamViewer's business model from sale of perpetual licences towards sale of subscription licences; (v) non-recurring transaction related costs incurred in connection with refinancing of TeamViewer's indebtedness, other contemplated strategic transactions and with the envisaged public offering in September 2019 including employee bonuses and share-based compensation expenses after reimbursements of costs received from its shareholder and (vi) other non-recurring costs. Specific non-recurring items are not a recognised term under IFRS and are subject to certain discretion in the allocation of various income and expense items and the application of discretion may differ from company to company.

11.3 Profit Forecast for TeamViewer AG for the Current Fiscal Year 2019

Based on developments in the fiscal year ended 31 December 2018 (***Fiscal Year 2018***) and the current trends observed and results achieved in the six months ended 30 June 2019 (***H1 2019***) that are shown in the unaudited interim consolidated financial statements of Regit Eins GmbH whose shares were transferred to TeamViewer AG by contribution in kind in August 2019, the Company expects billings for the fiscal year ending 31 December 2019 (***Fiscal Year 2019***) to be in the range of EUR 310 million to EUR 320 million (lower and upper case). Furthermore, the Company expects Cash EBITDA for the Fiscal Year 2019 to be in the range of EUR 177 million to EUR 183 million (lower and upper case).

11.4 The Underlying Principles

The Profit Forecast was prepared in accordance with the principles of the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland e.V.*, ***IDW***) IDW Accounting Practice Statement: Preparation of Forecasts and Estimates in Accordance with the Specific Requirements of the Regulation on Prospectuses and Profit Estimates on the basis of Preliminary Figures (IDW AcPS AAB 2.003) (IDW *Rechnungslegungshinweis: Erstellung von Gewinnprognosen und -schätzungen nach den besonderen Anforderungen der Prospektverordnung sowie Gewinnschätzungen auf Basis vorläufiger Zahlen (IDW RH HFA 2.003)*).

The Profit Forecast was prepared on the basis of the accounting principles of IFRS. In respect of the accounting policies used, reference is made to the relevant presentation in the audited consolidated financial statements as of and for the fiscal years ended 31 December 2018, 2017 and 2016 of Regit Eins GmbH, and with respect to IFRS 16 – Leases applied for the purpose of the Profit Forecast, reference is made to the unaudited interim consolidated financial Statements as of and for the six months ended 30 June 2019 of Regit Eins GmbH.

The Profit Forecast has been prepared solely for the inclusion in a prospectus for the offering of shares in the Company and represents the Company's best estimates as of 8 September 2019. In preparing the Profit Forecast, the Company has considered a number of factors to take into account the operational and financial performance for the Profit Forecast. Major factors and assumptions that have an impact on the Profit Forecast are set out below.

11.5 Factors and Assumptions

11.5.1 Factors beyond the company's control and related assumptions

11.5.1.1 Global and regional economic, political and legal development

Unfavourable economic conditions and, in particular, future political and economic factors which have the effect of reducing global trade, slowing economic growth and purchase power, may negatively impact sales of TeamViewer's products. TeamViewer's business could, for example, be negatively affected by deteriorating trade relations between the United States of America and China or the discontinuation of well-established trade agreements with the United Kingdom following Brexit. Decreasing capital expenditure by existing or potential customers due to greater instability in financial markets could negatively affect investment in software solutions. For the purpose of the Profit Forecast, the Company has assumed similar economic and political conditions in the Fiscal Year 2019 as in Fiscal Year 2018. For the purpose of the Profit Forecast, the Company has also assumed that there will be no material changes to the legal and regulatory framework in which it operates.

11.5.1.2 Developments in remote connectivity

TeamViewer's results of operations are affected by general developments in the remote connectivity sector as well as macroeconomic factors and the global business climate. Multiple social, business and technological megatrends like the ongoing digital transformation of business processes and ways of working, the proliferation of connected devices, the breakthrough of cloud-computing, the rise of IoT, augmented and virtual reality-enabled connectivity solutions as well as robotics and automation and the evolving nature of virtual workspaces drive significant demand for remote connectivity as well as remote management and interaction. These megatrends are expected to continue and evolve in the Fiscal Year 2019. The Company believes its use case categories, "connect", "manage" and "interact" align favourably with the above social, business and technological megatrends. As a result of these and other factors driving demand for remote connectivity, the total addressable market for TeamViewer's solutions is expected to continue to grow in 2019. Growth is expected to be driven by all geographical regions in which TeamViewer is active. The market for remote connectivity technology is competitive and rapidly changing. For the purposes of this Profit Forecast, the Company assumes no material changes to its competitive landscape.

11.5.1.3 Foreign exchange rate movements

Due to the global scale of TeamViewer's business, its results of operations are affected by foreign exchange rate movements, both on a transactional and translation basis. While translation effects cannot be mitigated per definition, transactional effects could be mitigated by hedging. The EUR/USD currency exposure is by far the most important currency exposure for TeamViewer. Since US dollar denominated billings significantly exceed US dollar denominated costs, TeamViewer has a significant exposure to fluctuations in US dollar rates as compared to the euro. For the purposes of the Profit Forecast and based on its internal estimates, the Company has assumed an average exchange rate of USD 1 equal to EUR 0.85 for the Fiscal Year 2019.

11.5.1.4 Unforeseen events

Unfavourable unforeseen events such as *force majeure* (e.g., fire, floods, earthquakes or other natural disasters), cyber or terrorist attacks, war or extraordinary macroeconomic events may negatively impact sales of TeamViewer's products. For the purpose of this Profit Forecast, the Company assumes no material unforeseen events occur that could result in material or lasting limitations on the ongoing operations of any of the TeamViewer Group entities.

11.5.1.5 First-time adoption of IFRS 16

IFRS 16 – Leases is applied for the purpose of the Profit Forecast and is expected to result in a positive impact on Cash EBITDA of EUR 4 million in the Fiscal Year 2019.

11.5.2 Factors that can be influenced by the Company and related assumptions

11.5.2.1 Business model transition

During the business model transition, migrating existing customer from the perpetual business model to a subscription plan was a major component of billings growth. Following the successful transition of all countries to a subscription model by 2018, TeamViewer does not expect significant billings contribution from sales of perpetual licences in Fiscal Year 2019. Billings from migration of existing perpetual customers are expected to decline in Fiscal Year 2019 to a mid-to-high teens euro million amount.

11.5.2.2 M&A and product suite

For the purpose of the Profit Forecast, the Company assumes that TeamViewer will not complete any acquisition or disposal of a technology, customers or entire business in Fiscal Year 2019. The Profit Forecast for Fiscal Year 2019 is based upon TeamViewer's existing product suite and does not require any further product or significant feature launches.

11.5.2.3 Customer retention and expansion

Both retention and expansion of existing customer relationships are key elements in a subscription business. Gross value churn[5] of existing customers for Fiscal Year 2019 is expected to remain slightly below 10% per annum, which is consistent with gross value churn observed in Fiscal Year 2018. Customers that use TeamViewer's products historically often expanded their number of use cases and, as a result, their required capacity. These expanding use cases, together with TeamViewer's existing customers' evolving IT needs, have provided an opportunity for TeamViewer to cross-sell additional products and services and to upsell existing products through the sale of add-ons. The Company expects its ability to upsell and cross-sell other products to continue at historically observed levels and billings from up-selling and cross-selling to amount to slightly more than 10% of annual recurring billings per annum. Given the expected gross value churn of slightly below 10% per annum and the expected up-sell and cross-sell billings contribution of slightly higher than 10% per annum, net retention rate[6] is anticipated slightly above 100% for the Fiscal Year 2019 with direct impact on billings and Cash EBITDA.

11.5.2.4 Customer acquisition

TeamViewer's growth and operating results depend in part on its ability to attract new subscribers across all segments and convert existing free users to paying subscribers. Based on TeamViewer's ongoing development of new use cases and demand creation for its customers, together with the increasing localisation of sales and marketing activities, the Company expects billings from new customers to continue their positive development. TeamViewer's efficient go-to-market model, competitive pricing and ease of installation and use historically benefitted its ability to acquire new subscribers at low cost and these effects are expected to continue for Fiscal Year 2019. Ongoing efficient free-to-paid conversion, as well as the ongoing international geographic expansion of the business and customer segment expansion towards high-value enterprise customers are expected to build the foundations for TeamViewer's growth.

11.5.2.5 Pricing

Billings projections in this Profit Forecast are based on a projected number of units per licence type. For all unit sales expected for Fiscal Year 2019, actual prices realised in Fiscal Year 2018 are applied, i.e. no price increases are considered. Actual prices in Fiscal Year 2019 however may vary based on translational currency fluctuations, among other effects.

11.5.2.6 Regional growth of billings

Based on the above factors and TeamViewer's sales activities in the three regions, the Company expects billings growth in EMEA to be slightly lower than forecast billings growth for the TeamViewer Group as a whole. Billings growth in APAC is expected to be slightly lower than forecast billings growth for the TeamViewer Group as a whole, and billings growth in the Americas is expected to be higher than forecast billings growth for the TeamViewer Group as a whole.

11.5.2.7 Change in deferred revenue p/l effective and revenue

Annual billings in the subscription business model are recognised as revenue over the term of the subscription contract (which are predominantly twelve months contracts). Billings in the perpetual business model have been recognised as revenue over a period of three years (formerly four years). As a result, change in deferred revenue is derived from additions to deferred revenue from current subscription billings and from release of deferred revenue from past billings under both the perpetual model and the subscription model. Revenue is calculated as billings in the period plus change in deferred revenue p/l effective. As a result, dependent on assumed average monthly phasings of billings, revenue is expected to be in the range of EUR 386 million to EUR 391 million (lower and upper case).

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[5] Gross value churn is defined as billings lost from subscribers that had invoices in the prior period but not in the period under review.

[6] Net retention rate is defined as the value of invoiced subscription billings from existing subscribers (as of the end of the period) excluding billings generated from resellers (*annual recurring billings*) in the period considered less gross value churn plus billings from upselling and cross-selling, including foreign exchange effects and expiring discounts, as a percentage of annual recurring billings in the previous period considered.

11.5.2.8 Costs

Cost of sales

Cost of sales as a percentage of billings is expected to decrease by mid-single digit percentage points as a percentage of billings in Fiscal Year 2019 as compared to Fiscal Year 2018. This expected decrease is primarily driven by the higher expected billings volume. Furthermore cost of sales on an absolute basis are expected to increase only slightly due to the positive effects of the first-time adoption of IFRS 16 – Leases and lower specific non-recurring items. As a result of the developments described above, cost of sales (excluding depreciation and amortisation and specific non-recurring items) are expected to decrease as a percentage of billings in Fiscal Year 2019 as compared to Fiscal Year 2018.

Marketing

Overall, the differentiated go-to-market model with TeamViewer's viral distribution model is anticipated to remain unchanged in Fiscal Year 2019. Marketing expenses are expected to strongly increase as a percentage of billings in Fiscal Year 2019 as compared to Fiscal Year 2018, reflecting the increasing costs on an absolute basis due to the further focus on new products, more localised marketing approach and higher personnel charges in connection with IPO bonus programmes (Employee Bonus Scheme[7] and TV Group IPO Bonus Scheme[8]). Marketing expenses (excluding depreciation and amortisation and specific non-recurring items) are expected to decrease as a percentage of billings in Fiscal Year 2019 as compared to Fiscal Year 2018.

Sales

Sales expenses are expected to increase as a percentage of billings in Fiscal Year 2019 as compared to Fiscal Year 2018 as higher personnel charges in connection with IPO bonus programmes (Employee Bonus Scheme and TV Group IPO Bonus Scheme) and increasing expenses incurred in connection with the Company's ongoing implementation of its sales strategy to further localise activities and to expand further into the enterprise customer segment with a dedicated sales team are expected to offset the positive impact of the realisation of economies of scale and positive cost effects from the increased subscription base in comparison to new customer acquisition. However, as a result of the improved operating leverage, sales expenses (excluding depreciation and amortisation and specific non-recurring items) are expected to slightly decrease as a percentage of billings in Fiscal Year 2019 as compared to Fiscal Year 2018.

Research and development

Research and development expenses are expected to increase as a percentage of billings in Fiscal Year 2019 as compared to Fiscal Year 2018, as higher personnel charges in connection with IPO bonus programmes (Employee Bonus Scheme and TV Group IPO Bonus Scheme) and additional costs reflecting the Company's strategy to reinvest a substantial part of its incremental growth into innovation and research and development of new features. This increase is partially offset by the realisation of economies of scale resulting from TeamViewer's connectivity platform where specific new features can be used across several products. Research and development expenses (excluding depreciation and amortisation and specific non-recurring items) are expected to decrease as a percentage of billings in Fiscal Year 2019 as compared to Fiscal Year 2018 due to the above-mentioned developments.

General and administrative

General and administrative expenses are expected to more than double in Fiscal Year 2019 as compared to Fiscal Year 2018. Positive effects from operational leverage and first-time adoption of IFRS 16 – Leases are expected to be more than offset by higher specific non-recurring items due to higher expenses required to prepare corporate and support functions for a stock market listing of the Company's shares, the envisaged IPO bonus programmes including bonus payment to management and employees (Employee Bonus Scheme, TV Group IPO Bonus Scheme as well as bonus arrangements for management board members) in case of a successful initial public offering as well as increasing expenses in connection with the proposed public offering in September 2019. Approximately

[7] Employee Bonus Scheme refers to bonus entitlements of 76 managers of the Group to be paid in connection with a successful IPO.

[8] TV Group IPO Bonus Scheme refers to a one-time bonus to all TeamViewer Group employees depending on tenure (and with some exceptions) in case of a successful IPO.

EUR 14 million of the expenses in connection with the proposed public offering in September 2019 are expected to be reimbursed by the Company's shareholder. Such reimbursements are expected to result in other income increasing correspondingly. As the significant absolute increase in general and administrative expenses is mainly driven by the above mentioned costs in relation to the IPO, general and administrative costs (excluding depreciation and amortisation and specific non-recurring items) are expected to decrease as a percentage of billings in Fiscal Year 2019 as compared to Fiscal Year 2018.

Bad debt expenses

Bad debt expenses are expected to range between EUR 12 million and EUR 14 million in Fiscal Year 2019 and are expected to remain largely stable as a percentage of billings in Fiscal Year 2019 compared to Fiscal Year 2018.

Depreciation and amortisation

Depreciation and amortisation is expected to increase by almost 20% in Fiscal Year 2019 as compared to Fiscal Year 2018 due to the higher investments undertaken in Fiscal Year 2018 and the first-time adoption of IFRS 16. Depreciation and amortisation related to purchase price allocation is expected to remain broadly stable in Fiscal Year 2019 as compared to Fiscal Year 2018. Depreciation and amortisation is expected to range between EUR 35 million to EUR 36 million in Fiscal Year 2019 due to the higher investments undertaken in Fiscal Year 2018 and the first-time adoption of IFRS 16. Approximately EUR 25 million of depreciation and amortisation is expected to be related to amortisation of purchase price allocation.

Specific non-recurring items

For the purpose of the Profit Forecast, the Company expects non-recurring costs in Fiscal Year 2019 to more than quadruple compared to Fiscal Year 2018. Such costs are expected to result mainly from the introduction and associated payments of post-IPO bonus schemes which are solely borne by the selling shareholder (with the exception of TV Group IPO Bonus Scheme) but for accounting purposes have to be recorded within the Company and amount to total charges in the mid-forties EUR million range. Furthermore, significant parts of such costs are compliance costs primarily relating to external consulting costs for GDPR implementation and costs for legal advice and analysis of the existing IT security environment, non-recurring internal reorganisation-related costs incurred in connection with severance payments to outgoing members of the senior management team and their direct staff, recruiter costs, set-up costs for the new departments and units as well as the reorganisation of TeamViewer's US operations as well as non-recurring transaction related costs incurred in connection with refinancing of TeamViewer's indebtedness, other contemplated strategic transactions and with the envisaged public offering in September 2019 after reimbursements of costs received from the Company's shareholder.

11.5.2.9 Contribution of non-consolidated entities

For the purpose of the Profit Forecast, it is assumed that the foreign entities whose shares were transferred to Regit Eins GmbH in June 2019 in connection with the IPO Reorganisation will contribute approximately EUR 2 million of estimated billings and approximately EUR 2 million of Cash EBITDA for the six months from 1 July 2019 to 31 December 2019.

11.6 Other Explanatory Notes

The forecast of Cash EBITDA excludes effects from some extraordinary events like specific non-recurring items within the meaning of IDW Accounting Practice Statement (IDW RH HFA 2.003), as stated above.

As this Profit Forecast relates to a period that has not yet ended and is based on certain assumptions regarding uncertain future events and actions, it inherently entails substantial uncertainties. As a result of such uncertainties, the actual billings and Cash EBITDA generated by TeamViewer for the current Fiscal Year 2019 may deviate materially from the Profit Forecast.

This Profit Forecast was prepared on 8 September 2019.

12 MARKETS AND COMPETITION

To the extent not otherwise indicated, market data, forecasts and statements regarding TeamViewer's position in the markets in which it operates and market and industry developments and trends, including growth rates, are based on the Company's assessments and estimates, using underlying data from third parties. See "2.4 Sources of market data" for an overview of sources used. The forward-looking statements in this section are subject to risks and uncertainties, as they relate to future events, and are based on estimates and assessments that may be inaccurate. See "1. Risk Factors" and "2.3 Forward-looking statements".

12.1 Market overview and drivers

Digital technologies are transforming the way people interact and work, making them more connected, effective and efficient. As a result, organisations are increasingly reliant on technology that allows them to seamlessly connect to a wide range of devices and applications, regardless of time or location. TeamViewer was built to meet this need by providing enterprises and individuals the ability to connect anyone, anything, anywhere, anytime. TeamViewer believes that anyone or anything with online or mobile connectivity that needs to connect, manage or interact with a colleague, friend, service provider or device is a potential user of TeamViewer's solutions.

The increasing need for connectivity is expected to accelerate further, driven by long term secular megatrends. Enterprises are investing significantly in digitally transforming their businesses to achieve greater efficiency in their operations. As a result, total enterprise spending on digital transformation efforts is projected to reach EUR 665 billion by 2023.[9] The use of robotics is a key enabler in creating fully automated processes that can be remotely operated and managed, thereby reducing the need for physical human presence. Enterprises are also leveraging connectivity through the deployment of Internet of Things (***IoT***) devices, with an estimated USD 186 billion to be spent on IoT endpoints in 2023.[10] As IoT devices collect significant amounts of data, enterprises are leveraging Artificial Intelligence (***AI***) and analytics to transform that data into insights that enable them to revolutionise their businesses. These initiatives significantly increase the dependence of enterprises on digital technologies to operate their businesses, increasing the importance of connectivity solutions for business continuity.

The continued increase in the penetration of mobile technologies including smartphones and tablets, combined with the adoption of IoT technology in commercial and industrial applications, has resulted in a proliferation of endpoints and devices. Furthermore, with organisations seeking to offer employees additional flexibility through the implementation of bring-your-own-device policies (***BYOD***), employees are now able to achieve greater connectivity by using their personal devices for business purposes. As a result, the importance of connecting, controlling and managing these numerous devices is increasing.

The evolving nature of work has made modern organisations and their workforces increasingly dynamic and distributed. Employees and teams frequently need to collaborate across locations and geographies, while over 50% of employees globally are working outside their main headquarters 2.5 days a week[11]. As a result, organisations must provide employees with tools to seamlessly and effectively access corporate resources and connect to colleagues, external parties and teams remotely. Connectivity solutions improve the efficiency and quality of life of employees by providing greater freedom to work remotely and helping to improve productivity while traveling or away from the office.

With globally distributed workforces, enterprises face a heightened challenge to remotely support and manage the devices of employees. Remote IT support tools enable corporate IT helpdesks to service the workforce, despite employees not being centrally located. Additionally, the complexity of the IT device landscape within organisations is increasing significantly, driven by BYOD polices, shorter product lifecycles and a growing number of vendors to choose from. Remote connectivity and management software enables corporate IT teams to effectively administer devices

[9] Source: MarketsandMarkets
[10] Source: Company estimate based on publicly available information
[11] Source: IWG, see page 4

with access to the corporate network, reducing the risk of data loss. In addition, these tools can enable enterprises to further reduce costs and improve efficiency by leveraging off-shore or outsourced IT services.

In parallel with digital transformation efforts, governmental and enterprise organisations are recognising the societal need to reduce the impact they have on the environment, as evidenced by the European Union's stated target under the Paris Agreement from December 2015 to reduce greenhouse gas emissions by 40% compared to 1990 levels by 2030. By providing valuable context-rich interactions and enabling the remote monitoring and management of devices, connectivity can eliminate the need for travel for in-person meetings or on-site maintenance visits, positively impacting the environment by reducing the overall carbon footprint associated with these activities.

As TeamViewer is well positioned to benefit from these secular megatrends, the Company operates in a large and growing market. The total addressable markets in which TeamViewer operates represented an opportunity of approximately EUR 10.3 billion in 2018.[12] As more enterprises and individuals realise the value of connectivity and further embed existing connectivity solutions into their operations and processes, this market is expected to grow by 24% per annum to reach over EUR 30.2 billion by 2023.[13]

12.2 Market approach

TeamViewer's large, underpenetrated and fast growing total addressable market is grouped across three categories of use cases: "connect", "manage" and "interact". All three categories are expected to exhibit a compound annual growth rate in excess of 20% for the period between 2018 and 2023.[14]

12.2.1 Connect

"Connect", TeamViewer's largest category, includes use cases where TeamViewer's platform provides full remote access and control functionalities for connected devices. Customer use cases addressed by the "connect" category include: unified support; small office/home office access; enterprise access; and device connectivity use cases. The market opportunity for the "connect" category is expected to grow at approximately 21% per annum, from approximately EUR 5.8 billion in 2018 to an estimated EUR 15.2 billion in 2023.[15]

12.2.2 Manage

The "manage" category includes use cases for centrally managing and controlling many connected devices. Customer use cases addressed by the "manage" category include: IT management; remote monitoring; remote control; and incident management. In 2018, the "manage" category was estimated at EUR 4.3 billion. The total addressable market for the "manage" category is expected to grow at a compound annual growth rate of 27%, from approximately EUR 4.3 billion in 2018 to an estimated EUR 14.4 billion in 2023.[16]

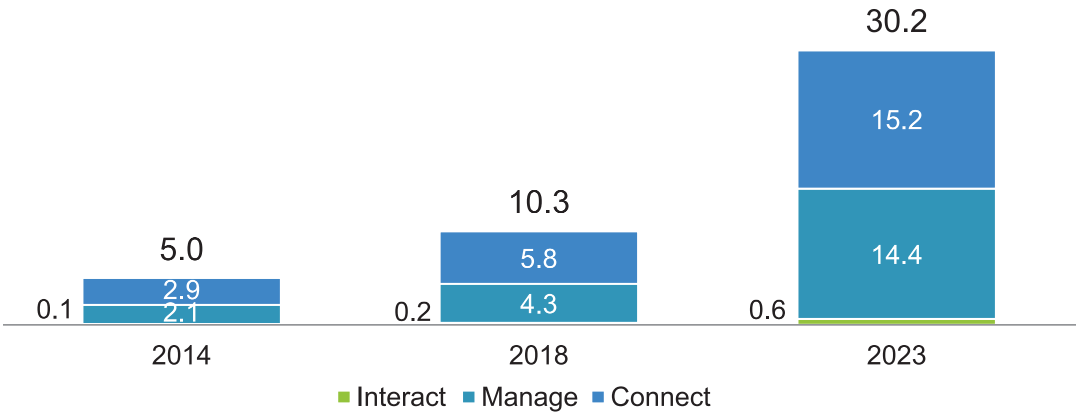
12.2.3 Interact

The "interact" category includes use cases for the live interaction of users connected to the same device by enabling them to share multiple screens, share files, have VoIP conference calls and hand over endpoint control rights in real-time. Customer use cases addressed by the "interact" category include: expert interaction and AR field support. Interact is both the smallest and least penetrated category with a current size of approximately EUR 0.2 billion. The total addressable market for the "interact" category is projected to grow from approximately EUR 0.2 billion in 2018 to an estimated EUR 0.6 billion in 2023, reflecting a 26% compound annual growth rate.[17]

[12] Source: McKinsey, see page 6
[13] Source: McKinsey, see page 6
[14] Source: Company market study
[15] Source: Company market study
[16] Source: Company market study
[17] Source: Company market study

The "interact" category does not include traditional collaboration, including video, voice and chat. While these traditional collaboration functionalities are part of TeamViewer's core product offering, they are not a focus area for TeamViewer nor generally seen as being central to customers' purchasing decisions.

The below chart shows TeamViewer's total addressable market in each of the "interact", "manage" and "connect" categories of use cases (in EUR billions).



Source: McKinsey, see page 6; "interact", "manage" and "connect" split based on Company market study

The above description of the market development, total addressable market, growth and category split into "connect", "manage" and "interact" are in line with a separate study conducted by Nucleus Research. In contrast to the company market study described above, which used a bottom-up approach for each sub-segment of the three categories ("connect", "manage" and "interact") and then built up the total addressable market based on volume, price (average spend), penetration (free and paying) as well as applicable mix of consumers and enterprises, Nucleus Research used a top-down approach based on interviewing selected respondents to define annual contract prices and volumes as well as savings, addressable devices and workforce statistics along with technology adoption rates. These differences in methodology result in different total addressable market sizes as determined under each study.

According to Nucleus Research, the total addressable market is expected to grow with a CAGR of 21% from USD 9.5 billion in 2019 to USD 17.0 billion by 2022, as compared to a CAGR of 24% from EUR 12.6 billion to EUR 23.7 billion over the same period according to the company market study. The "connect" category as defined by the company market study is expected to grow with a CAGR of 21% from EUR 6.9 billion in 2019 to EUR 12.2 billion in 2022 while the "connect" category as defined by Nucleus Research is expected to grow with a CAGR of 19% from USD 5.4 billion in 2019 to USD 9.2 billion in 2022. The "manage" category as defined by the company market study is expected to grow with a CAGR of 27% from EUR 5.4 billion in 2019 to EUR 10.9 billion in 2022 while the "manage" category as defined by Nucleus Research is expected to grow with a CAGR of 21% from USD 3.3 billion in 2019 to USD 5.7 billion in 2022. The "interact" category as defined by the company market study is expected to grow with a CAGR of 26% from EUR 0.3 billion in 2019 to EUR 0.5 billion in 2022 while the "interact" category as defined by Nucleus Research is expected to grow with a CAGR of 32% from USD 0.9 billion in 2019 to USD 2.1 billion in 2022.

12.2.4 Use case discovery and total addressable market expansion

The three use case categories each cover a large group of existing use cases, which together constitute the total addressable market of approximately EUR 10.3 billion (in 2018). However, TeamViewer believes it addresses a broader opportunity than is currently captured by the existing use cases. New use cases are regularly discovered thanks to the flexibility offered by TeamViewer's connectivity platform. TeamViewer's users and customers contribute to the expansion of its market opportunity as TeamViewer's sales and marketing and R&D teams regularly discover new use cases in its customer and user base. TeamViewer's R&D team also discovers new use cases independently. Over time, the number of use cases being discovered could accelerate as TeamViewer's solutions increasingly penetrate more and larger enterprises and become more deeply embedded within existing organisations. As a result, TeamViewer may eventually compete in addressable markets or segments which are not included in the current market estimates.

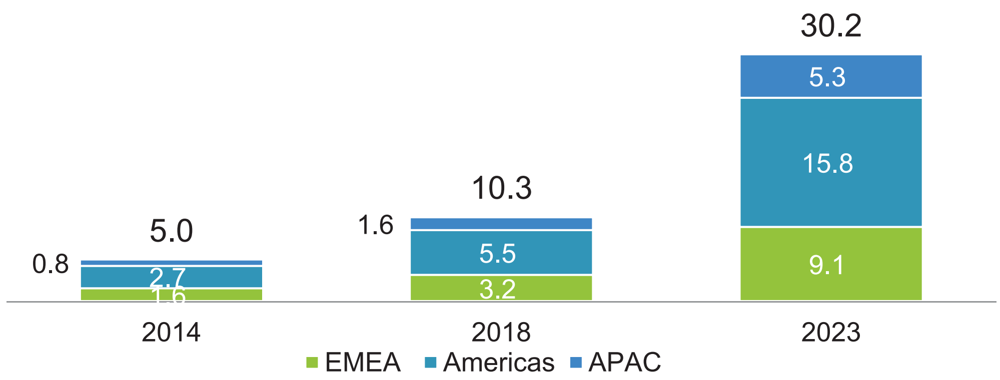
12.3 Market by region

The Americas region is the largest market for remote connectivity, representing approximately 50% of the total addressable market (approximately EUR 5.5 billion in 2018). The market is currently fragmented with opportunity for growth for a number of players operating in the space. Customers in the Americas region demonstrate a significant willingness to spend on connectivity solutions and TeamViewer aims to capitalise on this with its dedicated sales force in the US. The total addressable market in the Americas region is expected to grow with a CAGR of 24% between 2018 and 2023 to EUR 15.8 billion in 2023.

APAC is expected to be the fastest growing region with a CAGR of 26% expected between 2018 and 2023. In this market, brand awareness is crucial to gain market share. TeamViewer has a specialised local marketing and sales team to play a key part in this growing market and to integrate into the local ecosystem. The total addressable market in the APAC region was around EUR 1.6 billion in 2018 and expected to reach an estimated EUR 5.3 billion by 2023.

Between 2019 and 2022, EMEA is expected to grow with a CAGR of 23%, just below the growth rate for the total addressable market, to reach approximately EUR 9.1 billion in 2023. High customer satisfaction is a key selling point for TeamViewer in its home region. The EMEA market displays similar dynamics across different countries. TeamViewer is particularly well positioned to further benefit from the expected market growth in EMEA as it has several offices across Europe.

The below chart shows TeamViewer's total addressable market by region (in EUR billions).



Source: McKinsey, see page 6

12.4 Markets by customer segment

TeamViewer's connectivity solutions serve three customer segments: small offices and home offices (***SoHo***), small and mid-sized enterprises (***SME***) and large enterprises (***Enterprise***). While all three segments require connectivity solutions, each displays distinct characteristics.

TeamViewer has historically focussed on the SME segment, with an addressable market estimated at approximately EUR 3.7 billion in 2018, and expected to grow with a CAGR of approximately 21% until 2023 to approximately EUR 9.6 billion.

In recent years, TeamViewer has successfully expanded from its strong SME base into the SoHo and Enterprise markets through dedicated features and products. For example, Tensor was launched in 2018 to specifically fulfil key requirements of large enterprises, while the Remote Access product is specifically tailored to the needs of SoHo customers.

SoHo refers to individuals that use TeamViewer's solutions to work remotely and access their IT devices such as their desktop PC in the office from their mobile phone or laptop when traveling. While SoHo clients typically require less features and are more price sensitive, the market is still at the beginning of the adoption curve, which is expected to fuel significant growth in the future. The total addressable market for this customer segment is approximately EUR 0.8 billion as of 2018 and is expected to grow with a compound annual growth rate of 28% to approximately EUR 2.7 billion in 2023.

Larger organisations typically require a number of enterprise-grade features. These include higher levels of integration into existing systems with deeper, more specialist technical support and advanced security features. The Enterprise segment is characterised by more complex needs with larger deal sizes on average. The Enterprise market is currently the largest amongst the three segments with approximately EUR 5.8 billion and expected to grow with a CAGR of 25% to approximately EUR 17.8 billion in 2023.

The below chart shows TeamViewer's total addressable market by customer segment (in EUR billions).

Source: McKinsey, see page 6

12.5 Competitive environment

While TeamViewer provides a comprehensive connectivity platform, the overall connectivity market is highly fragmented across vendors and functional markets. For many of the features offered by TeamViewer, there exist free and open source alternatives. These free alternatives typically offer only basic functionality and are limited in their applicability for use cases, interoperability and usability. Among commercial solutions, TeamViewer primarily competes with different solution providers across a number of distinct markets, as determined by the intended customer use case.

For remote support use cases, the competitors include BeyondTrust and LogMeIn along with many small vendors usually limited to specific regions. These vendors typically also offer remote access solutions. Additionally, there are legacy remote access competitors with an offering based on Virtual Private Network (***VPN***) technology, such as Citrix and SonicWall.

For certain use cases, TeamViewer faces competition from IT management software providers such as SolarWinds, Kaseya and ConnectWise which typically focus on remote monitoring, disaster recovery and network security solutions. Additionally, there are industrial IoT platforms such as PTC's ThingWorx that cater to use cases around the remote management and control of IoT devices.

Other use cases of TeamViewer's products can be served by web-based meeting and collaboration solutions such as Microsoft Skype and Teams, Slack, GoTo, WebEx and Zoom. Cloud service providers such as Amazon Web Services, Microsoft Azure and Salesforce inherently include solutions enabling connectivity between devices, but these are usually designed with a different focus. Furthermore, there are also large-scale technology vendors such as Microsoft, Apple and Google that offer connectivity products.

In general, against both free and commercial solutions, TeamViewer believes it competes favourably based on the following differentiating factors:

- all-in-one platform for connect, manage and interact use cases;
- ease of implementation;
- secure and intuitive solutions;
- full administration and remote control rights; and
- system interoperability and cross-device capabilities.

Regardless of the use case and competitive dynamics, TeamViewer delivers significant value to its customers based on its ability to provide an all-in-one, easy-to-use, intuitive solution that customers can deploy to solve a wide range of connectivity issues with full administration and remote control rights across devices. In many cases, customers seeking a connectivity solution are already aware of TeamViewer due to the virality of its platform. These customers deploy the platform to address a specific use case they were unable to easily solve with free or self-built solutions. Additionally, once deployed, customers often extend the use of the platform to address new and separate connectivity use cases.

13 BUSINESS

13.1 Overview

13.1.1 Introduction—What is TeamViewer?

TeamViewer operates a leading global connectivity platform with a clear mission to connect anyone, anything, anywhere, anytime.

Through TeamViewer's proprietary software solutions, a wide range of computers, mobile devices and IoT devices can be connected to allow remote control, management and interaction between people and devices, people and people or devices and devices. Its connectivity platform enables customers and users to unlock significant economic value as it permits them to increase process efficiency, reduce or replace onsite presence and manual intervention, improve product and service quality and promote connectivity and collaboration. As a result, TeamViewer believes it is well-positioned to benefit from social, business and technological megatrends such as the proliferation of connected devices, digital transformation and carbon footprint reduction, which are expected to drive increased demand for remote connectivity.

TeamViewer's connectivity platform is cloud-native, very secure and highly scalable. Its modular architecture enables TeamViewer to develop new features and products quickly and efficiently to address a large variety of use cases.

As a result of its free for private use distribution model, TeamViewer benefits from a very large installed base. To date, TeamViewer's software has been activated on more than two billion devices, with 340 million of them active in 2018 and up to 45 million devices online concurrently. In commercial settings, TeamViewer's software is used by more than 360,000 paying subscribers in approximately 180 countries for a multitude of use cases, ranging from providing remote IT support to remote control and monitoring of complex machinery and equipment. TeamViewer's broad platform model enables users and customers to discover and develop new use cases for their specific needs, further promoting the expansion of its offering.

13.1.2 TeamViewer's business model

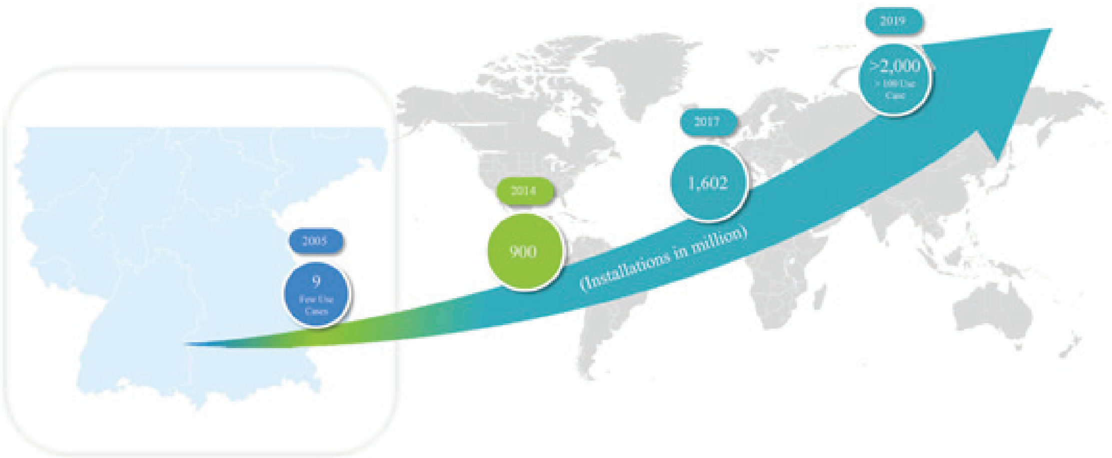
TeamViewer benefits from a viral distribution model which has fuelled its growth on a global scale. A significant portion of TeamViewer's users come to its website through word of mouth and recommendations, reflecting the quality of its platform. TeamViewer's core product is offered free of charge for private use, without almost no limitations on functionality or duration of use, driving brand recognition and organic traffic to TeamViewer's website. TeamViewer's solutions are easy to install, intuitive and adaptable, further driving growth of its user base. As the number of users has significantly expanded and awareness of the product has grown, the rate of adoption has continued to increase. Based on a recent analysis, for every device that makes an outgoing connection through TeamViewer's software, on average four more devices are added over its lifetime.

TeamViewer's very large installed base presents significant potential for converting users to paying customers. TeamViewer's data-driven internal analytics engine detects commercial use based on user behaviour and traffic patterns. TeamViewer seeks to monetise such commercial use by providing those users the option of purchasing a subscription if commercial use is detected. TeamViewer targets businesses of all sizes, from small offices and home offices, through small- and medium-sized businesses to large enterprises. TeamViewer's cloud-based model taps into rising demand for secure and flexible SaaS solutions.

Over the past three years, TeamViewer has successfully transitioned to a subscription model, resulting in greater billings and revenue visibility, with 99.7% of total billings resulting from subscriptions for the six months ended 30 June 2019. In addition, TeamViewer has grown its billings by attracting new customers, strategically targeting new key customer segments such as enterprises, expanding geographically into new countries, and up-selling and cross-selling additional products and add-ons to its existing customers. TeamViewer generated billings of EUR 230 million in the year ended 31 December 2018, an increase of 25% compared to billings in the year ended 31 December 2017, and billings of EUR 141.6 million in the six months ended 30 June 2019, an increase of 36.6% compared to billings in the six months ended 30 June 2018. TeamViewer's Cash EBITDA margin for both the year ended 31 December 2018 and the six months ended 30 June 2019 was 52%.

13.2 History and key milestones

TeamViewer was founded in 2005 in Göppingen, located in the engineering heart of Germany. The software underlying TeamViewer's connectivity platform was originally developed to facilitate sharing of computer screens remotely, i.e. cloning the content on a computer screen to another remote computer, as a marketing tool to promote an unrelated software product. This remote connectivity solution quickly gained more traction than the software product that it was promoting and TeamViewer was created. In the fourteen years since its inception, TeamViewer has experienced strong and viral growth with its software developing from a local application with a few use cases into a global connectivity platform which today addresses over 100 individual use cases. The following graph represents the growth of installations of TeamViewer's solutions on devices and in identified use cases from 2005 to 2019:



Source: Company information

In 2009, TeamViewer was acquired by US-based GFI Software, backed by Insight Venture Partners. Under GFI's ownership, TeamViewer started its global expansion and opened its sales and marketing operations in Australia and the US. Between 2009 and 2014, TeamViewer continued its focus on innovation and released new key features and branded products based on the core platform, such as a cloud-based console to manage a multitude of connected devices, a meeting functionality to interact with up to 25 participants, and a new product for IT service-management.

The Permira Funds acquired TeamViewer in 2014. Between 2013 and the first half of 2017, TeamViewer piloted a subscription-based model in test waves in selected markets and, based on customer feedback, adopted this model in several waves across all markets. Under the guidance of its new management team, TeamViewer successfully completed the transition to a subscription-based sales model in July 2018 and accelerated its growth through several key initiatives. Most prominently, TeamViewer expanded its presence in Asia, opening new local offices in China, Japan and India, and focused on expanding its business in the US. TeamViewer also developed targeted new product offerings addressing specific customer and market needs, including by establishing its tailored enterprise product Tensor.

13.3 Market opportunity and global megatrends

TeamViewer benefits from multiple social, business and technological megatrends, which create a favourable market environment that supports its growth trajectory. These global megatrends include, amongst others:

- *Digital transformation*: the ongoing digitalisation of all business processes and ways of working, leveraging the steady growth of internet penetration globally, with global spending on digital transformation expected to increase to EUR 665 billion by 2023[18];

[18] Source: MarketsandMarkets

- *Device and application proliferation*: the number of attended and unattended connected devices is growing at a rapid pace, with an increased focus on usability; the average number of consumer devices and connections per household in North America is expected to be 24 by 2022[19];

- *IoT and AI*: the fast-emerging trend to connect all types of endpoints, such as machines, professional equipment and household devices, with each other or with control units such as computers and mobile phones, thereby requiring remote management and control software and interaction solutions; with IoT endpoint hardware spending estimated to be EUR 186 billion in 2023[20];

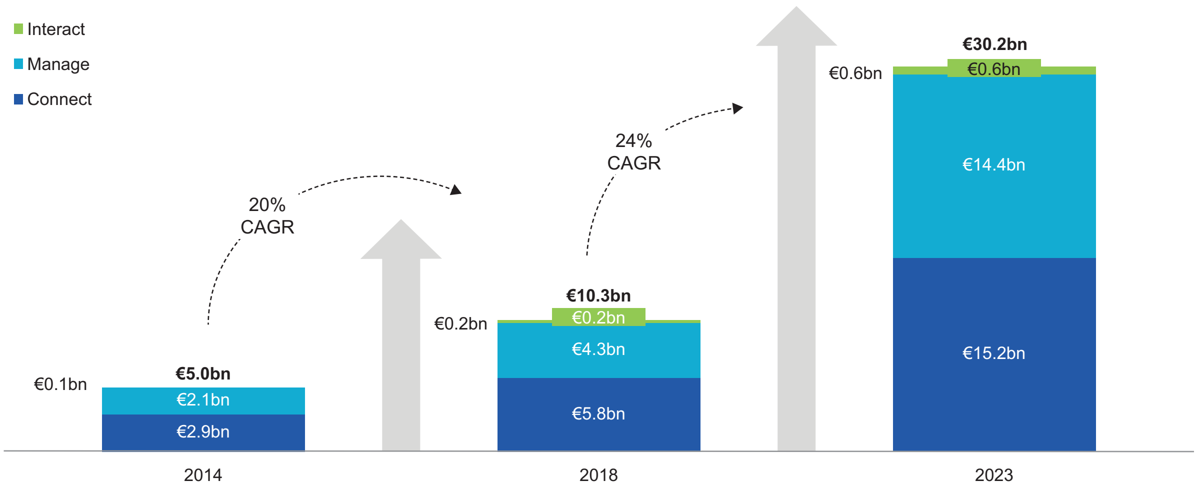
- *Robotics and automation*: rise of robotics and automation in an array of sectors, such as manufacturing, with USD 210 billion in worldwide spending on robotics systems and drones in 2022[21];

- *Carbon footprint reduction*: growing consciousness of greener living is driving the increasing trend for remote work and interaction; and

- *Future of work*: focus on virtual workspaces and increasing emphasis on home office options in the future with increasing numbers of employees working from home or remotely from time to time with over 50% of employees worldwide working outside their main office 2.5 days a week in 2018[22].

Together, these megatrends are driving significant demand for remote connectivity, management and interaction. The total addressable market for TeamViewer's solutions was estimated at EUR 10.3 billion in 2018 and is expected to grow by 24% per year between 2018 and 2023, to an estimated market size of EUR 30.2 billion[23]. Growth above 20% per year is expected across all customer segments TeamViewer serves and in each of the regions in which it operates.

TeamViewer groups use cases for its solutions around the categories "connect", "manage" and "interact". TeamViewer expects growth in the total addressable market to benefit each of its categories. The historic and expected development of the total addressable market for TeamViewer's solutions by these categories from 2014 to 2023 is as follows:



Source: McKinsey, see page 6; "interact", "manage" and "connect" split based on Company market study

See "*12 Markets and Competition*" for a further discussion of the trends supporting TeamViewer's business and expected growth of its total addressable market in each region and segment.

[19] Source: Cisco VNI Global IP Traffic Forecast, 2017-2022, see slide with heading "NA Devices and Connections–Average per capita and per household"
[20] Source: Company estimate based on publicly available information
[21] Source: IDC
[22] Source: IWG, see page 4
[23] Source: McKinsey, see page 6

13.4 Key competitive strengths

TeamViewer believes that its business is characterised by a number of key competitive strengths that set it apart:

13.4.1 TeamViewer's very large and loyal user and customer base helps drive its growth

Since its inception, TeamViewer has experienced extensive growth in its user base and achieved significant scale, expanding from approximately nine million installed devices in 2005 to over two billion installed devices in 2019. TeamViewer has a very large and growing active user base with 340 million devices active in 2018, increasing from over 300 million devices active in 2017, and up to 45 million devices online concurrently. As of 30 June 2019, TeamViewer had over 360,000 paying subscribers. TeamViewer clearly differentiates itself through its global scale of operations with customers in approximately 180 countries. TeamViewer's users and customers are highly satisfied with its solutions resulting in a net promoter score of +47[24] and brand loyalty score of 69%[25], both of which are higher than the industry average, and a low gross churn rate of less than 10% in 2018. TeamViewer benefits from a powerful network effect, as growth in the number of TeamViewer users and customers drives co-development of new use cases, increases the reach of existing use cases and further accelerates the adoption of its products. According to a recent analysis, for every device that makes an outgoing connection using TeamViewer's software, on average four more devices are added over its lifetime. TeamViewer believes that this combination of viral device connectivity and user and customer loyalty and satisfaction will continue to help expand its platform.

13.4.2 TeamViewer is well-positioned to capitalise on a vast, fast-growing and underpenetrated total addressable market supported by global megatrends

TeamViewer is particularly well positioned to capitalise on a large total addressable market, which is expected to grow by 24% per year until 2023 supported by global megatrends[26]. TeamViewer believes the total addressable market for remote connectivity is currently underpenetrated, offering significant potential for further adoption of its solutions. The list of business critical processes benefiting from enhanced connectivity is extensive and expanding. TeamViewer's software has the potential to replace expensive, complex and time-consuming processes with cost-efficient and simple solutions. New use cases continue to be discovered both through TeamViewer's own research and development efforts as well as through its viral platform model. This model allows users and customers to discover and develop new use cases tailored to their specific needs, driving additional innovation and productivity for the platform. TeamViewer's solutions are deeply embedded in customers' businesses with an average of 4.5 use cases per customer, approximately 90% of users deploying TeamViewer's solutions for more than one purpose and over 40% of users using TeamViewer's software for five or more use cases[27]. As new use cases are discovered, TeamViewer expects to further increase the size of its total addressable market.

13.4.3 TeamViewer has developed an easy-to-use, flexible, scalable, very secure and high-performing connectivity platform

TeamViewer's easy-to-use, flexible, scalable, very secure and high-performing cloud-native connectivity platform is the backbone for all of TeamViewer's solutions.

- *Easy-to-use* – TeamViewer operates an easy-to-use platform that aims to provide connectivity between anything and anyone, at anytime and anywhere in the world. TeamViewer operates seamlessly across all major operating systems, countless devices and applications. The software is simple to install and easy to deploy with an intuitive user experience and user interface design.

- *Flexible* – TeamViewer's solutions can be used across a broad array of use cases. TeamViewer has identified over 100 use cases for its products and new use cases are regularly discovered and developed, allowing its users and customers to connect, manage, and interact according to their needs. TeamViewer works closely with its users and customers to drive further product innovation.

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[24] Source: Company market survey of over 500 respondents
[25] Source: Company market survey of approximately 1,200 respondents
[26] Source: McKinsey, see page 6
[27] Source: Company market survey of approximately 1,200 respondents

- *Scalable* – TeamViewer's delivery model is entirely cloud-based, making it highly scalable. All products, except Monitis, have one underlying, highly modular, common technology stack based on TeamViewer's proprietary, secure connectivity backbone. Additional features are then added to address different use cases, making TeamViewer's platform highly adaptable and its development model very efficient. TeamViewer has developed branded add-ons for the most relevant use cases, including IoT, IT management, customer support, remote work and enterprise.

- *Secure* – TeamViewer offers state-of-the-art security standards, including end-to-end encryption of sessions, two-factor authentication, code signing and conditional access. TeamViewer's software has been awarded a five-star quality seal (maximum value) by the Federal Association of IT Experts and Reviewers (*Bundesverband der IT-Sachverständigen und Gutachter e.V., BISG e.V.*). Data centres utilised by TeamViewer are ISO-27001 certified.

- *High Performing* – TeamViewer is very reliable, with approximately 99.9% uptime and low latency with strong connections across high- and low-bandwidth environments. TeamViewer benefits from a large and fast network of approximately 1,000 dedicated routers that can serve TeamViewer's customers and users on a global scale. TeamViewer also provides a high degree of customer support throughout the user journey, leading to high user and customer satisfaction. TeamViewer also has the quickest file transfer rate, best-in-class image quality and best-in-class ease-of-use as compared to competitors tested by Qualitest.[28]

13.4.4 TeamViewer's differentiated go-to-market model allows it to efficiently attract and monetise users and customers

TeamViewer's distinctive go-to-market model takes advantage of viral distribution effects and customer and user engagement in order to expand its platform. Many of TeamViewer's customers started to use its products simply through downloading TeamViewer's software free-of-charge for their private use. TeamViewer uses a number of means to monetise commercial use of its products and offers attractive pricing with a number of subscription options and pre-defined service bundles addressing the varied needs of a broad set of customers. Over 40% of billings are generated from TeamViewer's website, with a high share of organic traffic. Once a user adopts TeamViewer's software, this often triggers the addition of more devices in the user's network. As users and customers grow accustomed to TeamViewer's capabilities, they typically expand their number of use cases and required capacity, creating up- and cross-selling opportunities. Many also become advocates for TeamViewer in their organisations. As a result of its differentiated go-to-market model, TeamViewer has very low customer acquisition costs, with an industry-leading customer life-time value to customer acquisition cost ratio of greater than 30x in 2018.

13.4.5 Attractive financial profile underpinned by subscription-based business

TeamViewer's attractive financial profile is supported by strong visibility of billings and revenues, low churn rates and high customer life-time value. TeamViewer has experienced strong billings growth, which has been accelerated following its transition to a subscription-based model. Billings have grown from EUR 177 million in 2016 to EUR 230 million in 2018. Billings growth continues to accelerate, with 36.6% growth in the six months ended 30 June 2019 compared to the six months ended 30 June 2018. Expansion within TeamViewer's existing customer base is a significant contributor to TeamViewer's growth. TeamViewer measures this rate of expansion within its customer base through net retention rates, which have been over 100% since the transition to its subscription model began. TeamViewer's scalable infrastructure and platform led to a gross profit margin (gross profit as a percentage of revenue) of 87% for the six months ended 30 June 2019. Its go-to-market model and efficient R&D also drive attractive margins, with a Cash EBITDA margin of 52% and a cash conversion rate of 84%, in each case for the six months ended 30 June 2019. TeamViewer believes that its attractive financial profile redefines the software industry "rule of 40" rule of thumb, according to which the sum of the growth rate and EBITDA margin for a strong SaaS provider should exceed 40%. TeamViewer has exceeded this industry metric, with billings growth plus Cash EBITDA margin of more than 88% for the six months ended 30 June 2019.

[28] Source: Qualitest, see pages 4-5

13.4.6 TeamViewer has achieved operational and execution excellence with its strong management team and diverse and highly skilled employees

TeamViewer has assembled a strong management team, with each member having, on average, 20 years of professional experience across leading companies in various industries. The broader team is well-diversified with members based internationally (including US west coast) as well as in Germany, and many of whom have enterprise software backgrounds. Oliver Steil, TeamViewer's Chief Executive Officer, joined in January 2018 and Stefan Gaiser, TeamViewer's Chief Financial Officer, joined in November 2017 to accelerate growth. Under their leadership, TeamViewer has launched several new products and features, completed its transition to being fully subscription-based, accelerated geographic expansion by opening local offices and acquired a substantial number of new customers, all of which drove billings growth in 2018 and the six months ended 30 June 2019.

TeamViewer's success is also supported by a large number of diverse and highly-skilled employees. TeamViewer's employee base represents over 70 nationalities at a 35:65 female-to-male workforce ratio. TeamViewer employs more than 200 employees in R&D, driving innovation and development, complemented by skilled sales and marketing teams. With its leadership team and highly skilled employees, TeamViewer believes it has established a culture of innovation and entrepreneurship that will support the execution of its strategy going forward.

13.5 Strategy

TeamViewer believes that there is tangible growth potential along three dimensions:

- ***Increase the number of use cases***. TeamViewer believes that there is significant scope to expand the number of use cases for its products, particularly as businesses continue to pursue digital transformation. TeamViewer's flexible platform and proactive customer engagement enable it to identify and respond quickly to new use cases as they emerge. TeamViewer's sales and marketing as well as research and development teams regularly discover new use cases in TeamViewer's customer and user base and aim to build scalable products and service enhancements for existing and new use case clusters. In addition, customers and users serve as a significant resource for use case innovation. As the number of use cases increases, TeamViewer expects both to acquire new customers and to benefit from up- and cross-selling opportunities from existing customers and users.

- ***Increase customer segment coverage***. As of 30 June 2019, TeamViewer had over 360,000 subscribers, ranging from home offices, to SMEs and large enterprises. Historically, the majority of TeamViewer's customers have been SMEs. TeamViewer intends to further penetrate adjacent customer segments to achieve full segment coverage, focusing both on individual commercial users and, more importantly, on large organisations globally. To better serve this segment, TeamViewer recently launched its enterprise product suite called Tensor. Tensor can be efficiently mass-deployed across an organisation and includes enterprise-grade features such as single sign-on, comprehensive logging and auditing processes and conditional access. TeamViewer will continue to market its Tensor product to increase its penetration in large organisations. At the same time, TeamViewer also aims to expand in the small offices and home offices customer segment with its Remote Access product.

- ***Expand its geographical footprint.*** TeamViewer already operates on a worldwide scale with customers in approximately 180 countries. TeamViewer's sales force historically operated through three major hubs in Germany, the United States and Australia. It has recently expanded its sales and marketing operations into strategic growth markets across EMEA, the Americas, particularly the US, and the APAC regions, including China, Japan and India where it has recently established a local presence. TeamViewer intends to further deepen this expansion by growing its local sales and marketing teams in order to enhance and localise its product offerings.

In addition to these organic growth initiatives, TeamViewer may opportunistically engage in M&A transactions. TeamViewer monitors M&A opportunities that would meet specific goals, including market expansion, targeting specific industries, acceleration of growth in new markets and consolidation, in the market segments security, IoT, augmented reality and managed services. TeamViewer's M&A strategy will be closely aligned with its overall focus on achieving profitable growth.

13.6 TeamViewer – the platform to "connect", "manage" and "interact"

TeamViewer's solutions enable people and devices to connect, manage and interact in different ways. The powerful feature set of TeamViewer's software supports a multitude of use cases. TeamViewer's sales and marketing and R&D teams regularly discover new use cases in TeamViewer's customer and user base while its R&D team also discovers new use cases independently. TeamViewer has identified more than 100 individual use cases. All identified use cases for TeamViewer's software can be grouped around the categories "connect", "manage" and "interact", which respectively cover approximately 60%, 30% and 10% of all use cases[29].

13.6.1 Connect

The "connect" category includes use cases where TeamViewer's platform provides full remote access and control functionalities for connected devices. Based on customer needs, these functionalities can be further enhanced and diversified, for example, by the addition of enterprise-grade security features allowing the integration of TeamViewer's solutions in an existing enterprise technology stack.

Customer use cases addressed by the category "connect" include the following clusters:

- "Unified support" use cases, which include software solutions used by IT technicians and customer help desk representatives to remotely troubleshoot IT problems;

- "Small office/Home office access" (***SoHo***) use cases, where individuals (such as employees of small offices or freelancers working in a home office) use TeamViewer's solutions to work remotely and access their IT devices, such as their desktop PC, from their mobile phone or other devices when traveling;

- "Enterprise access" use cases, which enable large enterprises to provide their employees and contractors with remote access to the enterprise IT infrastructure, allowing, for example, external software developers to work on an enterprise's on-premise servers; and

- "Device connectivity" use cases, in which TeamViewer's solutions are used to establish a direct secure and encrypted connection to and between IoT devices such as embedded devices or single-board computers (for example, Raspberry Pi like devices) and other screen-less or unattended devices.

The "connect" category of use cases has applications across many different industries. For example, TeamViewer's solutions have helped an Austrian hardware manufacturer with locations in seven countries provide world-class centralised internal IT support for its employees while meeting this customer's security requirements, providing stable connections and, due to the global scalability of TeamViewer's platform, facilitating further expansion to additional employees and external customers.

13.6.2 Manage

In the "manage" category, TeamViewer's solutions focus on centrally managing and controlling many connected devices. Building on its connectivity expertise, TeamViewer is able to offer remote device management with features that enable efficient management and control of endpoints in networks with multiple IT, IoT and mobile devices.

The category "manage" includes the following clusters:

- "IT management" use cases, which use TeamViewer's solutions to centrally manage fleets of IT and mobile endpoints and include features such as malware protection and data backup;

[29] Source: Company market study

- "Remote monitoring" use cases, which use TeamViewer's solutions to remotely monitor IoT devices, for example by visualising device status and sensor data in a cloud hosted dashboard;

- "Remote control" use cases, which use TeamViewer's solutions to remotely control IoT devices, for example to remotely activate functionalities, change parameters and fully control the IoT device with very low latency; and

- "Incident management" use cases, which use TeamViewer's solutions to automate the management of IoT devices, for example by enabling alert functionalities and by automatically triggering a certain action in response to specified thresholds and filters.

For example, one of the largest electronics companies in the world enables its customers to manage and update content on displays, such as on airport arrival screens, mall touchscreens and advertising displays, through a single platform and at all times in all locations, by pre-installing TeamViewer's software on the hardware provided to customers. TeamViewer's solutions have also been used to enable remote management and monitoring from a centralised location of geographically dispersed equipment such as tractors and milking machines on remote farms.

13.6.3 Interact

In the "interact" category, the powerful features of TeamViewer's connectivity platform allow live, real-time interaction of users connected to the same device through VoIP conference calls, the sharing of multiple screens or files and the handing over of endpoint control rights. In contrast to other online collaboration tools on the market, TeamViewer's solutions addressing the "interact" category benefit from strong access and control capabilities. This approach is tailored to attract experts to collaborate with each other using TeamViewer's solutions while being connected to the same device.

The category "interact" include the following clusters:

- "Expert interaction" use cases, which use TeamViewer's solutions to collaboratively modify and control endpoints simultaneously. This enables, for example, researchers to discuss and adjust the settings of a remote telescope; and

- "AR field support" use cases, which rely on augmented reality (***AR***) and communication features of smartphones to provide live remote guidance. This enables, for example, repair professionals to receive live in-field visual guidance on their smartphones from experts at their company headquarters.

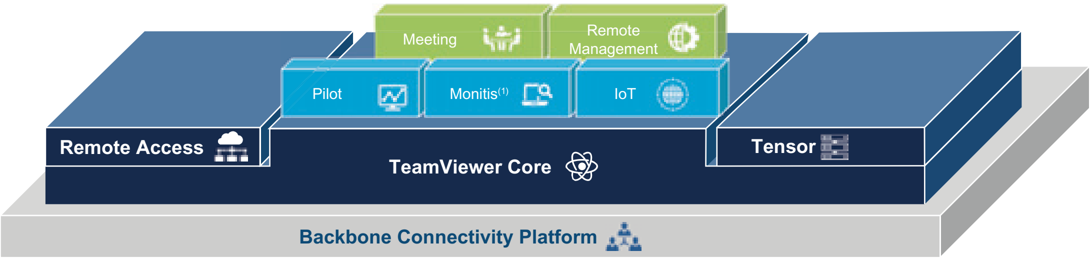
For example, TeamViewer's solutions have facilitated secure, live connections between geographically distributed patients and physical therapists using different operating systems and devices, allowing therapists to provide at-home sessions to patients remotely using highly customised devices to guide patients on how to execute movements correctly.

13.7 Product offering

13.7.1 The secure backbone of TeamViewer's connectivity platform

The foundation of TeamViewer's offering is its connectivity platform and infrastructure, called the connectivity backbone. TeamViewer's cloud-native connectivity backbone was built to facilitate global scalability of TeamViewer's core product with low latency, high bandwidth connectivity to drive high quality remote control experiences. TeamViewer has a fully cloud-based delivery model for all products, making its products easy to use, very secure and highly scalable. TeamViewer utilises the scalability of this backbone to also deliver its other products.

The connectivity backbone consists of a network of approximately 1,000 dedicated routers distributed globally, across 81 locations in 46 countries. When a connection to an online device is requested, the backbone determines the optimal type and path of connection to the device based on technical parameters such as bandwidth, stability, location and feasibility. When a connection to a device is requested, an automated process of negotiation or "handshake" is initiated to establish a communication through one of the routing servers and, if possible, a direct connection between the devices is established based on the most advantageous connection protocol. The connectivity backbone allows for advanced security features such as full end-to-end encryption of sessions, the Secure Remote Password protocol (***SRP***), which is a cryptographically strong authentication protocol for password-based authentication over a network connection, two-factor authentication and trusted devices to secure devices and user accounts for TeamViewer's products.



Source: Company information

(1) Monitis runs independently from the backbone connectivity platform.

TeamViewer delivers all of its products (with the exception of Monitis) based on its proprietary secure connectivity backbone, with additional features for new customer use cases. TeamViewer's platform is structured as a modular stack, enabling fast and cost-efficient development of new features and products. Since the products are based on the backbone connectivity platform and multiple products share common modules, i.e., developed features that work across operating systems, TeamViewer can optimise code across all of its products. The modular stack also minimises the need for custom development for individual products, so the product development process can focus on optimising user interfaces and the acceleration of update roll outs.

TeamViewer's product portfolio consists of eight differentiated products, targeting specific customer segments and use cases: TeamViewer's core product, Tensor, Remote Access, IoT, Remote Management, Monitis, Pilot and Meeting.

13.7.2 TeamViewer Core (TeamViewer 14)

TeamViewer's core product (marketed as "TeamViewer 14" but referred to herein as ***TeamViewer Core*** in order to include reference to previous versions) enables end-to-end secure connectivity across multiple operating systems and device types. TeamViewer Core includes features to connect, manage and interact. For commercial use, TeamViewer Core is available in three editions – business, premium and corporate. Among other differentiators, the corporate edition allows customers to run up to three concurrent sessions using one licence, while the business and premium editions only permit one session at a time. TeamViewer Core is the key customer gateway and accounts for a large majority of TeamViewer's sales.

TeamViewer's key features include full remote device access and control and multi-user sessions with strong cross-device capabilities covering all major operating systems. For example, the IT helpdesk of an international university provides staff and students with IT support using TeamViewer Core.

TeamViewer Core's extensive functionalities, intuitive user interface, fast connectivity and flexibility empower customers and users all over the world to implement their own use cases, ranging from remotely operated fish farms and snow cannons to connecting astronauts in space with the base camp.

13.7.3 TeamViewer Tensor

TeamViewer Tensor enhances TeamViewer's core connectivity platform with features required for IT systems of large enterprises such as efficient mass deployment, support of single sign-on, logging and auditing, conditional access and an improved user-interface for enterprise environments.

For example, TeamViewer Tensor is used by a large German city administration to enable employees to work from home. This use case covers over 1,000 employees and guarantees them remote access to more than 1,500 applications from any device available. Another government agency uses TeamViewer Tensor to allow its leadership team to access highly sensitive data from their private computers outside of the government network. Auditability (such as being able to ascertain which files have been accessed) and conditional access (which allows the configuration of specific permission rules for remote control sessions, file transfer and meeting connections) are important features for these use cases.

13.7.4 TeamViewer Remote Access

Introduced in 2018, TeamViewer Remote Access allows for unattended remote access and can be considered a tailored version of TeamViewer Core with no support of attended access and limited interaction features. TeamViewer Remote Access is the most affordable TeamViewer subscription plan and is designed to provide a tailored offering to the “SoHo Access” use case cluster. For example, TeamViewer Remote Access is used by a photographer who controls three cameras connected to a personal computer and regularly transfers pictures to his studio desktop computer for a 5-year time lapse project in the Alps.

13.7.5 TeamViewer IoT

TeamViewer IoT is designed to enable advanced IoT device connectivity with features to remotely operate, maintain and manage IoT devices. This product includes additional features such as application control (for devices without displays), cloud-stored sensor data, data visualisation and enterprise-grade security and encryption. Key additional features are designed around device monitoring and management, device access, remote monitoring, remote control, and incident management. For example, a European agricultural equipment manufacturer uses TeamViewer IoT to remotely access the telematics unit in heavy movable equipment (such as harvesters) to understand the performance of the machines and identify potential areas of improvement.

13.7.6 TeamViewer Remote Management

TeamViewer Remote Management automates backend IT processes related to end-user computing assets. It is designed to help IT professionals improve their efficiency by offering IT asset management, endpoint monitoring and malware protection, as well as data backup.

TeamViewer Remote Management is used mainly by IT administrators and managed service providers. For example, a managed service provider from the Middle East, specialising in providing IT services to local oil and gas companies, uses TeamViewer Remote Management to automatically backup important data from the endpoints in the field. Additionally, the endpoints are protected against malware with TeamViewer Remote Management.

13.7.7 TeamViewer Monitis

Monitis is TeamViewer’s web performance monitoring solution that continuously observes the health of websites, servers and applications. It offers advanced website monitoring capabilities focused on uptime, page load speed, shop transactions and website stress tests. The key features of Monitis include website traffic monitoring as well as network and server monitoring. For example, an international food and drink company uses Monitis to monitor uptime and response times for its online shop, server health and network performance. If problems occur, the operation manager is notified immediately, enabling quick response times to find and resolve the cause of the issue.

Unlike TeamViewer’s other products, Monitis was developed, and runs, independently from the connectivity backbone. This product complements Remote Management customers from the large enterprise segment but is currently sold independently.

13.7.8 TeamViewer Pilot

TeamViewer Pilot, launched in 2018, is TeamViewer’s augmented reality product designed to enable in-field professionals to receive live guidance from subject experts. For example, a specialist company for the technical maintenance of wind turbines uses TeamViewer Pilot to connect technicians inspecting the wind turbine blades 200 meters above the ground, with ground staff. The ground staff can provide visual guidance on problems such as assembly instructions while experts can guide technicians by setting 3-dimensional markers and annotations on the details of the wind turbine blade which are visible to the experts when viewed on a smartphone screen. TeamViewer Pilot also enables VOIP communication in parallel to enhance collaboration.

13.7.9 TeamViewer Meeting

TeamViewer Core has included meeting features such as concurrent sessions since its launch in 2005. Based the popularity of meeting features with users, TeamViewer introduced an independent collaboration product under the brand name “Blizz” in 2016. Blizz enables a variety of remote workplace interaction use cases, including audio- and video-conferencing, instant messaging and screen sharing across devices with up to 300 concurrent participants. For example, an African government agency uses Blizz to connect patients in rural areas of the country with doctors in the capital city.

Based on customer feedback and its experience in the collaboration market, in 2019 TeamViewer decided to offer Blizz features as a branded add-on package, TeamViewer Meeting, for TeamViewer Core and TeamViewer Tensor customers. TeamViewer is currently evaluating whether to continue Blizz as a standalone product.

13.8 Innovation and R&D

Innovation and R&D are the cornerstones of TeamViewer’s strategy to cement its position as a leading global connectivity platform. TeamViewer believes that it is at the forefront of innovation in remote connectivity platforms and solutions.

TeamViewer undertakes a structured innovation approach to continuously enhance its technology to provide better solutions that meet customer needs. TeamViewer collects and maintains ideas from various sources, including customer and user feedback, market and technology trends, proposals developed internally by TeamViewer’s teams and concepts drawn from TeamViewer’s user community, frequently provided through the community portal. TeamViewer also seeks to benefit from meetups, hackathons, partnerships, and other industry and networking events to stay at the forefront of technological input. In deciding which projects to implement, TeamViewer regularly assesses its pool of ideas based on their potential value and complexity of execution. TeamViewer carries out a comprehensive opportunity evaluation of the most promising engineering efforts, considering their potential application, target customer group, business value, timing for implementation, competitive and partnership landscape and any risks involved, including increased complexity. New features and products are implemented and tested in an agile way, starting with a minimum viable product and further developed in iterations using user feedback.

TeamViewer benefits from a virtuous feedback circle, facilitated by its R&D and marketing functions, using feedback from its very large user and customer base to develop new products and features and further enhance its customer and user engagement. TeamViewer involves its customer and user community throughout the development process. Since TeamViewer’s early days, many innovative features have been driven by user demand. TeamViewer received more than 12,000 valid features requests from its community in the twelve months ended 30 June 2019 and regularly implements new features as a result of such requests. Features that have been implemented for TeamViewer Core following such feature requests include support for remote access and control of mobile devices (allowing a user to remote onto iOS and Android mobile devices), remote scripting (enabling the automation of repetitive support tasks), sub-grouping (allowing the efficient organisation and management of devices and contacts) and custom fields. Solutions providing for remote control of mobile devices often require TeamViewer to cooperate with hardware vendors of mobile devices, and TeamViewer has developed integrations with more than 100 major mobile vendors. Recently introduced features include conditional access for TeamViewer Tensor – a hybrid application firewall solution for TeamViewer sessions – which enables administrators of enterprises to delineate which users can access which machines within the enterprise and full mobile scenarios for TeamViewer Pilot, which enable mobile-to-mobile augmented reality connections and interaction. TeamViewer received many requests to improve performance in extreme low-bandwidth environments from its user base in Asia and Africa. TeamViewer implemented these requests, resulting in solutions benefitting industrial customers in these regions as well.

TeamViewer regularly seeks input from its customers and users not only to enhance its existing solutions but also to co-discover new use cases as TeamViewer’s flexible platform enables customers and users to deploy its solutions for a large variety of applications. TeamViewer observed that customers utilised features of TeamViewer’s product to self-build connected solutions that were of high value to them, including many IoT use cases. Taking advantage of the proliferation of these IoT use cases, TeamViewer launched its IoT product which enhances the use of TeamViewer's software for IoT use cases with additional features such as remote operating and remote fixing of devices via multiple non-screen remote management capabilities, including non-screen remote control and live data visualisation of gateway attached sensors that can be used to trigger actions or alerts.

In addition, TeamViewer continuously analyses emerging market and technology trends and seek to develop new features and products to capture these developments. For example, TeamViewer launched Pilot in 2018, to capitalise on increasing technological capabilities to use augmented reality for remote support and collaboration. TeamViewer has also successfully added several new features to existing products based on user demand and market developments, with over 25 new features added to TeamViewer Core in 2019 so far.

TeamViewer's focus on analysing trends and responding to customer input also enables it to tailor its offering to different types of customers. For example, TeamViewer has developed Tensor, a specific solutions package for enterprises. Tensor enhances TeamViewer Core with enterprise-grade features such as support of single sign-on, mass deployment, conditional access and auditability.

13.8.1 R&D process

TeamViewer's R&D is centred around five development principles: (i) security, usability and performance; (ii) cloud native; (iii) fault redundancy; (iv) global scale; and (v) agility and ownership.

TeamViewer uses agile software development methods to empower its R&D teams and speed up innovation. Its agile development teams are facilitated by Scrum Masters and work in two-week sprints, delivering additional customer value at high frequency. The Scrum methodology allows teams to self-organise, make changes quickly and take ownership of features the team is responsible for. Under agile software development methods, solutions evolve through the collaborative effort of TeamViewer's cross-functional teams as well as its customers and users.

TeamViewer's R&D process is structured around its product groups. Each has a number of dedicated delivery units assigned, depending on the lifetime of the product, its size and its technology. TeamViewer has strong synergies across products. As products leverage TeamViewer's connectivity platform, all teams can contribute to and enhance the platform. This approach strengthens all products and further develops TeamViewer's infrastructure by adding additional micro-services to the platform. It optimises software code across all products, hardware and teams. If applicable, micro-services are also accessible via publicly available application programming interfaces (***APIs***) to enable smooth integration of TeamViewer's products into existing ecosystems.

In addition to a shared infrastructure, several of TeamViewer's products share the same software modules. These software modules are designed to work across platforms, i.e., across different operating systems, so that the same code is used for all supported operating systems and can be optimised across products, hardware and teams. Building blocks of functionality that may be needed to develop a feature within one product then become available for the benefit of all other products (for example, VoIP in TeamViewer Core for Microsoft Windows is based on the same code as VoIP for TeamViewer Meeting on Apple's iPhones or TeamViewer Pilot on Android devices). This modular structure enables fast and cost-efficient new product development by minimising the need for customised new development to implement new products, enabling TeamViewer to focus more on the user interface of new products. This also accelerates TeamViewer's ability to deliver product updates. The modular stack of the infrastructure and products lends critical flexibility and scalability to the platform and solutions, positioning TeamViewer to rapidly improve and complement its product suite in order to capitalise on new use cases as they are discovered.

TeamViewer's R&D also has a strong focus on security across all products. The product security team conducts architectural security consulting, additional code review for sensitive code paths, security monitoring of the platform and research and evaluation for new technology.

TeamViewer has an experienced and diverse R&D team representing 25 different nationalities. As of 30 June 2019, approximately 216 full-time employees supported TeamViewer's R&D function. The majority of TeamViewer's R&D employees are located in Germany with an additional development centre in Armenia. Development activities in Armenia are primarily focused on TeamViewer IoT. TeamViewer is in the process of establishing a new R&D hub in Greece, which is expected to be opened in the second half of 2019. TeamViewer expects the new R&D hub in Greece will enable it to access a deep talent pool at competitive rates and further support its strategy of maintaining a well-balanced split of onshore and offshore R&D capacities. TeamViewer's strong commitment to research and development is also demonstrated by its R&D expenses which totalled EUR 16.5 million in the six months ended 30 June 2019 (2018: EUR 23.0 million; 2017: EUR 16.5 million). Total R&D expenses include personnel costs as well as external and contracted labour from service providers and cooperation partners. So far, none of TeamViewer's R&D projects fulfil the requirements for capitalisation of IAS 38. Hence, all R&D expenses are expensed as incurred.

13.8.2 Product development

A significant part of TeamViewer's R&D activities is centred on maintaining and improving its existing product portfolio. The increasing number of devices and operating systems (including updates) require a continuous development effort to maintain seamless cross-platform compatibility.

Current focus points of R&D include features targeting the Remote Access use case (for example, home office work), in-product messaging, speed and latency optimisation, as well as technological improvements for ease of use. An example is the development of a fully browser-based TeamViewer application that avoids any need for installation by users.

In addition, TeamViewer is focusing on continuously improving TeamViewer Tensor's conditional access feature in order to give access control to company administrators with support for desktop as well as mobile devices. This feature supports the global trend of bring your own devices (BYOD) in enterprises and provides a solution to control the security for remote access in such scenarios. For the TeamViewer IoT product, TeamViewer is developing features such as support for additional operating systems, over-the-air updates, enhanced device management, and mass provisioning to support extensive installations of IoT devices.

13.8.3 Cooperative and strategic R&D partnerships

TeamViewer cooperates with ecosystem partners such as hardware providers and operating systems providers, including, among others, Microsoft, Intel and Samsung. Integration with these partners helps TeamViewer to provide a seamless customer experience and enables tight integration with major operating systems and devices. Through these partnerships, TeamViewer is able to align strategies, develop new use cases, create strong and deep technology cooperation and test pre-releases to ensure smooth interoperability of TeamViewer's solutions with other providers' systems and devices. TeamViewer maintains and develops these relationships through, among other means, regular product sync calls, co-developing prototypes and designing support for specific mobile or desktop computers, software or hardware features of the partners' products and solutions.

TeamViewer also develops integrations for its solutions with third-party software solutions in adjacent markets that lack functionality features offered by TeamViewer. This integration allows users to add remote control technology directly to other applications using simple APIs. For example, a TeamViewer-Salesforce integration allows for remote support sessions for external customers directly from Salesforce's sales and service platforms while integration with Microsoft Intune enables secure remote support for managed devices directly via the Intune dashboard.

13.8.4 Technical developments and infrastructure

In addition to the continuous improvement and extension of the usability features of its products, TeamViewer also focuses on technical improvements and infrastructure changes including the automation of deployment and configuration, features to monitor and secure the uptime of TeamViewer infrastructure as well as the detection and prevention of misuse and hacking attempts. Generally, developers work on code improvements, i.e., refactoring, when features are extended or new features are introduced, but TeamViewer also continuously reworks software parts in order to adapt to potential performance and scalability scenarios and ensure that its products remain at the forefront of technical developments.

13.8.5 *Platform, product and technology R&D roadmap*

To structure its continuous improvement and innovation, TeamViewer has established an R&D roadmap highlighting its R&D goals for the near-, mid- and long-term:

- *near-term* – relates to planned upcoming products and features with enough detail and confidence to engage and start development;

- *mid-term* – relates to important and promising ideas that still require development and research but involve a specific use case that would be addressed; and

- *long-term* – relates to strategic areas that are important to fit or extend the product portfolio and research areas which are actively considered.

In order to preserve the agility and flexibility of the roadmap and the related development principles, TeamViewer builds minimum viable products and continues to refine them. Thus, if changes to its R&D roadmap are needed due to the emergence of more attractive prospects or market trends, TeamViewer can easily adjust and reprioritise.

Near-term goals for 2019 include several additional product releases which, depending on the market, may be integrated into existing licences as add-ons or made available separately. They include expansion of mobile app support for all third-party and enterprise mobile apps enabling software vendors and enterprises to offer remote support to their customers. Another release slated for the near-term is the notification and automatic patching of security and feature software updates ensuring secure and up-to-date application landscapes within enterprises, as an add-on to TeamViewer Remote Management. Other planned features for release in the near-term include real-time mobile notifications and access requests upon remote access to managed devices for additional security, as well as secure IoT mass-device operation and configuration to securely configure and manage large IoT device farms via secured bulk configurations.

Some initiatives expected to be addressed in the mid-term include browser-based solutions (enabling users and customers to use TeamViewer's solutions through an internet browser without requiring installation on any devices), custom IoT visualisations (transforming the IoT offering to allow system integrators to implement vertical IoT solutions) and shared live experiences (allowing end users to see and interact with content together, remotely, at the same time in a seamless experience).

TeamViewer's long-term vision includes transforming its platform into an extendable ecosystem where others, such as software vendors or system integrators, can add value through third party extensions. TeamViewer's long-term focus areas are subject to change to allow agility and flexibility. Some other key areas of focus for long-term development include credentials, identity and access management (providing the framework for customers to regulate access to enterprise-critical information, systems or networks), interactive e-training and e-learning, distributed software robots (the automation of customised, special purpose software to optimise and automate repetitive or complicated workflows) and enabling of third-party add-ons for TeamViewer's products.

13.9 Marketing

13.9.1 *Go-to-market approach*

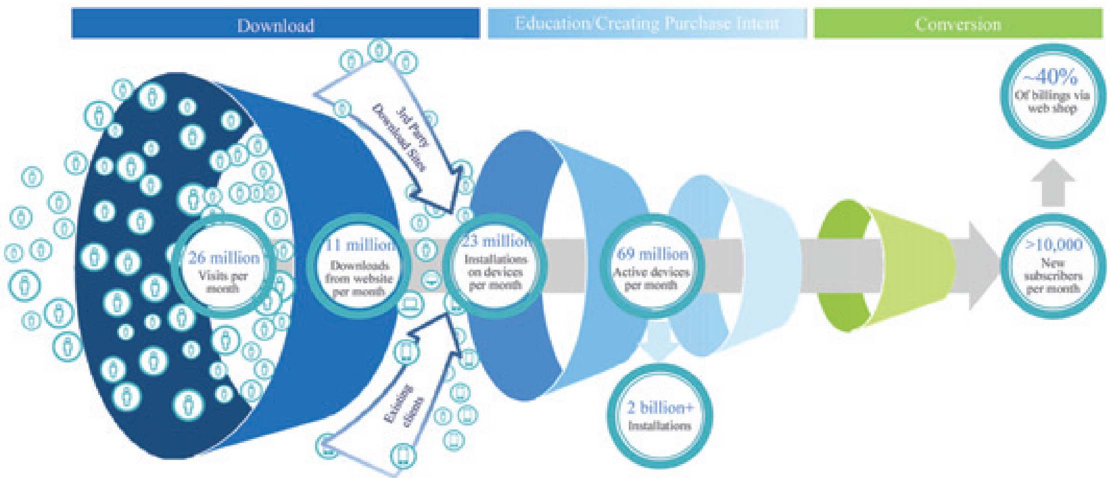
TeamViewer's distinctive go-to-market model is at the core of all marketing initiatives. Its go-to-market strategy leverages the significant organic traffic and high user engagement generated by TeamViewer's viral model supported by a multi-faceted data science-driven conversion approach. TeamViewer has tailored distinct strategies in terms of branding and marketing channels used for prospects based on different geographies and, in some instances, age and education levels. TeamViewer also leverages partnerships with well-known vendors to broaden its reach.

13.9.1.1 *Viral model and large installed user base*

Users can download the full version of TeamViewer's core product from its website without providing any personal data and without any registration requirements. After installation, users have access to TeamViewer's core solutions. Therefore, TeamViewer's users can comprehensively explore the product functionality before purchasing a subscription. TeamViewer's model differs from the "freemium" access model which provides a limited product version for free, while certain features are only accessible after obtaining a licence. As a result of TeamViewer's distinctive go-to-market model, TeamViewer benefits from a very large installed user base. TeamViewer's software has been activated on more than two billion devices to date, with approximately 69 million active devices each month, and has a high brand awareness (98%, as compared to 61% for average competitors) as well as strong brand loyalty (69%, compared to 43% for average competitors) in its key markets[30]. Approximately 246 million and 276 million new devices were registered with TeamViewer in 2017 and 2018, respectively. TeamViewer benefits from best-in-class device coverage, with stronger coverage than its closest competitors in the market; for example, TeamViewer covers approximately six times more Android device manufacturers than LogMeIn and approximately 20 times more than BeyondTrust[31].

While users can use TeamViewer Core for free for private, non-commercial use cases (such as interacting with family members), a subscription is required when TeamViewer's products are used in a commercial setting. The very large installed base provides TeamViewer with a range of opportunities for educating potential customers and creating an intent to purchase its solutions where appropriate. TeamViewer uses a number of targeted means to monetise commercial use and drive conversion. TeamViewer constantly explores upselling and cross-selling opportunities – using a so-called "land and expand" concept. Based on the strong performance and deep integration of TeamViewer's products into customers' daily operations, existing customers can adapt their subscriptions to their needs. As the TeamViewer product portfolio has expanded, cross-selling activities have significantly increased, and many existing customers were successfully cross-sold newly launched products like TeamViewer Remote Management or TeamViewer Pilot.

This distinctive go-to-market approach is designed to maximise efficiency and results in considerably lower customer acquisition costs as compared to other SaaS providers. TeamViewer's customer lifetime value to customer acquisition cost ratio is approximately 30x. The following chart demonstrates how TeamViewer channels its high share of organic traffic and large installed base through targeted data-driven conversion tools to generate subscriptions.



Source: Company information

13.9.1.2 High share of organic traffic

TeamViewer's brand strength and very large user base generate significant organic traffic, comprising approximately 70% of all traffic to its website. Organic traffic includes direct and referral traffic, driven by word of mouth and brand recognition. On average, TeamViewer's website receives an estimated 19 million free visits each month. The virality of TeamViewer's brand results in a significant number of earned backlinks and constant referrals from social media and discussion forums which, together with search engine optimisation (***SEO***), drive organic traffic. Social media and other targeted campaigns also contribute to TeamViewer's organic traffic. As of 31 July 2019, TeamViewer's Alexa

[30] Source: Company market survey of approximately 1,200 respondents
[31] Source: Qualitest, see page 4

rank, which is a measure of website popularity, was 796[32], and its #HREF rank, which is a measure of constant referral links from social and discussion forums, was 161[33] as of 4 July 2019.

Organic traffic to TeamViewer's website is complemented by paid traffic generated through TeamViewer's data-driven performance marketing strategy. TeamViewer uses search engine marketing and other paid marketing, such as "retargeting", i.e., using TeamViewer's commercial intent algorithm to target free users based on their website and in-product activity. Between January and June 2019, TeamViewer's website averaged 26 million visits, 11 million downloads and 23 million installations on devices per month. This significant website traffic and demonstrated demand for its software enables TeamViewer to maintain and grow its very large installed base represents significant potential for conversion to paying subscriptions, as evidenced by TeamViewer winning more than 10,000 new subscriptions (on average) per month between January and June 2019.

13.9.1.3 Conversion driven by data science

TeamViewer uses smart interception and lead generation tools to drive conversion of free users to paying subscribers. This enables it to generate free-to-paid conversion with limited marketing costs and without affecting the virality of its solutions. TeamViewer had a global paid device penetration rate of 4.5% in 2018, based on the weighted average share of paid devices to all monthly active devices with incoming or outgoing connections in the period.

TeamViewer's smart interception tools optimise e-commerce conversion rates by intercepting users with in-product offers at strategic points in the use cycle based on their past and in-session behaviour, as well as their location. Upon download, users are presented with educational information and purchase offers while engaged users are targeted with on-exit and on-website offers. Exit offers are designed to reduce shopping cart abandonment. Timed offers aim to educate and extend a user's website stay and are followed by conversion offers. TeamViewer also uses retargeting for engaged users to lead them to landing pages with special offers. Users are also presented with regionalised offers during certain holidays and seasons in each region of the world. On average, between January and June 2019, there were 1.5 million impressions on TeamViewer offers per day.

TeamViewer seeks to monetise commercial use of its solutions by notifying users if commercial use is detected and providing them the option of purchasing a subscription. TeamViewer's free-to-paid tool, an internal analytics engine using pattern recognition algorithms, detects commercial use based on user behaviour and traffic patterns and sends targeted in-product messages and offers. On average, many commercial users are given up to a six month grace period, within which they are educated about possible use cases, offered special deals including intercepted offers based on their past and in-session behaviour. At the end of the typical six month grace period, most commercial users continuing to use the personal licence are intercepted by TeamViewer's free-to-paid gate which presents offers to convert to a paid subscription. Commercial users who continue trying to use the free for personal use product at this point might eventually be blocked from further use.

TeamViewer also identifies upselling and cross-selling opportunities through analysis of usage patterns. Existing subscribers are intermittently offered special subscriber-only upgrade offers optimised towards upselling and cross-selling them solutions addressing new use cases.

The smart interception process generates leads for the inside and enterprise sales teams. Leads pursued by the inside sales team are either immediate leads or those registrations qualified by an intelligent scoring system. Immediate leads usually result from inbound calls, an engaged user requesting a call back using a registration form or from users who abandon their shopping cart after entering contact details. TeamViewer averaged more than 1,000 leads and inbound calls per day between January and June 2019. Identified leads are qualified using multi-factor scoring based on website and in-product activity.

13.9.1.4 Targeted enterprise marketing

TeamViewer already has significant penetration in the enterprise segment. As of 30 June 2019, more than 50% of Fortune 500 companies are, or have been, TeamViewer customers[34].

[32] Source: Alexa
[33] Source: Ahrefs
[34] Based on the number of Fortune 500 companies which have had at least one invoice with TeamViewer as of June 2019

TeamViewer has created a specific go-to-market approach for this segment, with a particular focus on moving enterprise customers from siloed adoption of individual products to the enterprise-wide solution provided by TeamViewer Tensor. TeamViewer's approach involves providing educational and introductory offers to enterprise visitors and targeted accounted-based marketing to reach upper management and decision makers with information regarding critical TeamViewer Tensor functionalities. These include:

- mass deployment, providing scalability for enterprise customers;
- single sign-on, which is required for enterprise-use deployment of any mission critical software;
- conditional access, which prevents unauthorised access and secures access to thousands of corporate devices; and
- auditability, which enables enterprises to know who is connecting to what, when and for how long.

Additionally, TeamViewer produces educational webinars and maintains a significant presence at industry events and hosts regular customer road shows to have face-to-face customer and prospect interaction while increasing TeamViewer's brand presence in the enterprise space.

In addition, through smart prospecting and digital marketing, TeamViewer identifies opportunities to cross-sell other TeamViewer add-ons to existing subscribers and give prospective customers the opportunity to try those for free.

TeamViewer also engages in some focused enterprise retargeting on LinkedIn and TechTarget.com to generate webinar registrations and contact requests from companies with existing use of TeamViewer's solutions in certain of their departments. As a result of TeamViewer's targeted marketing activities, between January and May 2019, it has generated 66 new TeamViewer Tensor deals.

13.9.1.5 Pricing

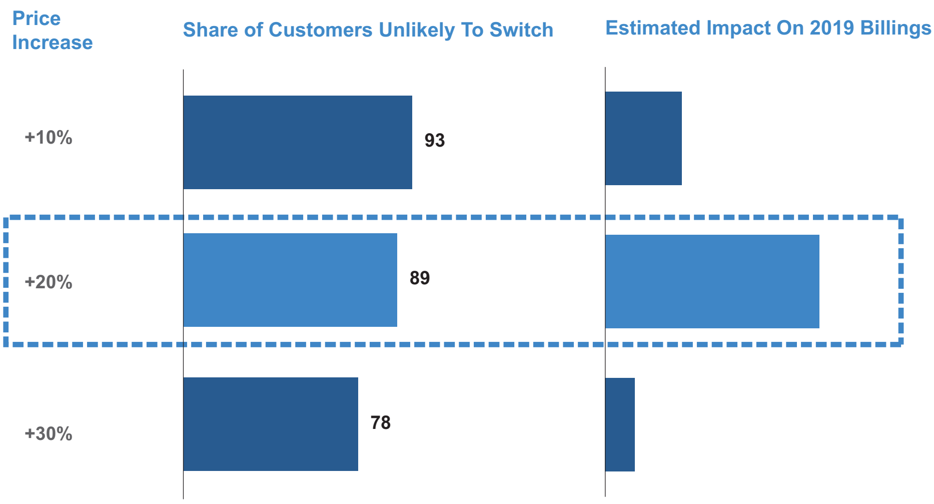
In order to foster the use of TeamViewer for commercial purposes, TeamViewer offers several subscription options and pre-defined service bundles differentiated by use case, customer size and country or market, addressing the varied needs of a broad set of customers. TeamViewer offers simple and transparent pricing with strategic use of discounts as a tool for conversion. Illustrative examples of pricing are as follows:

- occasional use – private use end users can use the full version of TeamViewer Core for free forever;
- end users who want to use TeamViewer's solutions on a regular basis to access computers at their business or employer from a remote computer or mobile device can purchase a remote access only subscription starting from as little as EUR 10 per month;
- users who want to use TeamViewer's solutions to provide regular support to their customers or employees can purchase the full TeamViewer Core "connect" functionalities from EUR 30 per month;
- extended functionalities with multi-user options start at approximately EUR 60 per month; and
- expanded functionalities meant for large teams, allowing multiple concurrent connection options, start at approximately EUR 120 per month.

Pricing for TeamViewer Tensor is individually negotiated based on the customers' requirements. TeamViewer believes that it benefits from low price elasticity which provides room for future price increases as average spend by customers on "connect" products represents less than 1%

of their total IT spend[35]. Only 19% of customers consider cost a key purchase criterion for purchasing TeamViewer's solutions[36]. The following graph illustrates the expected impact of price increases on customers' likelihood to switch providers as well as on TeamViewer's billings:

Price Increases Of Up To 20% With Expected Positive Billings Impact



Source: Company market study based on approximately 170 respondents with paid TeamViewer licences

13.9.1.6 Cooperative and strategic partnerships

TeamViewer partners with prominent vendors to help accelerate growth, particularly in enterprise customers. These mutually beneficial arrangements involve embedding TeamViewer solutions into partners' platforms, joint go-to-market approaches and co-development of new use cases. These partnerships may utilise monetisation models like the original equipment manufacturer (***OEM***) model, which involves integration of TeamViewer's solutions in another product for resale by a third-party, and the bring-your-own licence model, whereby customers of the partner's solution purchase their own TeamViewer licence to use with such third-party application. TeamViewer has integrated its solutions into the offerings of vendors such as ServiceNow, Microsoft Intune, Salesforce and MobileIron. TeamViewer is committed to driving expansion of the ecosystem of highly visible vendors with which it works as one of the many avenues by which it wins enterprise customers.

13.9.1.7 Marketing-led product strategy in close collaboration with R&D

TeamViewer's marketing function works in close collaboration with R&D to develop its product strategy. Input from marketing teams, extensive market research and sentiment analysis help TeamViewer refine and expand its products as well as define customer requirements. The collaboration with marketing also introduces design-based thinking to product development and creates intuitive, easy-to-use products that also appeal to a millennial audience. TeamViewer's holistic approach to product development results in greater use and customer engagement, thereby creating a virtuous feedback circle.

TeamViewer's marketing function helps chart its product roadmap and introduce new innovation ideas based on customer use cases, market research and social trend studies. TeamViewer then estimates the effort, technological input, model pricing and revenue potential required to develop viable products capable of competing in the market. A viable product's market share is further estimated via new use cases and market focus. Refinement of viable products is achieved through early testing during development stages and close collaborating between the marketing and engineering teams. Finally, the marketing team devises messaging, content creation and a go-to-market strategy for these new products and use cases.

TeamViewer's marketing expenses totalled EUR 11.2 million for the six months ended 30 June 2019 (2018: EUR 18.0 million; 2017: EUR 13.0 million; 2016: EUR 10.4 million).

[35] Source: Company market study
[36] Source: Company market study

13.10 Sales

TeamViewer has a diversified sales approach that enables it to reach customers on a broad scale. While TeamViewer's web shop is the single largest source of sales, representing approximately 40% of billings in 2018, TeamViewer also utilises inside sales, targeted enterprise sales and channel sales through distributors and resellers / system integrators. TeamViewer has a diverse and highly results-driven global salesforce of 193 employees (as of June 2019), representing 35 different nationalities and speaking over 25 languages. In 2018, TeamViewer's sales team averaged more than EUR 600,000 in billings per sales representative (excluding renewals) with an average cost per full-time sales representative of approximately EUR 87,000[37]. TeamViewer's flexible sales approach is focused on considering local needs, including different market dynamics and maturity, for faster penetration of local markets. As a result of this approach, in the twelve months ended 30 June 2019 there were 70% more customers with annual recurring billings equal to or exceeding EUR 10,000 than in the twelve months ended 30 June 2018.

TeamViewer uses a global hub model complemented by regional market experts. Whilst the majority of TeamViewer's sales force operates in its three hubs, in Germany, the US and Australia, TeamViewer has recently established local operations in growing markets, such as China, Japan, Singapore and India, as well as in France and Spain. TeamViewer added 24 full-time sales employees in the APAC region between December 2018 and June 2019 which contributed to growth of over 73% in TeamViewer's billings in China, from EUR 2.1 million in the six months ended 30 June 2018 to EUR 3.7 million in the six months ended 30 June 2019.

TeamViewer employs varied local sales and marketing activities tailored to a particular location. Some of these localised initiatives may include adapting the website as well as marketing campaign management to meet local requirements, recalibrating various pricing and packaging measures to target countries, the setup of sales and marketing organisations with local responsibilities and market knowledge, and on-site enterprise management in all major countries.

TeamViewer's sales expenses totalled EUR 20.5 million for the six months ended 30 June 2019 (2018: EUR 30.5 million; 2017: EUR 22.4 million; 2016: EUR 21.6 million).

13.10.1 Inside sales

Inside sales focuses on inbound calls and sales tickets, retention of existing customers, upselling and cross-selling in the installed base as well as migration of customers with a perpetual licence to the new subscription model. TeamViewer has a highly educated inside sales team, comprised of 137 full-time sales representatives over approximately 70% of whom are university educated (as of June 2019). TeamViewer's inside sales approach is underpinned by a data-driven approach, using sophisticated analytics to determine the optimal sales approach based on TeamViewer's customer behaviour insights. Automated lead creation ensures that once opportunities have been identified, they are pushed to sales representatives to action, while closed and untouched opportunities are automatically reassigned. In 2018, this approach enabled the inside sales team to process more than 8,000 deals per month[38] and facilitate the migration of, on average, more than 2,000 customers per month from perpetual licences to subscriptions. The inside sales team won an average of approximately 3,200 net new subscribers each month between January and June 2019. TeamViewer takes a performance-focused approach to its inside sales employees with individual targets and daily tracking. Compensation for inside sales employees includes a significant variable component, at approximately 25% of total pay. In 2018, an average of approximately EUR 580,000 in billings (excluding renewals) was generated per inside sales employee while each such employee cost an average of approximately EUR 80,000[39]. Inside sales generated 41% of billings in 2018.

13.10.2 Enterprise sales

Enterprise sales are conducted via a personal, direct touch which is geared towards large accounts and targets specific potential enterprise customers. The enterprise sales team includes experienced and focused enterprise account executives with in-market and often vertical expertise. As of 30 June 2019, TeamViewer had 16 account executives in the EMEA region, eight account

[37] Average cost per full-time sales person includes the impact of Non-consolidated Entities
[38] Based on the average number of invoices created by inside sales per month in 2018 (excluding renewals)
[39] Average cost per full-time inside sales person includes the impact of Non-consolidated Entities

executives in the Americas region and nine account executives in the APAC region. Enterprise sales generated 12% of billings in 2018 and TeamViewer expects this channel to grow in the long-term as it increases its sales to enterprise customers. TeamViewer believes that its new products, such as TeamViewer Tensor and TeamViewer IoT, with enterprise-grade technology and pricing advantage as a result of its cloud-based model, will help drive growth of enterprise sales. TeamViewer successfully added more than 66 new TeamViewer Tensor customers and upsold more than 30 existing customers to TeamViewer Tensor between January and May 2019. Over the same period, the average selling price for TeamViewer Tensor in the EMEA and Americas regions was approximately EUR 26,000 and EUR 14,000, respectively, while the average selling price for TeamViewer Tensor was more than 10 times higher than the average selling price for the TeamViewer Core corporate package. The sales quota for an enterprise account executive is typically between EUR 800,000 to EUR 1 million in annual contract value, based on new sales and upsell/cross-sell but not renewals of existing accounts.

13.10.3 Channel sales

Channel sales enable further market penetration via systematically built relationships with partners who provide wider customer reach and local expertise. TeamViewer uses a two-tier sales model in all geographic markets, split between distributors / resellers and system integrators. The distributors / resellers afford local expertise and breadth while the system integrators allow greater access to upper mid-market and enterprise customers. TeamViewer has recently introduced a new channel sales programme which is designed to enhance the focus of its channel sales partners on value business and to reduce transactional business. Initiatives under this programme include reduction of discounts for lower-value licences and introduction of higher discounts and more support for enterprise business, certification programmes for channel partners and reduced direct touch partner coverage. As of 30 June 2019, TeamViewer had approximately 380, 1,100 and 830 registered partners in the EMEA region, the Americas region and the APAC region, respectively. Channel sales contributed 6% of billings in 2018.

13.11 Customers and customer relations

TeamViewer's broad and diversified customer base consists of approximately 360,000 subscribers as of 30 June 2019. TeamViewer's software is available in 30 languages and TeamViewer has customers in approximately 180 countries. The United States constitutes TeamViewer's largest market with a share of 22.4% of billings in 2018. Germany, TeamViewer's home market, is its largest market in Europe with 15.3% of billings in 2018, followed by the UK, France, and the Netherlands. TeamViewer's customer base includes customers from a wide variety of industries and sectors, with a significant part of its billings deriving from software and services companies, hardware and equipment companies, commercial and professional services companies, retail and consumer goods companies as well as customers in the healthcare sector. TeamViewer benefits from low customer concentration, with the five largest customers contributing less than 1% of billings in 2018.

TeamViewer uses advanced data analytics and adjacent technologies to optimise its website offering, search engine visibility and to communicate with existing and potential customers. In addition, as part of its product download process and during the sales process, many of TeamViewer's subscribers and free users opt to receive e-mails and other communications from TeamViewer.

Historically, TeamViewer focused on small- and medium-sized businesses, which remain the largest segment of TeamViewer's subscribers. Recently, TeamViewer has significantly expanded its enterprise customer base. TeamViewer has expanded upwards in the customer spectrum with the roll-out of enterprise-focused TeamViewer Tensor and a dedicated enterprise sales force, while it has simultaneously expanded downwards into the SoHo segment with the release of TeamViewer Remote Access and through engagement with its existing customer base and digital marketing.

TeamViewer's agreements with end users and most customers are generally based on standardised agreement templates and end user licence agreements, with more tailored contracts for large enterprise customers.

13.11.1 Customer support

Through TeamViewer's customer support function customers can seek help through its two levels of individual customer support as well as through its self-service options. TeamViewer had approximately 110 full-time customer support employees as of 30 June 2019.

Level one customer support provides customers with a highly sophisticated internal IT team that can be reached five days a week (and seven days a week if required for customers with service-level agreements) and can be contacted through email, phone or social media platforms and the TeamViewer community. The team is based in the United States, Germany, Australia and Armenia and supports 17 languages. TeamViewer's level one customer support handled over 200,000 tickets in 2018. Additionally, with level two customer support, TeamViewer provides customers with greater technical expertise and handles security questions and potential product defects. Level two customer support employees have an average of 4 years of experience with TeamViewer, have deep technical expertise across the platform and are closely engaged with its sales and R&D teams. TeamViewer's level two customer support handled over 190,000 tickets in 2018. In addition, TeamViewer's level two customer support handles professional services worldwide and provides pre-sales and enterprise support, as well as training.

TeamViewer's customer and user relations are also supported by its community and self-service platform. TeamViewer has a dedicated user community forum online with approximately 190,000 users, between 750,000 and 1,000,000 community visits per month and up to 2,000 users online concurrently. TeamViewer believes that its focus on customer satisfaction is reflected in its high retention rates (i.e., customers renewing their subscription contracts). The community portal provides an extensive self-service library with knowledge-based articles and a user-focused blog. It is available in English, German, French, Spanish, Japanese and Mandarin. TeamViewer's community support team includes six full time moderators who monitor and participate in the community portal. The community portal also facilitates peer-to-peer support through forums and topics, thereby leveraging users and reducing overheads.

13.12 IT infrastructure

13.12.1 IT Infrastructure

Information technology is an important part of TeamViewer's operations, in particular to ensure seamless delivery of its products. TeamViewer manages its master environment and core data centres to ensure high speeds and high uptimes. TeamViewer employs a single global sales, telephony and CRM system to ensure consistency across its worldwide operations. This centralised system manages billings across 180 countries, with all invoicing done in Germany which acts as a shared service centre globally. In addition, TeamViewer has intelligent disaster recovery and business continuity plans in place at every level to facilitate data recovery and continuity. For the internal infrastructure, TeamViewer uses the same backup solution for its entire virtual environment hosted globally with a daily incremental backup cycle and a full back up on the weekend. In its master server environment TeamViewer only performs backups on its relational database management servers. All other services are deployed via TeamViewer's automated deployment process and therefore no backup is performed. A master disaster recovery site is in place for the master environment in Vienna, Austria.

13.12.2 IT demand and application management

TeamViewer's IT demand and application management function forecasts, plans for and manages demand for products and services and is responsible for all delivered application projects and maintenance of all corporate applications worldwide (including the online shop for TeamViewer's e-commerce sales). It serves to make work more efficient, meet business needs and provide support for all internal applications worldwide.

13.12.3 Internal technology infrastructure – new application landscape

In 2016, TeamViewer initiated the process of optimising its existing ERP and e-commerce system and the migration of its IT enterprise architecture to a more scalable cloud-based solution. In 2017 and 2018, TeamViewer invested in its new application landscape, a new fully cloud-based ERP, CRM and e-commerce system. The transition to the new application landscape is expected to be completed in the first half of 2020. The new application landscape replaces TeamViewer's previously more fragmented internal technology suite with a more integrated one. The new application landscape is based on Microsoft Dynamics 365 supplemented by additional tools. TeamViewer expects that it will help increase customer satisfaction, enable customers to have more self-service options and increase operational efficiency and scalability. TeamViewer invested EUR 8.0 million in the implementation of the new application landscape in 2018 (being part of additions to total intangible assets and goodwill) and an additional EUR 5.3 million in the six months ended 30 June 2019.

13.13 Operations quality and supplier management

TeamViewer aims to develop processes and systems to improve corporate efficiency and ensure it operates at the highest quality standards across the business. TeamViewer has a particular focus on sourcing and procurement as well as driving management certifications. TeamViewer seeks to ensure all suppliers are compliant with its rules and quality standards and holds regular meetings with its data centre provider Anexia to evaluate key performing metrics. All data centres used by TeamViewer are certified with ISO27001. TeamViewer recently achieved ISO9001 quality management systems (QMS) certification and has also received certification under the Health Insurance Portability and Accountability Act of 1996 and System and Organization Controls (SOC) 2 certification from the American Institute of Certified Public Accountants. TeamViewer seeks to gain further accreditations and certifications as evidence of its high-quality operations to support its targeted expansion to an enterprise customer base.

13.14 Security and privacy

TeamViewer takes a holistic approach to security, resulting in state-of-the-art enterprise-level security. The two elements of security are product security and corporate infrastructure security and TeamViewer's teams responsible for these two elements work closely together. TeamViewer is also focused on a clean data privacy approach, ensuring secure and compliant processing of information and personal data.

13.14.1 Security

13.14.1.1 Corporate and product infrastructure security

TeamViewer's state-of-the-art IT security is based on four pillars: assess, protect, detect and respond. Possible risks are first assessed through threat modelling, frequent penetration testing, risk classifications, audits and threat profiling. TeamViewer's IT is protected via TeamViewer's network security and security architecture, together with secure access management, efficient security processes and physical security measures. A security operation centre (***SOC***) which runs 24/7, 365 days per year closely monitors the IT infrastructure to detect possible attacks and escalate incidents immediately. If a threat is detected, IT security responds by taking several actions such as response planning, threat mapping, incident coordination and, if required, forensics management. The security board of TeamViewer is responsible for determining strategies in relation to IT security as well as tracking the implementation status of corresponding measures.

All data centres used by TeamViewer are compliant with ISO 27001 and leverage multi-redundant carrier connections and redundant power supplies. These data centres include features such as data protection, data mirroring, data backup, highly available server storage, and router systems with disaster recovery mechanisms and procedures to deliver continuous service.

13.14.1.2 Product and data security

TeamViewer's approach to product security is focused on three core areas: infrastructure security, account access security and product and data security. Each session using TeamViewer's software is uniquely end-to-end encrypted via AES256 (an advanced encryption standard), using encryption keys based on RSA 2048bi private/public key exchange (which is a type of key-based cryptosystem). The key exchange also guarantees full end-to-end data encryption for device-to-device communication.

All of relevant TeamViewer's software is code-signed via a dedicated code signing certificate. As a result, the publisher of the software is always readily identifiable. If the software is changed afterwards, the digital signature automatically becomes invalid, so operating systems are able to detect unauthorised modification of an application.

TeamViewer also provides password-less access via its "Easy Access" feature. Under this system, access to devices is authenticated via a unique signature key that is attached to an end users' TeamViewer account. As TeamViewer accounts have additional protection layers, access to devices benefits from additional security. TeamViewer also offers access controls such as conditional access for its enterprise product Tensor and support for black/white lists. Customers are also provided a defence against brute-force attacks and distributed attacks through TeamViewer exponentially increasing latency between connection attempts if an attack is suspected.

TeamViewer optionally allows end users to generate a session password that changes with every session or every software start to provide additional security against unauthorised access to a remote system. Depending on the setup and product, functions like file transfer require additional, manual confirmation from the remote partner. For data protection reasons, an end user has to be able to detect when someone is accessing the machine.

13.14.1.3 Account access security

13.14.1.3.1 Two-factor authentication

Two-factor authentication is an optional feature that adds an additional security layer to protect accounts from unauthorised access. With two-factor authentication, a code is generated on an end user's mobile device, in addition to asking for a username and password, to sign in to a TeamViewer account. The code is generated via a one-time password algorithm and is only valid for a short timeframe of less than 60 seconds.

13.14.1.3.2 Trusted device challenge and confirmation process

TeamViewer's "Trusted Device" measure gives its customers additional protection and helps prevent anyone else from accessing the account. This feature ensures that whenever an existing TeamViewer account attempts to sign in on any given device for the first time, TeamViewer asks to confirm the new device as trusted device via email before being able to sign in.

If TeamViewer's systems identify a log-in attempt as suspicious, an additional "Captcha" request is triggered before the log-in attempt is permitted. Captchas are additional tasks that can only be fulfilled by humans to prevent automated scripts and robots from using brute force methods to guess account passwords.

13.14.1.3.3 Authentication via SRP

TeamViewer uses secure remote password (***SRP***) protocol to authenticate end users and does not store hashed passwords or password-equivalent data. This ensures that unauthorised third parties cannot obtain enough information to be able to reveal a password.

13.14.2 Data privacy

As a global connectivity platform, ensuring secure and compliant processing of information and personal data is an important factor to TeamViewer's continued growth and success. TeamViewer's products and product infrastructure follow the design principle that only owners of data should have access to his or her own data, to the extent it is technically feasible to implement. Further, TeamViewer's router servers, which transparently forward data from sessions using TeamViewer's software, cannot decipher the session data as such sessions are end-to-end encrypted. Any data that is acquired by TeamViewer or by its products is either obvious to end users due to the function of that data, for example, setting up a user account requires an email address, or is clearly stated in end user licence agreements, privacy policies and record of processing activity to ensure end users are aware of the purpose. TeamViewer collects user and customer data, in accordance with its data privacy policies, for the purposes of product improvement, security and marketing. TeamViewer attempts to minimise stored data and any data that is no longer needed is deleted.

13.15 Real property owned and leased

TeamViewer leases offices in Germany (Berlin, Göppingen, Karlsruhe and Stuttgart), Armenia, Australia and the United States. In 2019, TeamViewer entered into new lease agreements for office space in Göppingen, Germany and intends to move its headquarters to the new office spaces in 2020. In addition, TeamViewer uses co-working offices which are leased on a short-term basis from time to time. In addition, TeamViewer Group companies have entered into short fixed term co-working office lease agreements in Germany, China, France, India, Japan, Spain and the United States.

13.16 Intellectual property and IT

As of the date of this Prospectus, TeamViewer owned approximately 100 trademarks and a further 130 trademarks are in the process of application. TeamViewer develops software predominantly through its own employees. In addition, TeamViewer integrates certain open source software components in its self-developed software products, provided that such integration is done under a permissive open source software licence. TeamViewer Germany GmbH is party to several licensing agreements with third parties where TeamViewer has been granted the right to integrate third party software with its own software products, distribute the licenced software in connection with its own products and/or use the licenced software internally. TeamViewer also contributes to several open-source projects such as Curl, Boost or Cassandra C++ Driver.

TeamViewer also owns approximately 5,000 domains and has registered its most important internet domain names with top-level-domain registrars, including Anexia, Alibaba and United Domains.

TeamViewer does not currently own any registered patents. However, TeamViewer is in the final steps of registering one patent and plans to file for a second patent in the near term.

13.17 Employees

13.17.1 Overview

TeamViewer employed a total of 738 full-time equivalent employees across its 15 offices as of 30 June 2019 (31 December 2018: 652) of which 406 (2018: 380) worked for TeamViewer in Germany where its headquarters are located. Since 30 June 2019, there has been no material change in the number of employees until the date of this Prospectus.

The following table shows the unaudited period-end figures of TeamViewer's staff (full-time) as of 30 June 2019, 31 December 2018, 31 December 2017 and 31 December 2016, each divided by function:

	As of 30 June	As of 31 December		
	2019	2018	2017	2016
	(unaudited)			
Sales	283	232	208	203
General and administrative	140	134	140	123
Marketing	60	36	39	37
R&D	216	212	212	203
Technical support	40	38	39	44
Total	**738**	**652**	**638**	**610**

13.17.2 Pension liabilities

Regit Eins GmbH and TeamViewer Germany GmbH

At Regit Eins GmbH and at TeamViewer Germany GmbH, a defined contribution company pension scheme is operated in the form of a direct insurance scheme. Under the pension scheme, employees may contribute a certain percentage of their salary (salary conversion) to which the employer adds another 20% of the employee's contribution. The employee contribution is capped by the German social security contribution assessment ceiling; in 2019, the maximum contribution amount for an employee is EUR 53.60 per month.

Currently, 61 employees participate in the pension scheme and TeamViewer's total contributions currently amount to approximately EUR 17 thousand per year.

TeamViewer US, LLC

TeamViewer US, LLC has established a 401(k) retirement plan for which all employees over the age of 18 are eligible to participate. Employees may contribute to the plan on an after-tax basis, subject to the IRS annual contribution limit (USD 18,500 for 2018) and TeamViewer US, LLC provides a discretionary match of 25% of the first 6% that employees contribute per pay period. Older employees over the age of 50 can make extra "catch-up" contributions, once they have reached the regular contribution limit. The catch-up limit for 2018 was USD 6,000. Employer and employee contributions are 100% vested.

13.17.3 Employee Incentive Programmes

13.17.3.1 Key Employee Participation Programme

Two supervisory board members and 5 managers of TeamViewer Group (but not including the management board members) are indirectly invested in the Issuer through a key employee participation programme (the ***Key Employee Participation Programme***). These individuals each directly or indirectly hold interests in one or more pooling vehicles that in turn hold shares and other instruments in the Selling Shareholder. The total indirect participation of these individuals (excluding the supervisory board members) in the Issuer amounts to 0.55% (after taking into account the sale of Issuer shares by the Selling Shareholder and assuming full exercise of the Upsize Option and the Greenshoe Option; 0.67% assuming that neither the Upsize Option nor the Greenshoe Option are exercised). Accordingly, these individuals will receive proceeds from the Offering and any future sale of the Issuer's shares by the Selling Shareholder and will be indirectly bound by the lock-up arrangement with the Selling Shareholder. The indirect participation in the Issuer held by the supervisory board member Dr. Abraham (Abe) Peled amounts to 0.43% and the indirect participation in the Issuer held by the supervisory board member Holger Felgner amounts to 0.15% (in each case after taking into account the sale of Issuer shares by the Selling Shareholder, assuming full exercise of the Upsize Option and the Greenshoe Option; 0.52% and 0.18%, respectively, if neither the Upsize Option nor the Greenshoe Option are exercised).

13.17.3.2 Employee Bonus Scheme

The Selling Shareholder has undertaken towards 76 managers of TeamViewer Group, not including the management board members, to pay these managers a bonus, where the amount is linked to the aggregate net proceeds of the Selling Shareholder from its investment in the Issuer. The bonus amounts will be calculated and paid by the Selling Shareholder in two tranches. The first tranche will be paid in the context of the IPO. The remaining bonus will be calculated and paid after the Selling Shareholder has ceased to be invested in the Issuer (other in respect of one manager whose remaining bonus will be paid in one or more tranches prior to the Selling Shareholder ceasing to be invested in the Issuer). The aggregate bonus amounts payable in the first tranche correspond to EUR 20.46 million (EUR 22.64 million if the Greenshoe Option and Upsize Option are exercised in full) at the low end, EUR 21.04 million (EUR 23.46 million) at the mid-point and EUR 21.63 million (EUR 24.28 million) at the high end of the Price Range (each on a gross basis). The bonus amounts payable under the second tranche will depend on the time of vesting (when the Selling Shareholder has ceased to be invested in the Issuer) and the price of the Shares at the time of vesting. The Selling Shareholder will pay the net bonus amount to the beneficiaries and will settle wage taxes and other deductions, as applicable, with the employing TeamViewer Group company under the agreement on processing of wage taxes and other deductions (*see 13.17.3.5 Agreement on processing of wage taxes and other deductions*).

13.17.3.3 Long-Term Incentive Programme Key Employees

Apart from the Company's long-term incentive plan for the members of the Management Board (*see 18.2.3.2.4 – Long-Term Incentive for Members of the Management Board*), it is intended to establish a long-term incentive programme for members of the wider management team and key employees (***LTIP Key Employees***), starting with the business year 2020. The terms and conditions of the LTIP Key Employees will be determined by the Management Board at its reasonable discretion.

It is intended that the LTIP Key Employees will be virtual share-based, i.e. each participant receives virtual shares in the Company at the beginning of a four-year performance period and the virtual shares will be settled in cash at the end of the respective performance period, based on the attainment of certain target parameters. The target value of all participants' virtual shares received per performance period will be approximately EUR 3,600,000, with the payout for each participant at the end of a performance period being capped at 200% of the individual target value at allocation.

13.17.3.4 TV Group IPO Bonus Scheme

In case of a successful IPO, the Company intends to pay a one-time bonus to all TeamViewer Group employees depending on tenure (and with some exceptions). The bonus amount will be up to two monthly salaries per employee and the Company expects the aggregate bonus payment to amount to approximately EUR 7.0 million.

13.17.3.5 Agreement on processing of wage taxes and other deductions

The Selling Shareholder entered into an agreement (the ***Tax Processing Agreement***) with the Issuer and certain of its subsidiaries relating to the processing of wage taxes and other mandatory deductions in respect of bonus arrangements for the management within TeamViewer Group. Pursuant to the Tax Processing Agreement, the Selling Shareholder agreed to withhold from all payments in connection with bonus arrangements to members of the management within TeamViewer Group amount equal to the wage tax and other mandatory deductions calculated by the employing TeamViewer Group company.

Similarly, the Selling Shareholder agreed in the bonus agreements with the management board members to withhold (and subsequently monetise), at the relevant management board member's request, from all share transfers to TeamViewer Group's management board members such number of shares as are required, when monetised, to meet wage tax and other mandatory deductions calculated by the employing TeamViewer Group company.

The Selling Shareholder agreed to pay such withheld amounts (following monetisation of shares, where applicable) to the employing entity to enable it to meet its corresponding payment obligations towards tax and other authorities.

13.18 Corporate responsibility

TeamViewer constantly strives to meet external and internal expectations of generally accepted standards for sustainability, including energy and resource management. Seeking business excellence on a sustainable basis is an important pillar of TeamViewer's future corporate success. TeamViewer, consistent with its product offering, strongly supports remote work and home-office initiatives as means to reduce the global carbon dioxide footprint and aims to be a frontrunner in this trend.

13.19 Legal and administrative proceedings

The Company and its subsidiaries are from time to time involved in court, administrative and regulatory proceedings in Germany and other countries, which are not described herein and that are incidental to the normal conduct of TeamViewer's business, including ordinary course litigation with former employees. TeamViewer does not believe that the outcome of any such proceeding, if decided adversely to TeamViewer's interests, will have a material adverse effect on TeamViewer's results of operation, cash flows or financial condition. Other than as discussed below, TeamViewer is currently unaware of any material threatened litigation or arbitration and does not maintain provisions for litigation or arbitration claims because management believes, based on the advice of counsel, that material losses are not probable. TeamViewer is involved in the following material proceedings.

IP Disputes

TeamViewer US, Inc. has been sued in a patent infringement lawsuit. Plaintiffs have alleged that certain TeamViewer products infringe third party intellectual property. The law suit is currently in the discovery phase. The amount of potential damages would be substantiated as part of the proceedings. The Company and TeamViewer US, Inc. believe that the allegations in this lawsuit are without merit and TeamViewer US, Inc. intends to vigorously defend its position. Certain provisions for legal fees have been made. In addition to the underlying claim, a reseller has notified TeamViewer of comparable claims raised by the plaintiffs against TeamViewer GmbH (now TeamViewer Germany GmbH) and against such reseller in its capacity as a reseller of such products and has demanded indemnification from TeamViewer GmbH (now TeamViewer Germany GmbH) under its reseller agreement.

Data protection audit

In October 2018, the data protection authority of the German State of Baden-Wurttemberg issued a request for information to TeamViewer GmbH (now TeamViewer Germany GmbH), containing a list of 16 questions pertaining to GDPR compliance. TeamViewer has responded to this request and the data protection authority has not taken any follow-up actions. However, the proceedings have not been formally closed.

13.20 Material contracts

The following provides an overview of contracts that are material to TeamViewer's business or profitability. Apart from the agreements summarised below, there are no other commercial or financial contracts which are material to TeamViewer's business.

13.20.1 Financing agreements

Existing Senior Facilities Agreement and Existing Second Lien Facility Agreement

The Selling Shareholder, as holdings, entered into a New York law governed first lien credit and guaranty agreement dated 8 July 2014 (as amended and restated by an amendment and restatement agreement dated 22 February 2017) with, among others, certain companies of the TeamViewer Group as borrowers and guarantors, Bank of America, N.A. as administrative agent and collateral agent and certain financial institutions as lenders (the ***Existing Senior Facilities Agreement***).

In addition, the Selling Shareholder, as holdings, entered into a New York law governed second lien credit and guaranty agreement dated 8 July 2014 (as amended and restated by an amendment and restatement agreement dated 22 February 2017) with, among others, certain companies of the TeamViewer Group as borrowers and guarantors, Bank of America, N.A. as administrative agent and collateral agent and Bank of America, N.A. as lender (the ***Existing Second Lien Facility Agreement***, and together with the Existing Senior Facilities Agreement, the ***Existing Senior Financing Agreements***).

The Company acceded to the Existing Senior Financing Agreements and the related documentation as new holdings and thereby replaced TigerLuxOne S.à r.l. in the financing on or around 13 August 2019.

Existing Senior Facilities Agreement

The Existing Senior Facilities Agreement provides for certain euro term facilities and certain US dollar terms facilities (the ***Existing Senior Term Facilities***). The Existing Senior Term Facilities consist of:

- a US dollar term loan facility B1 in the maximum amount of USD 325 million. This facility is repayable in full with a final maturity date on 22 February 2024; and
- a euro term loan facility B1 in the maximum amount of EUR 226 million. This facility is repayable in full with a final maturity date on 22 February 2024.

In addition, a revolving facility is made available under the Existing Senior Facilities Agreement in the maximum aggregate amount of USD 35 million (or in its equivalent in optional currencies permitted under the revolving facility) with a final repayment date of 22 February 2022 (the ***Existing Revolving Facility***, and together with the Existing Senior Term Facilities, the ***Existing Senior Facilities***).

The Existing Senior Facilities Agreement allows that the Existing Revolving Facility be utilised for (i) letters of credit in an amount not to exceed USD 5 million or (ii) swingline loans.

Interest under the Existing Senior Facilities Agreement is payable at a rate per annum on the outstanding borrowings for the applicable interest period amounting to the aggregate of:

- in respect of each US dollar denominated loan that is maintained as a base rate loan, (i) the applicable margin (as described below) and (ii) the base rate (being a fluctuating rate per annum equal to the highest of (a) the federal funds rate plus ½ of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America, N.A. as its "prime rate", and (c) the LIBOR rate plus 1.00%, provided that for US dollar term B1 loans, the base rate shall not be less than 2.00% per annum);
- in respect of each US dollar denominated loan that is maintained as a LIBOR loan, (i) the applicable margin (as described below) and (ii) the LIBOR rate (being LIBOR, provided that for US dollar term B1 loans, the LIBOR rate shall not be less than 1% per annum and further provided that if LIBOR is less than 0%, it shall be deemed to be 0%); and

- in respect of each alternate currency loan, (i) the applicable margin (as described below) and (ii) the applicable fixed rate (being the LIBOR rate or the alternate currency rate, which in turn is (a) in respect of euro denominated loans, euro LIBOR, (b) in respect of loans denominated in pounds sterling, LIBOR, (c) in respect of Australian dollar denominated loans, the bank bill swap reference bid rate and (d) in respect of any other alternate currency, a rate agreed between the borrower, the administrative agent and the revolving lenders at the time such currency is approved).

The applicable margin for:

- the US dollar term B1 loans is 4.75% per annum;
- the euro term B1 loans is 4.50% per annum;
- the swingline loans is 2.75% per annum; and
- the revolving loans is variable and depends on (i) whether it is a base rate loan or a fixed rate loan and (ii) the total net first lien leverage ratio:

	2017 Revolving Loan	
Total net first lien leverage ratio	**Fixed Rate Margin**	**Base Rate Margin**
Greater than 3.75 to 1.00	3.75%	2.75%
Less than or equal to 3.75 to 1.00 and greater than 3.25 to 1.00	3.50%	2.50%
Less than or equal to 3.25 to 1.00	3.25%	2.25%

As of the date of this Prospectus, the applicable margin for the revolving facility loans were as per the third row in the above table.

Existing Second Lien Facility Agreement

The Existing Second Lien Facility Agreement provides for a USD 200 million term facility (the ***Existing Second Lien Facility***).

Interest under the Existing Second Lien Facility Agreement is payable at a rate per annum on the outstanding borrowings to which such interest period relates amounting to the aggregate of:

- in respect of each loan maintained as a base rate loan, (i) the applicable margin (as described below) and (ii) the base rate (being a fluctuating rate per annum equal to the highest of (a) the federal funds rate plus ½ of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America, N.A. as its “prime rate”, and (c) the LIBOR rate plus 1.00%, provided that the base rate shall not be less than 2.00% per annum); and
- in respect of each loan maintained as a LIBOR loan, (i) the applicable margin (as described below) and (ii) the LIBOR rate (being LIBOR, provided that the LIBOR rate shall not be less than 1% per annum).

The applicable margin for:

- the term B1 loans maintained as base rate loans is 7.25% per annum; and
- the term B1 loans maintained as LIBOR loans is 8.25% per annum.

Security and Guarantee Package

The Existing Senior Financing Agreements are guaranteed by the Company and certain subsidiaries of the Company. The Existing Senior Facilities and the Existing Second Lien Facility are secured by the assets of the Company and the relevant subsidiaries, including share pledges, receivables assignments, bank account pledges, intellectual property security and global security assignments. The security package with respect to the Existing Senior Facilities ranks ahead of that for the Existing Second Lien Facility pursuant to the terms of the relevant security documents and the intercreditor agreement (as described below).

Each obligor under the Existing Senior Financing Agreements has made certain representations, in particular regarding the existing group structure and the ownership of assets, some of them as repeating representations, and has entered into various information undertakings.

The Existing Senior Financing Agreements contain a number of customary affirmative and negative covenants and other restrictions. These covenants include, among others, limitations and restrictions on making restricted payments, on dividends, on incurrence of indebtedness and the issuance of disqualified stock or preferred stock, on asset sales, on affiliate transactions, on liens, on making fundamental changes, on modifications of certain documents, on sale and leaseback transactions, on changes to fiscal periods, on lines of business and with respect to anti-corruption and sanctions. Moreover, the Existing Senior Financing Agreements stipulate a number of events of default, such as non-payment, misrepresentation, breach obligations, cross-default, insolvency, winding-up or similar events, or a change of control under the Existing Senior Financing Agreements, subject where applicable to customary remedy periods.

The Existing Senior Financing Agreements will be refinanced in part by utilisations under the New Senior Facilities Agreement and in part by the proceeds of the Public Offering. Upon the repayment of the Existing Senior Financing Agreements, the security granted in connection therewith will be released.

Existing Intercreditor Agreement

To establish the relative rights of the creditors and to determine the ranking of the liabilities under the Existing Senior Financing Agreements and the shareholder loans, an intercreditor agreement dated 8 July 2014 has been entered into.

Hedging Arrangements

TeamViewer also has customary interest rate hedging arrangements in place in connection with its existing financing arrangements.

New Senior Facilities Agreement

On 22 August 2019, a new English law governed facilities agreement was signed between, among others, the Company as the parent and guarantor, Regit Eins GmbH and TeamViewer Germany GmbH as borrowers and guarantors, Goldman Sachs International, Morgan Stanley Bank International Limited, Bank Of America Merrill Lynch International Designated Activity Company, Barclays Bank PLC, Commerzbank Aktiengesellschaft, Landesbank Baden-Württemberg, ING Bank, a branch of ING-DiBa AG, Royal Bank Of Canada and Deutsche Bank AG Filiale Deutschlandgeschäft as mandated lead arrangers, certain financial institutions as lenders and Commerzbank Finance & Covered Bond S.A. as agent and as security agent, to refinance the Existing Senior Financing Agreements and for general corporate purposes (the ***New Senior Facilities Agreement***). The New Senior Facilities Agreement will be made available in an aggregate nominal amount of up to EUR 160 million, USD 450 million and the GBP equivalent of EUR 75 million which is split into (i) a euro term loan facility in an amount of up to EUR 125 million (***Facility A1***), (ii) a USD term loan facility in an amount of up to USD 450 million (***Facility A2***), (iii) a GBP term loan facility in an amount of up to the GBP equivalent of EUR 75 million (***Facility A3***, and together with Facility A1 and Facility A2 (***Facility A***)) and (iv) a multicurrency revolving credit facility in an amount of up to EUR 35 million (the ***New Revolving Facility***). Facility A3 will be redenominated into GBP one business day prior to delivery of the utilisation request for a loan under that facility.

Facility A will amortise and be repayable in annual instalments of 5% starting on 31 December 2020 (or, if that is not a business day, the immediately preceding business day) with the remaining outstanding amounts to be repaid on the final maturity date, which will occur 5 years after completion of the Public Offering, which will be two days following the date on which the Company’s shares are listed on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

The New Revolving Facility will be available for utilisation by way of loans and ancillary facilities (including the ability to utilise by way of letters of credit) with a final maturity date falling 5 years after completion of the Public Offering, which will be two days following the date on which the Company’s shares are listed on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

Interest will be payable on the last day of each interest period. Interest periods can be one month, three months or six months or any other period agreed with the agent and the relevant lenders under the relevant loan. Interest will be payable at a rate per annum on the outstanding borrowing amounting to the aggregate of (i) margin per annum as set out in the table below and (ii) EURIBOR or LIBOR (as the case may be and subject to relevant floors (zero floor for EURIBOR and LIBOR with respect to drawings in currencies other than USD and euro and 1% floor for LIBOR with respect to drawings in USD)) for the relevant period:

Total net debt to pro forma EBITDA (Leverage) Ratio	Margin for Facility A1 (EUR) and Revolving Facility loans in euro (per cent. per annum)	Margin for Facility A2 (USD), Facility A3 (GBP) and Revolving Facility loans in optional currencies (per cent. annum)
Greater than 3.50 to 1.00…………	2.75	3.00
Greater than 2.75 to 1.00 but less than or equal to 3.50 to 1.00 …..	2.50	2.75
Greater than 2.25 to 1.00 but less than or equal to 2.75 to 1.00 …..	2.25	2.50
Greater than 1.75 to 1.00 but less than or equal to 2.25 to 1.00 …..	2.00	2.25
Less than 1.75 to 1.00 ……………	1.75	2.00

The New Senior Facilities Agreement contains a total net debt to pro forma EBITDA ratio financial covenant. In addition, the New Senior Facilities Agreement includes information undertakings, in particular reporting obligations as well as a number of customary affirmative and negative covenants and other restrictions, in particular, with regard to acquisitions, mergers, disposals, financial indebtedness and granting of security, however, at the same time providing for a number of important exceptions and baskets.

The Company and certain of its subsidiaries will grant guarantees under the New Senior Facilities Agreement. The New Senior Facilities Agreement contains a guarantor coverage test requiring the aggregate contribution of the guarantors to the consolidated adjusted EBITDA to be at least 80% of the consolidated adjusted EBITDA of the financing group (but without taking into account any member of the TeamViewer Group incorporated in India or China) calculated by reference to its most recent annual audited consolidated financial statements. Additionally, any subsidiary of the Company (other than any member of the TeamViewer Group incorporated in India or China) which contributed at least 5% to the consolidated adjusted EBITDA of the financing group shall also become a guarantor.

In case of a change of control (occurring when (i) a person or a group of persons acting in concert acquires control over the shares carrying more than 30% of the voting rights in the Company or (ii) the Company ceases to own 100% of the total issued share capital of Regit Eins GmbH or (iii) there is a sale of all or substantially all of the assets of the financing group) each lender will not be obliged to fund a utilisation (except for a rollover loan) and each lender will be entitled (after certain negotiation and notice periods) to demand prepayment of its participation in any facility and cancellation of its commitment.

The New Senior Facilities Agreement includes customary events of default including non-payment, breach of financial covenants, breach of other obligations, misrepresentation, cross-default, insolvency or insolvency proceedings against material companies, material adverse effect or change of ownership of obligors.

In addition, as a condition to utilisation of the New Senior Facilities Agreement, the Company and Regit Eins GmbH are required to grant share pledges over the shares in Regit Eins GmbH and TeamViewer Germany GmbH, respectively, as security in favour of the financing parties under the New Facilities Agreement. Furthermore, the New Facilities Agreement includes an obligation of the Company to provide security over shareholder loans from the Company to Regit Eins GmbH, in favour of the financing parties, upon any such shareholder loans exceeding an aggregate amount of EUR 5,000,000 (or the equivalent in another currency).

13.20.2 Key IT agreements

TeamViewer is party to several licensing agreements with third parties. Under these agreements, TeamViewer has been granted, in particular, the right to integrate third party software with its own software products, distribute the licensed software in connection with its own products and/or use the licensed software internally. According to the Company, the licensing relationships with the following suppliers are, with regard to the supplies licensed thereunder, key to the business. However, TeamViewer does not believe it is dependent on these suppliers individually for the provision of their services as there are several competitive providers for these services in the market.

13.20.2.1 Anexia

TeamViewer is party to a master service agreement with Anexia Internetdienstleistungs GmbH (***Anexia***) effective as of 4 August 2014 that governs the general terms for the provision of IT and telecommunications services by Anexia. Detailed terms for specific services (such as automation of disaster recovery site environment and virtualisation services) are set forth in individual statements of work. The master service agreement has a minimum term of three years and may generally be terminated with six months' notice. Under the agreement, Anexia grants to TeamViewer a non-exclusive licence to use its standard software for non-commercial use. Anexia may adjust prices for individual services on a yearly basis. TeamViewer is obliged to order services with a yearly minimum revenue, i.e., EUR 4,800,000 for 2019.

13.20.2.2 IBM Router

TeamViewer has entered into an order form and an additional agreement with IBM Deutschland GmbH (***IBM***) on 18 May 2018 regarding certain cloud services. The agreement has a fixed term of 24 months and may, after 12 months, be terminated by TeamViewer with three months' prior written notice. Under the agreement, TeamViewer is obliged to generate a minimum turnover value of USD 2,000,000 during the contract term. If TeamViewer terminates the agreement early, it has to compensate IBM with 5% of the turnover volumes not achieved. IBM's liability is capped to the higher of USD 500,000 or the aggregate fees paid in the respective year.

13.20.2.3 Microsoft Dynamics 365

TeamViewer and its affiliates are entitled to download, install and use several Microsoft Dynamics 365 products based on an enrolment agreement with Microsoft Ireland Operations Limited and a related purchase agreement with Microsoft Deutschland GmbH. The agreements are effective as of 28 April 2017, have an initial term of 36 months and may be renewed upon TeamViewer's request for a renewal term of 24 months. For some software products, TeamViewer is obliged to certain minimum volumes. Prices are fixed for the initial term of the agreement and may be adjusted by 10-15% for the renewal term.

13.21 Insurance

TeamViewer's insurance coverage includes, *inter alia*, general liability insurance, fidelity insurance, and loss of property and earnings insurance.

The Company has also obtained directors' and officers' (***D&O***) liability insurance *(Vermögensschaden-Haftpflichtversicherung)* for the benefit of the members of the Management Board and the Supervisory Board, with a total coverage of approximately EUR 20 million per fiscal year. The D&O insurance provides coverage in case of liability claims due to breaches of duty and wrongful acts by these board members. The D&O insurance also provides for a deductible for all members of the Management Board in line with the respective provisions of the German Stock Corporation Act (*Aktiengesetz*), i.e., each member of the Management Board remains personally responsible in the case of any finding of personal liability, as the case may be, for 10% of the total amount of such personal liability, up to an amount equalling 150% of the member's total annual fixed remuneration from the Company.

TeamViewer has worldwide insurance cover against financial losses arising from cyber risks, including risks from the manufacturing and sale of software for remote control and remote maintenance as well as online meetings and presentations. The coverage amounts to EUR 10,000,000 per loss and in the annual aggregate.

On the basis of its current knowledge and risk management, TeamViewer believes that its insurance coverage, including the maximum coverage amounts and terms and conditions of the policies, are standard and appropriate for the software sector. TeamViewer cannot guarantee, however, that it will not incur any losses or be the subject of claims that exceed the scope of the relevant insurance policy. TeamViewer may increase its insurance coverage in the future as it deems appropriate.

14 REGULATORY AND LEGAL ENVIRONMENT

TeamViewer is subject to numerous laws, rules and regulations at supranational, national, state and municipal levels, governing its business activities in the countries in which it operates. Since TeamViewer generates a significant portion of its turnover within the EU, the following description of particularly relevant legal provisions focuses on acts adopted by European institutions and on the provisions of German law. These acts adopted by European institutions may be complemented by implementing additional (stricter) requirements established by specific EU Member States.

The following chapter contains selected information on certain aspects of the regulatory and legal environment in the countries in which TeamViewer is operating. The information in this chapter is intended to provide a brief overview of certain of the regulations to which TeamViewer is subject and is not intended to provide a comprehensive or complete description of the regulatory and legal requirements in the relevant jurisdictions. Given that TeamViewer is operating on a truly global level, the legal environment may differ substantially in other countries in which it is active.

14.1 Regulatory and legal environment relating to TeamViewer's operations

The Internet and the ability to communicate over the Internet are relatively recent technological advancements. As a result, it is not always clear how existing laws governing issues such as electronic communications generally, copyrights, trademarks and other intellectual property issues, software distribution and import/export controls, taxation, data retention, privacy, consumer protection, and law enforcement and national security requirements apply to the Internet and Internet communications. Many laws and regulations were adopted prior to the advent of the Internet and related technologies and, as a result, do not contemplate or address the specific issues associated with the Internet and related technologies. Laws that do reference the Internet are being interpreted by the courts and regulatory agencies, but their applicability and scope remain largely uncertain and are subject to statutory or interpretive change. Due to the unclear and evolving nature of laws and regulations and interpretations of such laws and regulations, TeamViewer cannot be certain that it, its partners or its users are currently in compliance with regulatory or other legal requirements in the numerous countries in which s products is used. TeamViewer's failure, or the failure of those with whom it transacts business or to whom it licenses its software, to comply with existing or future regulatory or other legal requirements could harm its business, financial condition and results of operations. Among other things, increased regulatory requirements or taxes on digital products may substantially increase its costs, and, as a result, its business may suffer. In addition, if TeamViewer were required to register or become subject to licensing in any jurisdiction, it might also be required to establish a local presence, commercialise its products through a local entity or otherwise establish a point of presence for the collection of information required by various local public authorities. Establishing a local presence may require TeamViewer to pay taxes in that jurisdiction where it might otherwise have not been required to do so, and would in any event increase its operating costs and would likely significantly harm its results of operations.

Therefore, TeamViewer's operations have to comply with several regulatory requirements, which can be enforced by competent authorities, by competitors (e.g., via competition laws) or consumer protection non-governmental organisations (NGOs) based on their broader access and action rights. In the following, the main legal sources in the EU and Germany for such obligations or liabilities are summarised. The regulations applicable within specific EU Member States may have specific characteristics, e.g., due to leeway with regard to the implementation of EU legislation into EU Member State's legal system or within areas of law that have not yet been harmonised fully at the EU level.

Non-compliance with the requirements set out in specific permits and their conditions may trigger administrative fines, and the individuals responsible may also be subject to criminal prosecution. Furthermore, as a worst case scenario the authority may order a (partial) shutdown of TeamViewer's operations.

14.1.1 Data Protection and Privacy

As a global open connectivity platform that enables its users to connect, manage and interact remotely, ensuring secure and compliant processing of information and personal data as well as a high standard of cyber security are a priority for TeamViewer.

Regulators around the world have adopted or proposed requirements regarding the collection, use, transfer, security, storage, destruction, and other processing of personally identifiable information and other data relating to individuals, and these laws are increasing in number, enforcement, fines, and other penalties. The GDPR went into effect in May 2018, implementing more stringent requirements in relation to companies' use of personal data relating to individuals ("data subjects"). Under the GDPR, the expanded definition of personal data include information such as name, identification number, email address, location data, online identifiers such as Internet protocol addresses and cookie identifiers, or any other type of information that can identify a living individual. The GDPR imposes a number of new requirements, which include: a valid ground for processing each instance of personal data; higher standards for organisations to demonstrate that they have obtained valid consent or have another legal basis in place to justify their data processing activities; providing expanded information about how data subjects' personal data is or will be used; carrying out data protection impact assessments for operations which present specific risks to individuals due to the nature or scope of the processing operation; an obligation to appoint data protection officers in certain circumstances; new rights for individuals to be "forgotten" and rights to data portability, as well as enhanced current rights; the principal of accountability and demonstrating compliance through policies, procedures, training, and audit; profiling restrictions; and a new mandatory data breach reporting regime.

In the United States, California recently adopted the California Consumer Privacy Act (the ***CCPA***), which will come into effect in January 2020. Similar in certain respects to the GDPR, the CCPA establishes a new privacy framework for covered businesses, including, among other things, an expanded definition of personal information, as well as a potentially severe statutory damages framework and private rights of action for CCPA violations and failure to implement reasonable security procedures and practices.

14.1.2 Cybersecurity

As a provider of a remote connectivity platform, general rules on cybersecurity apply to TeamViewer in various jurisdictions where it operates. For example, certain technical and organisational measures must be implemented to protect the security of personal data. These measures may include, inter alia, physical security against unauthorised access and manipulation, password assignment, authorisation concepts, logging of subsequent changes of data, reasonable encryption as well as protection against accidental loss, destruction or damage. In addition, according to general corporate laws, companies must implement appropriate risk management systems that also cover the detection and control of IT-related risks.

In the EU, additional compliance burdens have been introduced by EU Directive 2016/1148/EU of the European Parliament and of the Council of 6 July 2016 on Security of Network and Information Systems (the ***NIS Directive***) which entered into force on 8 August 2016. The NIS Directive requires "essential service operators" within critical infrastructure sectors, such as the energy, transport or banking sector, as well as "digital service providers", e.g., online marketplaces, to carefully review existing network security mechanisms, to implement "state-of-the-art" security measures which shall ensure a level of security for their infrastructure appropriate to the risk of the respective entity as well as to establish proper notification measures to promptly notify the competent authority of any incident which has a substantial impact on the services offered in the EU. Current legislative plans in Germany may, if adopted, further broaden the scope in comparison to the NIS Directive and may also subject TeamViewer to such legal obligations under the (implemented) NIS Directive.

14.1.3 Telecommunications regulations

TeamViewer's solutions involve collaboration and communication services. While the focus of TeamViewer's core products is on providing remote connection, management and interaction services, it also offers additional functionalities such as audio- and video conferencing as well as instant messaging. These additional features may raise the question of telecommunication regulation.

14.1.3.1 EU Regulatory Framework

The regulation of telecommunication services in the EU is harmonised by EU law. Currently, the European Regulatory Framework for Electronic Communications Networks and Services (the EU Framework) applies, which was last amended in 2009. With effect from 21 December 2020, it will be replaced by the new Directive (EU) 2018/1972 of 11 December 2018 establishing the European Electronic Communications Code (the ***EECC***).

The implementation and the applicable obligations under the national laws of EU Member States are not necessarily similar. In particular, the national regulatory authorities may apply different interpretations of legal provisions and/or deviating implementation requirements. Also, the EECC has not been implemented yet in the EU Member States, so it remains to be seen whether existent differences will be reduced, or even new differences will be created. However, material differences are unlikely to affect the general application of telecommunication regulation to different services, i.e., the question which services are regulated as telecommunication services. Diverging interpretations in this regard will, over time, be harmonised by judicial review, including by the Court of Justice of the EU (***ECJ***). It is thus a reasonable approach to refer to the EU Framework and the EECC instead of the individual laws of the EU Member States in this respect.

The regulation of over-the-top-services (***OTT services***), which are not provided based on specific telecommunication infrastructure in the responsibility of the provider of the services but use the open internet for transmission of content and data in general, is still in flux under the current EU framework. The national regulators and courts took different approaches to the questions which OTT services are regulated at all and which obligations apply to which type of service. However, two very recent rulings of the ECJ (cases No. C-142/18 – Skype Communications; No. C-193/18 – Google) largely clarified the applicability of the current EU Framework to OTT services. According to the ECJ, OTT services are not qualified as electronic communications services under the current EU framework if the service provider has or assumes no responsibility for the transmission of signals. This applies if only the open internet is used for signal transmission, as is the case for Google’s web-based e-mail service Gmail. On the other hand, if a provider of OTT service concludes contracts with telecom operators about signal transmission from an internet-based service to a regular telephone line, as is the case with Skype’s SkypeOut service, this service is qualified as electronic communications service if it is usually provided for a fee. These ECJ rulings set the frame for the future treatment of OTT services by national regulators based on the current EU Framework, but they do not yet reflect the EECC. The EECC, as a new and rather complex law, leads to substantial new uncertainties in various areas of telecommunication regulation, also regarding OTT services. Under the EECC, the definitions of regulated telecommunication services will be amended. The regulated electronic communication services, which are currently defined as “services consisting wholly or mainly in the conveyance of signals” are extended to also encompass “interpersonal communications services”, defined as a “service normally provided for remuneration that enables direct interpersonal and interactive exchange of information via electronic communications networks between a finite number of persons, whereby the persons initiating or participating in the communication determine its recipient(s) and does not include services which enable interpersonal and interactive communication merely as a minor ancillary feature that is intrinsically linked to another service” (cf. Art. 2 No. 4 and 5 EECC). These amended definitions clearly intend to include certain OTT services into the regulated services, but also exclude other OTT services. The exact scope is yet to be clarified by implementing and applying these changes by the national legislators and regulators, and potentially by future ECJ rulings.

In light of the foregoing, TeamViewer assumes that national regulators and courts in the EU will follow the principles of the recent ECJ rulings regarding the regulation of OTT services and will refrain from applying additional regulation before both the ECJ decided on the Gmail-case and the EECC entered into force and was implemented in national laws which must be completed by the end of 2020.

In line with the ECJ rulings, TeamViewer’s products, other than as set out below, are not registered or licenced as telecommunication services. Regulators have not approached TeamViewer to demand registration or licencing.

TeamViewer registered as or applied for licences as a provider of telecommunication services, respectively, with regard to Blizz, in several EU countries in 2016 and 2017, including Germany, Austria, France and Sweden (in addition to Canada). This registration was driven by the fact that Blizz, in contrast to TeamViewer’s core products, provides for telephone conferences that combine calls originating from the public-switched telephone network with voice-over-IP calls and the legal assessment that this could lead to a qualification as regulated telecommunication service in these countries. This assessment is currently under review, taking into account the recent ECJ rulings.

14.1.3.2 Regulatory Framework in other countries

TeamViewer operates in a number of non-EU jurisdictions and is therefore subject to the legal frameworks of these jurisdictions in addition to that of the EU. In many countries, telecommunications regulation differs substantially from the EU Framework. While there is only a light-touch regulation in some countries, there are stricter, more burdensome or more complex requirements in others. While the recent ECJ rulings have provided some comfort in this regard for jurisdictions within the EU, there are still significant legal uncertainties regarding the regulatory treatment of OTT services in most other jurisdictions in which TeamViewer operates.

TeamViewer registered as or applied for licences as a provider of telecommunication services, respectively, with regard to Blizz in Switzerland and Canada. No further obligations were imposed with regard to Blizz as a result of the registrations, with the exception of requests to respond to information surveys.

15 SHAREHOLDER INFORMATION

15.1 Current shareholders

Prior to the completion of the Offering, the Company's sole shareholder is TigerLuxOne S.à r.l., a private limited liability company (*société à responsabilité limitée*) organized under the laws of the Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register (*registre de commerce et des sociétés*) under docket number B 187543 (the Selling Shareholder). The registered office of the Selling Shareholder is in Luxembourg, Grand Duchy of Luxembourg; its business address is 488, route de Longwy, L-1940 Luxembourg, Grand Duchy of Luxembourg. The voting rights held by the Selling Shareholder are attributed to Permira Holdings Limited, which ultimately controls and is the ultimate beneficial owner of the Selling Shareholder, through various entities pursuant to Section 34 WpHG (see footnote 1 to the table below). The board of Permira Holdings Limited is comprised of Permira's two co-managing partners, Kurt Björklund and Tom Lister, a further two Permira partners, Ulrich Gasse and Benoit Vauchy, and three non-executive directors, Nigel Carey, Vic Holmes and Dave Sauvarin.

The following table sets forth all major shareholders which directly or indirectly hold an interest of 3% or more (calculated pursuant to Sections 33 et seqq. WpHG) in the Company's capital and voting rights (the ***Major Shareholders***) as of the date of this Prospectus, which is also their expected shareholdings after the Offering.

		Beneficial (Indirect) Ownership of the Company, in %		
		Immediately prior to the Offering	Upon completion of the Offering	
Ultimate Controlling Entity	**Direct Shareholder**		(no exercise of the Greenshoe Option or Upsize Option)	(full exercise of the Greenshoe Option and Upsize Option)
Permira Holdings Limited[(1)]	TigerLuxOne S.à r.l. (Selling Shareholder)	100.00	70.00	58.00
	Freefloat	-	30.00	42.00
Total		**100.00**	**100.00**	**100.00**

(1) The voting rights held by the Selling Shareholder are attributed to Permira Holdings Limited through the following entities pursuant to Section 34 WpHG (full chains of controlled undertakings, in each chain attributed to Permira Holdings Limited as the ultimately controlling legal entity): (i) Permira V G.P. Limited, Permira V G.P. L.P., P5 SUB L.P. 1, Tiger Group Holdings Limited, TigerLuxOne Topco S.à r.l., TigerLuxOne Midco S.à r.l. and TigerLuxOne Holdco S.C.A.; (ii) Permira V G.P. Limited, Permira V G.P. L.P., Permira V L.P. 2, Tiger Group Holdings Limited, TigerLuxOne Topco S.à r.l., TigerLuxOne Midco S.à r.l. and TigerLuxOne Holdco S.C.A.; (iii) Permira V G.P. Limited, Permira V G.P. L.P., Permira V I.A.S. L.P., Tiger Group Holdings Limited, TigerLuxOne Topco S.à r.l., TigerLuxOne Midco S.à r.l. and TigerLuxOne Holdco S.C.A.; (iv) Permira V G.P. Limited, Permira V G.P. L.P., P5 Co-Investment L.P., Tiger Group Holdings Limited, TigerLuxOne Topco S.à r.l., TigerLuxOne Midco S.à r.l. and TigerLuxOne Holdco S.C.A.; (v) Permira V G.P. Limited, P5 CIS S.à r.l., Tiger Group Holdings Limited, TigerLuxOne Topco S.à r.l., TigerLuxOne Midco S.à r.l. and TigerLuxOne Holdco S.C.A.; and (vi) Permira Investments Holdings S.à r.l., Permira Investments Management Ltd., PIL Investments LLP, Permira Nominees Limited, Tiger Group Holdings Limited, TigerLuxOne Topco S.à r.l., TigerLuxOne Midco S.à r.l. and TigerLuxOne Holdco S.C.A.

15.2 Controlling interest

The Selling Shareholder holds 100.00% of the voting rights in the Company and therefore holds a controlling interest in the Company.

Following completion of the Offering and assuming (i) full placement of the Sale Shares and (ii) full exercise of the Greenshoe Option and the Upsize Option, the Selling Shareholder will continue to hold at approximately 58.00% of the Company's share capital.

16 GENERAL INFORMATION ON THE COMPANY AND THE TEAMVIEWER GROUP

16.1 Formation and incorporation

The Company was formed as a German limited liability company (*Gesellschaft mit beschränkter Haftung*) under the laws of Germany by articles of association dated 3 July 2019. Its legal name was Regit Beteiligungs-GmbH with its registered office in Göppingen, Germany, registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Ulm, Germany under registration number HRB 738601.

On 19 August 2019, the extraordinary shareholders' meeting resolved to change the Company's legal form to a German stock corporation (*Aktiengesellschaft*) under the legal name TeamViewer AG. The changes in legal form and name were registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Ulm, Germany on 3 September 2019 under registration number HRB 738852. All changes were effected in accordance with the applicable provisions of the German Transformation Act (*Umwandlungsgesetz*).

16.2 Commercial name, registered office, LEI

The Company is a German stock corporation (*Aktiengesellschaft*) incorporated under the laws of Germany having its registered office in Göppingen, Germany. The legal name of the Company is TeamViewer AG. It is registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Ulm, Germany under registration number HRB 738852.

The Company is the parent company of the TeamViewer Group. The Company and the TeamViewer Group operate under the commercial name "TeamViewer".

The Company's registered business address is at Jahnstrasse 30, 73037 Göppingen, Germany (telephone +49 7161 60692 50).

The Legal Entity Identifier (LEI) of the Company is 3912000FZ0R0KEK9JS42.

16.3 Fiscal year and duration

The Company's fiscal year is the calendar year. The Company was established for an unlimited period of time.

16.4 Corporate purpose

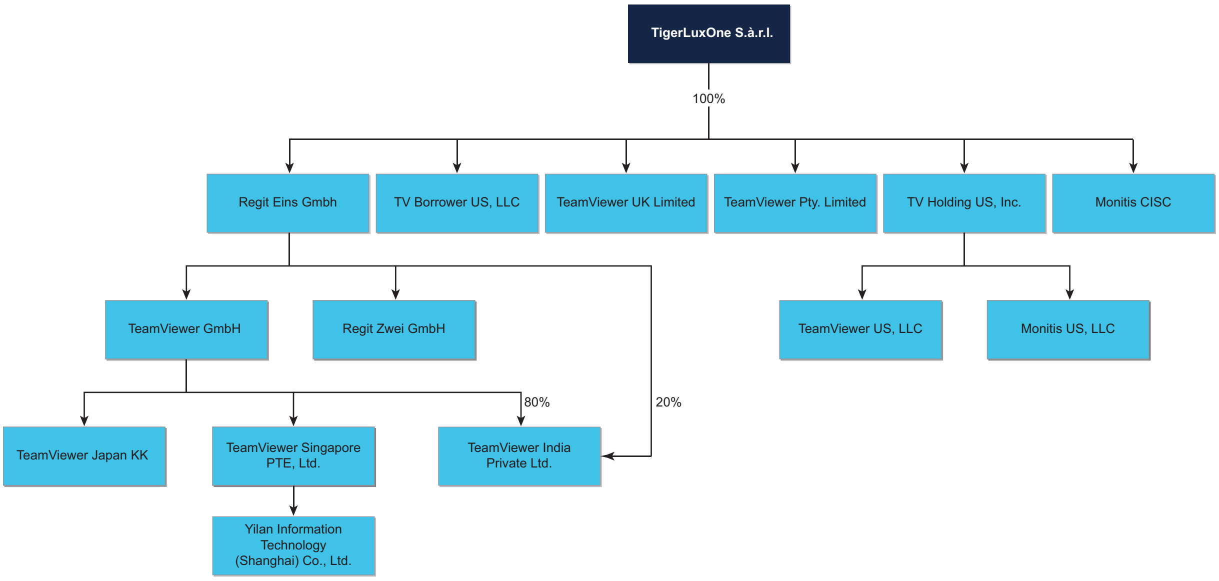
Pursuant to Section 2 of the Articles of Association, the object of the Company is heading a group of enterprises which operate in the following business segments or parts thereof: the development and sale of software, in particular in the area of connectivity, as well as all other related business and the provision of related services. The Company's activities include in particular the acquisition, holding, administration and sale of investments in such companies, the pooling of such companies under a uniform management structure and their support and advice, including the provision of services for these companies. The Company may also engage itself in the business segments mentioned above. The Company shall be entitled to undertake any business activities and to take all measures which are related to the object of the Company or are suitable to promote it directly or indirectly. For this purpose, it may also establish branches in Germany and abroad, and it may establish or acquire enterprises in Germany or abroad and participate in such enterprises as well as manage such enterprises or confine itself to the management of its participation. The Company can completely or partially have its operations, including the participations it holds, conducted by affiliated companies or transfer or outsource its operations to such affiliated companies as well as conclude intercompany agreements. It may limit its activities to a part of the areas mentioned above.

16.5 Group structure

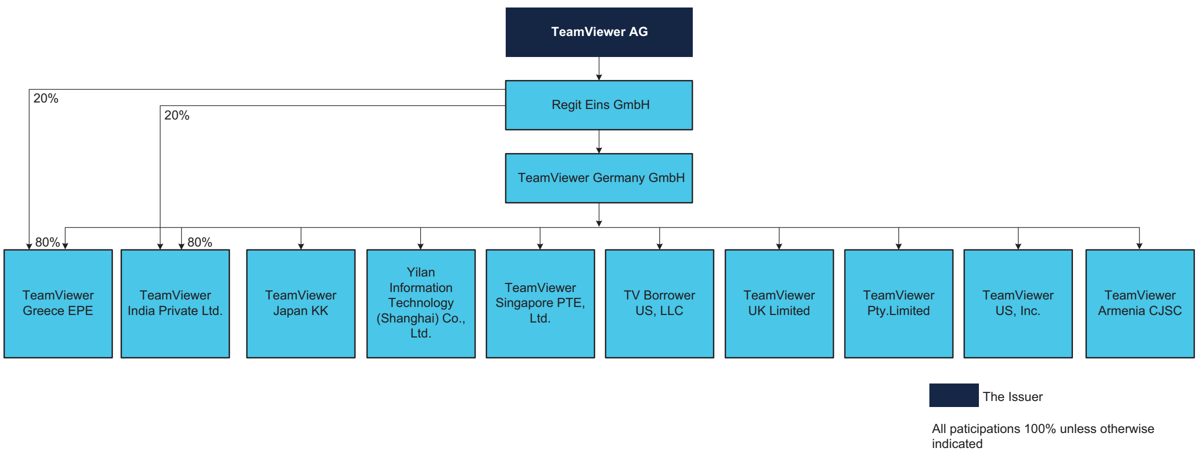
The Company is the parent company of the TeamViewer Group. The business activities of the TeamViewer Group are conducted by the parent company and its subsidiaries. Until recently, the

TeamViewer Group's parent company was TigerLuxOne S.à r.l., the Selling Shareholder. To realign the corporate structure and to simplify the group structure, TeamViewer Group recently implemented several internal reorganisation measures (the ***IPO Reorganisation***). These measures included (i) the transfer of certain IP rights from TeamViewer UK Limited to TeamViewer GmbH, (ii) the merger of Regit Zwei GmbH into Regit Eins GmbH, (iii) the merger of TeamViewer US, LLC and Monitis US, LLC into TV Holding US, Inc. and its subsequent change of legal name to TeamViewer US, Inc., (iv) the repayment of capital contribution by TeamViewer UK Limited to its shareholder TigerLuxOne S.à r.l., (v) the contribution of the shares in certain subsidiaries of the Company (i.e., TV Borrower US LLC, TeamViewer UK Limited, TeamViewer Pty. Ltd., TeamViewer US, Inc. and Monitis CJSC (now TeamViewer Armenia CJSC)) into the capital reserve of Regit Eins GmbH and, subsequently, TeamViewer GmbH and corresponding share transfers, (vi) the transfer of shares in Yilan Information Technology (Shanghai) Co., Ltd. from TeamViewer Singapore PTE, Ltd. to TeamViewer GmbH, (vii) the change of the legal name from Monitis CJSC to TeamViewer Armenia CJSC, (viii) the contribution of all shares in Regit Eins GmbH to the Company and (ix) the contribution of the Shareholder Loan granted by TigerLuxOne S.à r.l. to Regit Eins GmbH into the free capital reserves of the Company and subsequent contribution and transfer to Regit Eins GmbH (the ***Shareholder Loan Conversion***).

The following diagram provides a simplified overview of the Selling Shareholder and its subsidiaries prior to IPO Reorganisation:



The following diagram provides a simplified overview of the Company's subsidiaries as of the date of this Prospectus:



16.6 Subsidiaries

The following table provides an overview of the Company's subsidiaries as of the date of this Prospectus. The shareholdings are directly or indirectly held by the Company. As of the date of this Prospectus, no amount was outstanding under the issued shares for each of the below listed subsidiaries.

Legal name	Seat	Business Area	Direct and/or indirect interest
Regit Eins GmbH	Göppingen, Germany	Holding entity	100.00%
TeamViewer Germany GmbH	Göppingen, Germany	Main operative entity	100.00%
TeamViewer India Private Limited	Mumbai City, India	Sales	100.00%(1)
TeamViewer Japan KK	Tokyo, Japan	Sales	100.00%
Yilan Information Technology (Shanghai) Co., Ltd.	Shanghai, China	Sales	100.00%
TeamViewer Singapore PTE, Ltd.	Singapore	Sales	100.00%
TV Borrower US, LLC	Wilmington, Delaware, United States	Financing entity	100.00%
TeamViewer UK Limited	Woking, United Kingdom	Sales	100.00%
TeamViewer Pty. Limited	Unley, Australia	Sales	100.00%
TeamViewer US, Inc.	Wilmington, Delaware, United States	Holding entity	100.00%
TeamViewer Armenia CJSC	Yerevan, Armenia	Research and development	100.00%
TeamViewer Greece EPE	Melissia, Greece	Research and development	100.00%(2)

(1) The Company indirectly holds 100% of the voting rights in TeamViewer India Private Limited (80% of the voting rights are held by TeamViewer Germany GmbH and 20% of the voting rights are held by Regit Eins GmbH).

(2) The Company indirectly holds 100% of the voting rights in TeamViewer Greece EPE (80% of the voting rights are held by TeamViewer Germany GmbH and 20% of the voting rights are held by Regit Eins GmbH).

16.7 Auditors

The Company appointed Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Flughafenstraße 61, 70629 Stuttgart, Germany, as (i) the statutory auditor of its unconsolidated annual financial statements to be prepared in accordance with German GAAP as of and for the fiscal year ending 31 December 2019, and (ii) the auditor of its consolidated financial statements to be prepared in accordance with IFRS as of and for the fiscal year ending 31 December 2019.

Regit Eins GmbH appointed Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Flughafenstraße 61, 70629 Stuttgart, Germany, as the auditor of its consolidated financial statements prepared in accordance with IFRS as of and for the fiscal years ended 31 December 2018, 31 December 2017 and 31 December 2016. Ernst & Young has issued an unqualified independent auditor's report *(uneingeschränkter Bestätigungsvermerk des unabhängigen Abschlussprüfers)* thereon.

Ernst & Young is a member of the Chamber of Public Accountants *(Wirtschaftsprüferkammer)*, Rauchstrasse 26, 10787 Berlin, Germany.

16.8 Announcements, paying agent

In accordance with the Articles of Association, the announcements of the Company are published in the German Federal Gazette *(Bundesanzeiger)*, unless otherwise required by law.

In accordance with Regulation (EU) 2017/1129, announcements in connection with the approval of this Prospectus or any supplements thereto will be published in the form of publication provided for in this Prospectus, in particular through publication on the Company's website (www.teamviewer.com). Printed copies of this Prospectus and any supplements thereto are available at the Company's office at Jahnstrasse 30, 73037 Göppingen, Germany (telephone +49 7161 60692 50).

The paying agent is Deutsche Bank Aktiengesellschaft. The mailing address of the paying agent is: Deutsche Bank Aktiengesellschaft, Trust and Agency Services, Taunusanlage 12, 60325 Frankfurt am Main, Germany.

17 DESCRIPTION OF THE COMPANY'S SHARE CAPITAL AND APPLICABLE REGULATIONS

17.1 Provisions relating to the share capital of the Company

17.1.1 Current and future share capital, shares

As of the date of this Prospectus, the share capital of the Company amounts to EUR 200,000,000.00 and is divided into 200,000,000 ordinary bearer shares (*Inhaberaktien*) with no-par value (*Stückaktien*). The share capital has been fully paid up. The Company's shares were created pursuant to the laws of Germany and are denominated in euro.

Each share carries one vote at the Company's general shareholders' meeting. There are no restrictions on voting rights and the shares carry full dividend entitlement.

All existing shares of the Company are held by the existing shareholder.

17.1.2 Development of the share capital

The Company was incorporated in the form of a German limited liability company (*Gesellschaft mit beschränkter Haftung*) by articles of association dated 3 July 2019 under the laws of Germany with a share capital of EUR 25,000.00. Its legal name was Regit Beteiligungs-GmbH.

On 1 August 2019, the shareholders meeting of the Company resolved to increase the Company's share capital from EUR 25,000.00 by EUR 199,975,000.00 to EUR 200,000,000.00 against contribution in-kind of all shares in Regit Eins GmbH to the Company.

On 19 August 2019, the extraordinary shareholders' meeting resolved to change the Company's legal form to a German stock corporation (*Aktiengesellschaft*) under the legal name TeamViewer AG. The changes in legal form and name were registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Ulm, Germany on 3 September 2019 under registration number HRB 738852.

The following table sets out the increases in the Company's share capital from the founding of the Company to the date of this Prospectus:

Date of the shareholder resolution to increase the share capital	Nominal amount of the capital increase	Resulting issued capital	Date of entry in the commercial register
1 August 2019 ………………………………	199,975,000.00	200,000,000.00	5 August 2019

17.1.3 Authorized capital

As of the date of this Prospectus, the Company has an authorized capital pursuant to Section 4 para. 3 of the Articles of Association in conjunction with Section 202 et seqq. of the German Stock Corporation Act (*Aktiengesetz*). Thereunder, the Management Board of the Company is authorized, subject to the consent of the Supervisory Board, to increase the share capital of the Company on or before 2 September 2024, on one or more occasions, by up to a total of EUR 100,000,000.00 through the issuance of up to 100,000,000 new bearer shares with no par value (*Stückaktien*) in return for contributions in cash or in kind (the ***Authorized Capital 2019***). In doing so, the Management Board may determine that the new shares carry profit participation entitlements in a way that departs from Section 60 para. 2 German Stock Corporation Act (*Aktiengesetz*).

Shareholders are generally to be granted a subscription right, unless the Management Board exercises the below authorizations to exclude the subscription right, subject to the consent of the Supervisory Board. The new shares may also be taken up by a credit institution or a financial institution operating in Section 53 para. 1 sentence 1 or Section 53b para. 1 sentence 1 or para. 7 KWG or a syndicate of such credit or financial institutions, in each case as determined by the Management Board, subject to an undertaking to offer the shares to shareholders for subscription (indirect subscription right).

The Management Board is furthermore authorized, in each case subject to the Supervisory Board's consent, to exclude the subscription right of shareholders one or more times in the following cases:

- to the extent necessary in order to even out fractional amounts;
- where this is necessary to grant subscription rights to new shares to holders or creditors of convertible or warrant bonds or convertible participation rights issued by the Company or entities in which the Company holds a direct or indirect majority interest, to the extent to which they would be entitled to such subscription rights as shareholders after exercising their conversion or option rights or, as the case may be, after fulfilment of their option or conversion obligations;
- where the new shares are issued against contributions in cash and the issue price of the new shares is not significantly lower than the stock market price of the Company's listed shares at the time of the final determination of the issue price. This authorization to exclude the subscription right only applies to the extent that the pro rata amount of the share capital mathematically attributable to the shares issued with the exclusion of subscription rights pursuant to Section 186 para. 3 sentence 4 AktG does not exceed 10% of the share capital – based on either the amount of share capital existing at the time when this authorization takes effect or the amount of share capital when the authorization is exercised. The 10%-limit includes shares that (i) were issued or sold during the term of this authorization up to the time of it being exercised with the exclusion of subscription rights on the basis of other authorizations in direct or *mutatis mutandis* application of Section 186 para 3 sentence 4 AktG or (ii) were issued or are to be issued to service bonds or participation rights with conversion or option rights or conversion or option obligations, provided that the bonds or participation rights were issued during the term of this authorization up to the time of it being exercised with the exclusion of subscription rights in *mutatis mutandis* application of Section 186 para. 3 sentence 4 AktG. A deduction that has been carried out in accordance with the foregoing sentence due to the exercise of authorizations to (i) issue new shares pursuant to Section 203 para. 1 sentence 1, para. 2 sentence 1, Section 186 para. 3 sentence 4 AktG and/or (ii) dispose of own shares in accordance with Section 71 para. 1 no. 8, Section 186 para. 3 sentence 4 AktG and/or (iii) issue bonds or profit sharing rights pursuant to Section 221 para. 4 sentence 2, Section 186 para. 3 sentence 4 AktG shall be cancelled with effect for the future if and to the extent the respective authorization(s), the exercise of which having led to the deduction, are granted again by the General Meeting taking into account the respective legal requirements; or
- where the new shares are issued against contributions in kind, in particular in the form of enterprises, parts of enterprises, interests in enterprises, debts or other assets.

The Management Board is further authorized, subject to the consent of the Supervisory Board, to determine the further details regarding the capital increase and the conditions for the issuance of shares. The Supervisory Board is authorized to amend the wording of Section 4 of the Articles of Association to reflect the relevant utilization of the Authorized Capital 2019 as well as after expiration of the authorization period.

17.1.4 Conditional capital

As of the date of this Prospectus, the Company has a conditional capital pursuant to Section 4 para. 4 of the Articles of Association in conjunction with Section 192 et seqq. of the German Stock Corporation Act (*Aktiengesetz*). Thereunder, the share capital of the Company is conditionally increased by up to EUR 60,000,000.00, by issuing up to 60,000,000 new, no-par value bearer shares (*Stückaktien*) (the ***Conditional Capital 2019***). The sole purpose of the Conditional Capital 2019 is to grant new shares to the holders or creditors of bonds issued by the Company or other entities in which the Company holds a direct or indirect majority interest until 2 September 2024 under the shareholder resolution passed at the Company's shareholders' meeting of 3 September 2019 under agenda item 2, in case conversion or option rights are utilized or conversion or option obligations are fulfilled or in case the Company exercises its right to, in whole or in part, grant shares in the Company in lieu of cash payments due. The new shares are issued at the conversion and option price in each case to be set in accordance with the aforementioned resolution. The conditional capital increase will only be carried out to the extent that conversion or option rights are utilized or conversion or option obligations are fulfilled or the Company exercises its right to, in whole or in part, grant shares in the Company in lieu of cash payments due and unless other forms of fulfilment are used.

The new shares participate in the profit from the beginning of the financial year in which they are issued. Within the bounds of the law and subject to the Supervisory Board's consent, the Management Board can depart from this provision and from Section 60 para. 2 AktG, and also determine an entitlement to profit participation for a financial year that has already ended.

The Management Board is authorized, subject to Supervisory Board approval, to determine the remaining details for carrying out the conditional capital increase. The Supervisory Board is authorized to amend the wording of Section 4 of the Articles of Association in accordance with the respective utilization of the Conditional Capital 2019 and after expiration of all option and conversion periods.

17.1.5 Authorization to issue convertible bonds and/or warrant bonds

On 3 September 2019, the shareholders' meeting of the Company authorized the Management Board, subject to the consent of the Supervisory Board, to issue, once or in partial amounts several times until 2 September 2024, bearer or registered convertible and/or warrant bonds or combinations of these instruments for an aggregate nominal amount of up to EUR 1,400,000,000, in each case with or without a definite maturity date, and to grant the holders of bonds option or conversion rights for up to 60,000,000 no-par value bearer shares (*Stückaktien*) of the Company with a pro rata amount of the share capital of up to a total of EUR 60,000,000.00, as set forth in detail in the issuing terms and conditions for the bonds (***Issuing Terms***). This authorization can be utilized in whole or in part. The bonds may also provide for an obligation to convert the bonds or exercise the options at the end of the term or at an earlier time. The Issuing Terms may also give the Company the right to grant the holders or creditors of the bonds shares of the Company in lieu of cash payments due, in whole or in part, or to choose other forms of fulfilment. Bonds may be issued in return for cash or for contributions in kind. The bonds can be denominated in Euros or – capped at their equivalent value in Euros – in the legal currency of an OECD country. Where the bonds are issued in a currency other than Euros, the relevant equivalent value is to be applied, calculated on the basis of the Euro reference rate of the European Central Bank applicable on the date of the resolution on the issuance of the bonds. The bonds can also be issued by entities in which the Company holds a direct or indirect majority interest. For such a case, the Management Board is authorized, subject to the consent of the Supervisory Board, to take on the necessary guarantees for the obligations under the bonds and to grant the holders or creditors of the bonds conversion or option rights for shares of the Company or to impose on them respective obligations.

If convertible bonds are issued, their holders or creditors receive the right or take on the obligation to convert the bonds into shares of the Company, pursuant to the Issuing Terms to be laid down by the Management Board. The pro rata amount of the share capital mathematically attributable to the shares to be issued in the event of conversion must not exceed the nominal amount of the bond or the issue price for the bond, if the issue price is less than the nominal amount. The conversion ratio is determined by dividing the nominal amount of a bond by the conversion price for a share of the Company. Where the issue price for the bonds is less than their nominal amount, the conversion ratio is established by dividing the issue price of a convertible bond by the conversion price for a share of the Company. The Issuing Terms can also provide that the conversion ratio be variable and that the conversion price be determined based on future stock market prices within a certain range. If warrant bonds are issued, one or more warrants will be attached to each bond, which entitle or obligate the holder or creditor to subscribe to shares of the Company under the Issuing Terms to be specified by the Management Board. The pro rata amount of the share capital mathematically attributable to the shares to be issued in the event of an option being exercised must not exceed the nominal amount of the bonds.

The conversion or option price to be stipulated in the Issuing Terms must be equivalent to (i) at least 80% of the volume-weighted average value of the stock market price of the Company's shares in the Xetra trading system (or a comparable successor system) on the Frankfurt Stock Exchange on the last ten trading days before the day of the Management Board's resolution on the public announcement of the issuance of the bonds or (ii) – if subscription rights are granted, by choice of the

Management Board alternatively – at least 80% of the volume-weighted average value of the stock market price of the Company's shares in the Xetra trading system (or a comparable successor system) on the Frankfurt Stock Exchange from the beginning of the subscription period until the third day (included) prior to the announcement of the final conditions pursuant to Section 186 para 2 sentence 2 AktG. In the event of bonds with a conversion or option obligation or the right of the Company to grant the holders or creditors of the bonds shares of the Company in lieu of cash payments due, in whole or in part, the conversion or option price must be at least the minimum price stated above (80%), or correspond to the volume-weighted average value of the stock market price of the Company's shares in the Xetra trading system (or a comparable successor system) on the Frankfurt Stock Exchange (i) on the last ten trading days before the day of final maturity or (ii) on at least ten trading days immediately prior to the determination of the conversion or option price in accordance with the Issuing Terms, even if this average price is below the minimum price stated above (80%). Sections 9 para. 1 and 199 AktG remain unaffected.

Subject to the consent of the Supervisory Board, the Management Board is authorized to specify the Issuing Terms in more detail, in particular on the following: interest rate, issue price, term and denomination of the bonds; conversion or option period; conversion or option price; conversion rights and obligations; option rights and obligations to exercise options; whether the Company's shares to be delivered shall be in the form of shares newly created by a capital increase or in the form of existing shares, in whole or in part; whether, instead of delivering shares, their market value can be paid over in cash; whether the conversion or option price or the conversion ratio is to be fixed when issuing the bonds or based on future stock market prices within a certain range during the term of the bond. In the event of a situation where there are fractional amounts of the Company's shares, it can be stipulated that these fractions can be added together for the purposes of acquiring complete shares, in accordance with the Issuing Terms. An additional cash payment or cash compensation for fractions can also be stipulated.

The Issuing Terms can further provide for protection against dilution and adjustment mechanisms under certain circumstances, including changes in the Company's share capital during the term of the bond (such as a capital increase, a capital decrease or a share split), dividend payments, the issuance of additional convertible and/or warrant bonds, that provide an entitlement to subscribe for shares of the Company, transformation measures and extraordinary events occurring during the term of the bond, such as a change of control at the Company. The measures for protection against dilution and adjustment mechanisms that can be provided for under the Issuing Terms can, in particular, take the form of changing the conversion or option price, granting subscription rights to shares of the Company or to convertible or warrant bonds, or granting or adjusting cash components. Sections 9 para. 1 and 199 AktG remain unaffected.

When issuing bonds, shareholders are to be generally granted a subscription right to the bonds unless the Management Board exercises the below authorizations to exclude the subscription right, subject to the consent of the Supervisory Board. The bonds may also be taken up by a credit institution or a financial institution operating in Section 53 para. 1 sentence 1 or Section 53b para. 1 sentence 1 or para. 7 KWG or a syndicate of such credit or financial institutions, in each case as determined by the Management Board, subject to an undertaking to offer the bonds to shareholders for subscription. If bonds are issued by an entity in which the Company holds a direct or indirect majority interest, the Company must ensure that the Company's shareholders are granted subscription rights in line with the above sentences. However, the Management Board is authorized, subject to the consent of the Supervisory Board, to exclude the subscription right of shareholders when issuing bonds in the following cases:

- in order to even out any fractional amounts from the subscription right;
- where the bonds are issued in return for contributions in kind in particular with the aim of acquiring enterprises, parts of enterprises or interests in enterprises;
- where this is necessary for protection against dilution, in order to grant holders or creditors of bonds with conversion or option rights or conversion or option obligations that were or will be issued by the Company or by other entities in which the Company holds a direct or indirect majority interest, a right to subscribe for new bonds to the extent to which they would be entitled to such subscription right as shareholders after exercising their

conversion or option rights or, as the case may be, after fulfilment of their conversion or option obligations; or

- for bonds issued against cash, if the Management Board, after due examination, is of the opinion that the issue price for the bonds is not significantly lower than the theoretical market price of the bonds as calculated using recognized, in particular mathematical methods. However, this authorization to exclude subscription rights only applies to bonds with conversion or option rights or conversion or option obligations to shares with a pro rata amount of the share capital which does not exceed 10% of the share capital, based on either the amount of share capital existing at the time when this authorization takes effect or the amount of share capital when the authorization is exercised. The limit of 10% of the share capital includes shares that (i) were issued or sold by the Company during the term of this authorization up to the time of it being exercised with the exclusion of subscription rights on the basis of other authorizations in direct or mutatis mutandis application of Section 186 para. 3 sentence 4 AktG or (ii) were issued or are to be issued to service bonds or participation rights with conversion or option rights or conversion or option obligations, provided that the bonds or participation rights were issued during the term of this authorization up to the time of it being exercised with the exclusion of subscription rights in *mutatis mutandis* application of Section 186 para. 3 sentence 4 AktG.

17.1.6 Authorisation to purchase and use treasury shares

At the date of this Prospectus, the Company does not hold any treasury shares, nor does a third party hold any shares of the Company on behalf of, or for the account of, the Company. The Company's shareholders' meeting held on 3 September 2019 authorized the Company to acquire for any purpose permissible, on or before 2 September 2024, treasury shares of up to a total maximum of 10% of the share capital existing at the time of the adoption of the resolution or – in the event that this amount is the lower one – when the authorization is exercised. The shares acquired based on this authorisation, together with other shares of the Company which are in the possession of the Company or are attributable to it pursuant to Sections 71a et seq. AktG, may at no time exceed 10% of the Company's share capital. At the discretion of the Management Board, the acquisition may be conducted (i) through a stock exchange, (ii) by means of a public offer directed at all shareholders or a public solicitation to submit offers (***Acquisition Offer***) or (iii) by use of derivatives (put or call options or a combination thereof).

- If the acquisition is conducted through a stock exchange, the consideration paid by the Company for each share of the Company (not including incidental acquisition costs) may not deviate by more than 10% above or below the market price of the shares of the Company in Xetra trading (or a comparable successor system), determined in the opening auction on the relevant trading day at the Frankfurt Stock Exchange.

- If the acquisition is conducted through an Acquisition Offer, the Company may determine either a price or a price range at which it is willing to acquire the shares. However, – subject to an adjustment during the offer period – the purchase price (in each case not including incidental acquisition costs) may not deviate by more than 10% above or below the average market price of one share of the Company on the Frankfurt Stock Exchange on the last three exchange trading days prior to the public announcement of the Acquisition Offer, as determined based on the arithmetic means of the auction closing prices in Xetra trading (or a comparable successor system). In the event that after the public announcement of the offer significant variances in the applicable price occur, the purchase price may be adjusted. In that case, the average market price of the shares on the Frankfurt Stock Exchange on the last three exchange trading days prior to the public announcement of the adjustment, if any, as determined based on the arithmetic means of the auction closing prices in Xetra trading (or a comparable successor system), will be relevant. The Acquisition Offer may provide for additional requirements.

  If the volume of shares tendered in a public tender offer or a public invitation to submit sales offers exceeds the target buyback volume, the shares shall be acquired in proportion to the shares subscribed or offered in each case; the right of the shareholders to tender their shares in proportion to their equity interest is excluded. The preferential acceptance of tenders of small quantities of shares not exceeding 100 shares per shareholder and subjecting these quantities to standard rounding in order to eliminate arithmetical fractions of shares may be stipulated. Any further pre-emptive tender rights of shareholders to this extent shall be excluded.

- If the acquisition is conducted using derivatives in the form of put or call options or a combination thereof, the derivative transactions must be entered into with a financial institution or an entity conducting business pursuant to Section 53 para. 1 sentence 1 or Section 53b para. 1 sentence 1 or para. 7 KWG or through the stock exchange at terms close to market conditions, for the determination of which, inter alia, the purchase price of the shares payable upon exercise of the derivative, the exercise price, shall be taken into account. In any case, where derivatives are being used, treasury shares of up to a total maximum of 5% of the share capital existing at the time of the adoption of the resolution or – in the event the amount of the share capital is subsequently reduced – when the authorization is exercised may be acquired. The term of the respective option must not exceed 18 months and must end, in any case, no later than on 2 September 2024. In application, mutatis mutandis, of Section 186 para. 3 sentence 4 AktG, the shareholders will not be entitled to enter into such derivative transactions with the Company. The exercise price (not including incidental acquisition costs, but taking into account the premium paid or received, respectively) may not deviate by more than 10% above or below the average market price of the shares of the Company on the Frankfurt Stock Exchange during the last three exchange trading days prior to the conclusion of the respective option transaction, as determined based on the arithmetic means of the auction closing prices in Xetra trading (or a comparable successor system).

  The above authorizations may be utilized on one or several occasions, in whole or in partial amounts, in pursuit of one or more objectives by the Company, and also by dependent companies or companies in which the Company holds a majority interest or by third parties on the account of the Company or one of such dependent companies or companies in which the Company holds a majority interest.

The Management Board is authorised, with the consent of the Supervisory Board, to sell treasury shares acquired on the basis of the above authorization, either on the stock exchange or on the basis of a tender offer addressed to all shareholders, in keeping with the principle of equal treatment of shareholders, and furthermore to use the shares for the following purposes:

- The shares of the Company may be sold and transferred against cash consideration, provided that the selling price is not significantly lower than the market price of the Company's shares at the time of the sale (Section 186 para. 3 sentence 4 AktG). The pro rata amount of the share capital mathematically attributable to the shares sold in accordance with the preceding sentence may not, in total, exceed 10% of the share capital existing at the time of the adoption of the resolution or, if lower, at the time this authorization is utilized. The 10%-limit includes shares that (i) were issued or sold by the Company during the term of this authorization up to the time of it being exercised with the exclusion of subscription rights on the basis of other authorizations in direct or mutatis mutandis application of Section 186 para. 3 sentence 4 AktG (ii) were issued or are to be issued to service bonds or participation rights with conversion or option rights or conversion or option obligations, provided that the bonds or participation rights were issued during the term of this authorization up to the time of it being exercised with the exclusion of subscription rights in mutatis mutandis application of Section 186 para. 3 sentence 4 AktG.

- The shares of the Company may be sold and transferred against contribution in kind, particularly in the course of mergers or the acquisition of companies, parts of companies, equity interests in companies, receivables and other assets.

- The shares of the Company may be used in order to satisfy the rights of holders or creditors of bonds and participation rights carrying conversion or option rights or conversion or option obligations issued by the Company or its dependent companies within the meaning of Section 17 AktG.

- Instead of utilizing the Company's conditional capital, treasury shares may be issued to employees of the Company and its affiliated companies, including members of the management of affiliated companies, and used to service rights to acquire or obligations to acquire shares in the Company that have been or will be granted to employees of the Company or its affiliated companies as well as members of the management of affiliated companies, for example within the framework of stock option or employee participation programmes. Section 71 para. 1 no. 2 AktG remains unaffected.

The subscription rights of shareholders are excluded with respect to the use of treasury shares pursuant to the above. The subscription rights of shareholders shall also be excluded in the event of the disposal of previously acquired treasury shares through the stock exchange in accordance with the above. In the event of the disposal of previously acquired treasury shares by means of an offer addressed to all shareholders in accordance with the above, the Management Board is authorized to exclude the subscription rights of shareholders in respect of fractional amounts. The Management Board is further authorized to exclude subscription rights in order to grant holders or creditors of bonds with conversion or option rights or obligations to shares of the Company subscription rights as compensation for effects of dilution, to the extent to which they would be entitled upon exercising such rights or fulfilling such obligations.

In addition, the Management Board is authorized to redeem treasury shares, without such redemption or its implementation requiring an additional resolution by the Company's shareholders' meeting. Such cancellation essentially results in a capital decrease that can be used for any purpose permitted by law. In deviation therefrom, the Management Board may determine that in the event of cancellation, the share capital will remain unchanged and that the proportion of the share capital represented by the remaining shares will increase pursuant to Section 8 para. 3 AktG. For this purpose, the Management Board is authorised to adjust the number of shares stated in the Articles of Association.

All aforementioned authorizations may be utilized on one or several occasions, in whole or in part, separately or collectively also with respect to treasury shares which have been acquired by entities in which the Company holds a direct or indirect majority interest or by third parties acting on account of such entities or on account of the Company.

In each case, the Management Board must inform the General Meeting of Shareholders about the utilization of the above authorizations, in particular about the reasons for and the purpose of the acquisition of treasury shares, the number of treasury shares acquired and the amount of the share capital attributable to them, the portion of the share capital represented by them and the equivalent value of the shares.

17.2 General provisions governing a liquidation of the company

Apart from liquidation as a result of insolvency proceedings, the Company may be liquidated by a resolution of the shareholders' meeting that is passed by a majority of the votes cast, provided that those votes also represent 75% or more of the share capital represented at the shareholders' meeting at which such vote is taken. Pursuant to the German Stock Corporation Act (*Aktiengesetz*), in the event of the Company's liquidation, any assets remaining after all of the Company's liabilities have been settled will be distributed among the shareholders in proportion to their shareholdings. The German Stock Corporation Act (*Aktiengesetz*) provides certain protections for creditors that must be observed in the event of liquidation.

17.3 General provisions governing a change in the share capital

Under the German Stock Corporation Act (*Aktiengesetz*), a German stock corporation (*AG*) requires a resolution of the shareholders' meeting to be passed by a majority of the votes cast, as well as a majority of at least 75% of the share capital represented at the time the resolution is passed, to increase its share capital. However, Section 19 of the Articles of Association provides that resolutions of the shareholders' meeting shall be passed with a simple majority of the valid votes cast, unless a higher majority is required by mandatory law or by the Articles of Association. In so far as the law requires a capital majority in addition to a majority of votes for resolutions of the Company's shareholders' meeting, a simple majority of the share capital represented shall be sufficient to the extent legally permissible. Accordingly, certain capital measures that do not mandatorily require a majority of at least 75% of the share capital represented at the vote, such as capital increases from the Company's own funds, may be adopted by a simple majority.

Shareholders can also create authorised capital. This requires a resolution passed by a majority of the votes cast as well as a majority of at least 75% of the share capital represented when the resolution is passed, authorising the Management Board to issue a specific quantity of shares within a period not exceeding five years. The nominal amount of the authorised capital may not exceed 50% of the share capital existing at the time the authorisation is granted.

In addition, shareholders can create conditional capital by a resolution passed with a majority of the votes cast as well as a majority of at least 75% of the share capital represented at the time the resolution is passed, for the purposes of (i) issuing shares to holders of convertible bonds or other securities granting a right to subscribe for shares, (ii) issuing shares as consideration in a merger with another company, or (iii) issuing shares offered to managers and employees. The nominal amount of conditional capital may not exceed 10% of the share capital at the time the resolution is passed in cases where it is created to issue shares to managers and employees, and may not exceed 50% in all other cases.

Resolutions to reduce share capital require a simple majority of the votes cast as well as a majority of at least 75% of the share capital represented at the time the resolution is passed.

17.4 General provisions governing subscription rights

In principle Section 186 of the German Stock Corporation Act (*Aktiengesetz*) grants to all shareholders the right to subscribe for new shares issued in a capital increase. The same applies to convertible bonds, bonds with warrants, profit participation rights and participating bonds. Subscription rights are freely transferable and may be traded on German stock exchanges for a prescribed period before the deadline for subscription expires. However, shareholders do not have a right to request admission to trading for subscription rights. The shareholders' meeting may, subject to a majority of at least 75% of the share capital represented at the vote, resolve to exclude subscription rights. Exclusion of shareholders' subscription rights also requires a report from the management board that justifies and demonstrates that the company's interest in excluding subscription rights outweighs the interest of the shareholders being granted subscription rights. Excluding shareholders' subscription rights when new shares are issued is specifically permissible where:

- the company is increasing share capital against cash contributions;
- the amount of the capital increase does not exceed 10% of the share capital at issue; and
- the price at which the new shares are being issued is not materially lower than the stock exchange price.

17.5 Exclusion of minority shareholders

Under Sections 327a et seq. of the German Stock Corporation Act (*Aktiengesetz*), which governs the so-called "squeeze-out under stock corporation law", upon the request of a shareholder holding 95% of the share capital (***Majority Shareholder***), the shareholders' meeting of a stock corporation may resolve to transfer the shares of minority shareholders to the Majority Shareholder against the payment of adequate compensation in cash. The amount of the cash payment that must be offered to minority shareholders has to reflect "the circumstances of the company" at the time the shareholders' meeting passes the resolution. The amount of the cash payment is based on the full value of the company, which is generally determined using the capitalised earnings method. The minority shareholders are entitled to file for a valuation proceeding (*Spruchverfahren*), in the course of which the fairness (*Angemessenheit*) of the cash payment is reviewed.

Under Sections 39a and 39b of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*), in the case of a so-called "squeeze-out under takeover law", an offeror holding at least 95% of the voting share capital of a target company (as defined in the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*)) after a takeover bid or mandatory offer, may, within three months of the expiry of the deadline for acceptance of the offer, petition the Regional Court (*Landgericht*) of Frankfurt am Main for a court order transferring the remaining voting shares to itself against the payment of adequate compensation. A resolution passed by the shareholders' meeting is not required. The consideration paid in connection with the takeover or mandatory bid is considered adequate if the offeror has obtained at least 90% of the share capital subject to the offer. The nature of the compensation must be the same as the consideration paid under the takeover bid or mandatory offer; a cash alternative must be offered in any event. In addition, after a takeover bid or mandatory offer, shareholders in a target company who have not accepted the offer may do so up to three months after the deadline for acceptances of the offer has expired pursuant to Section 39c of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*) (so called "sell-out"), provided the offeror is entitled to petition for the transfer of the outstanding voting shares in accordance with Section 39a of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*). The provisions for a squeeze-out under stock corporation law cease to apply once an offeror has petitioned for a squeeze-out under takeover law, and only apply again when these proceedings have been definitively completed.

In addition, under Section 62 paragraph 5 of the German Transformation Act (*Umwandlungsgesetz*), a majority shareholder holding at least 90% of a stock corporation's share capital can require the shareholders' meeting to resolve that the minority shareholders must transfer their stock to the majority shareholder against the payment of adequate compensation in cash, provided that (i) the majority shareholder is a stock corporation, a partnership limited by shares (*Kommanditgesellschaft auf Aktien – KGaA*), or a European company (*SE*) having its seat in Germany, and (ii) the squeeze-out is performed to facilitate a merger under the German Transformation Act (*Umwandlungsgesetz*) between the majority shareholder and the stock corporation. The shareholders' meeting approving the squeeze-out must take place within three months of the conclusion of the merger agreement. The procedure for the squeeze-out is essentially identical to the "squeeze-out under stock corporation law" described above, including the minority shareholders' right to have the appropriateness of the cash compensation reviewed.

Under Section 319 et seq. of the German Stock Corporation Act (*Aktiengesetz*), the shareholders' meeting of a stock corporation may vote for integration (*Eingliederung*) with another stock corporation that has its registered office in Germany, provided the prospective parent company holds at least 95% of the shares of the company to be integrated. The former shareholders of the integrated company are entitled to adequate compensation, which, generally, must be provided in the form of shares in the parent company. Where the compensation takes the form of shares in the parent company, it is considered appropriate if the shares are issued in the same proportion as the shares the parent company would have been issued per share in the integrated company if a merger had taken place. Fractional amounts may be paid out in cash.

17.6 Shareholder notification requirements

After the Company's shares have been admitted to trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), the Company, as a listed company, will be subject to the provisions of the WpHG governing disclosure requirements for significant shareholdings.

Pursuant to Section 33 paragraph 1 of the WpHG, anyone who acquires, sells or whose shareholding in any other way reaches, exceeds or falls below 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% of the total number of voting rights in the Company, as an issuer whose country of origin (*Herkunftsstaat*) is Germany, is required to notify the Company and the BaFin at the same time. Notifications must be submitted without undue delay, and no later than within four trading days. The four-day notification period starts at the time the person or entity subject to the notification requirement has knowledge of or, in consideration of the circumstances, should have had knowledge of his proportion of voting rights reaching, exceeding or falling below the aforementioned thresholds. The WpHG contains a conclusive presumption that the person or entity subject to the notification requirement has knowledge two trading days after such an event occurs. Moreover, a person or entity is deemed to already hold shares as of the point in time such person or entity has an unconditional and due claim of transfer related to such shares pursuant to Section 33 paragraph 3 of the WpHG. In the case that a threshold has been reached or crossed due to a change in the total number of voting rights, the notification period starts at the time the person or entity subject to the notification requirement has knowledge about such change, or upon the publication of the revised total number of voting rights by the Company, at the latest.

In connection with these requirements, Section 34 of the WpHG contains various attribution rules. For example, voting rights attached to shares held by a subsidiary are attributed to its parent company. Similarly, voting rights attached to shares held by a third party for the account of a person or entity are attributed to such person or entity. Voting rights which a person or entity is able to exercise as a proxy according to such person's or entity's discretion are also attributed to such person or entity. Further, any coordination by a person or entity with a third party on the basis of an agreement or in any other way generally results in an attribution of the full amount of voting rights held by, or attributed to, the third party as well as to such person or entity. Such acting in concert generally requires a consultation on the exercise of voting rights or other efforts designed to effect a permanent and material change in the business strategy of the Company. Accordingly, the exercise of voting rights does not necessarily have to be the subject of acting in concert. Coordination in individual cases, however, is not considered as acting in concert.

Similar obligations to notify the Company and the BaFin apply pursuant to Section 38 paragraph 1 of the German Securities Trading Act (*Wertpapierhandelsgesetz*) to anyone who reaches, exceeds or falls below the aforementioned thresholds, except for the 3% threshold, by directly or indirectly holding instruments either (i) giving their holder the unconditional right or discretion to acquire already issued shares of the Company to which voting rights are attached, or (ii) relating to such shares and having a similar economic effect, whether or not conferring a right to a physical settlement. Pursuant to Section 38 paragraph 2 of the WpHG, such instruments include, in particular, transferable securities, options, futures, swaps, forward rate agreements and contracts for difference. Details on the valuation of the shares underlying a financial instrument are set out in Commission Delegated Regulation (EU)2015/761 of 17 December 2014 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to certain regulatory technical standards on major holdings.

In addition, anyone whose aggregate number of voting rights and instruments pursuant to Sections 33 paragraph 1 and 38 paragraph 1 of the WpHG reaches, exceeds or falls below the aforementioned thresholds, except for the 3% threshold, has to notify the Company and the BaFin pursuant to Section 39 paragraph 1 of the WpHG.

If any of the aforementioned reporting obligations are triggered, the notifying person or entity is required to fully complete the notification form set forth as an annex to the German Securities Trading and Insider List Regulation (*Wertpapierhandelsanzeige- und Insiderverzeichnisverordnung*). The notice can be submitted either in German or English, in writing or via fax. The notice must include, irrespective of the event triggering the notification, (i) the number and proportion of voting rights, (ii) the number and proportion of instruments and (iii) the aggregate number and proportion of voting rights and instruments held by or attributed to the notifying person or entity. In addition, the notice must include certain attribution details, among other things, the first name and surname of the notifying individual or the legal name, seat and state of a notifying entity, the event triggering the notification, the date on which the threshold was reached or crossed and, if voting rights or instruments are attributed.

As a domestic issuer, the Company must publish such notices without undue delay, but no later than three trading days following receipt, via media outlets or outlets where it can be assumed that the notice will be disseminated in the entire EU and in the non-EU Member States that are parties to the agreement in the EEA. The Company must also transmit the publication to the BaFin, specifying the time of publication and the media used and to the German Company Register (*Unternehmensregister*) for storage.

There are certain exceptions to the notice requirements. For example, a company is exempt from its notification obligation if its parent company, or if its parent company is itself a subsidiary, the parent's parent company, has filed a group notification pursuant to Section 37 paragraph 1 of the WpHG. Moreover, pursuant to Section 36 paragraph 1 of the WpHG, shares or instruments held by a credit institution or a credit securities services company with a registered seat in the EU or in a non-EU Member State that is a party to the Agreement in the EEA are not taken into account for determining the notification obligation or proportion of voting rights held, provided (i) they are held in such credit institution's or credit securities services company's trading book, (ii) they amount to no more than 5% of the voting shares, do not grant the right to acquire more than 5% of the voting shares, or do not have a similar economic effect and (iii) it is ensured that the voting rights held by them are not exercised or otherwise made use of.

If a shareholder fails to file a notice or provides false information with regard to shareholdings pursuant to Sections 33 and 34 of the WpHG, the rights attached to shares held by or attributed to such shareholder, particularly voting and dividend rights, do not exist for the duration of the failure pursuant to Section 44 paragraph 1 of the WpHG. This does not apply to entitlements to dividend and liquidation gains if the notifications were not omitted wilfully and have since been made. If the shareholder fails to disclose the correct proportion of voting rights held and the shareholder acted wilfully or was grossly negligent, the rights attached to shares held by or attributed to such shareholder do not exist for a period of six months after such shareholder has correctly filed the necessary notification, except if the variation in the proportion of the voting rights notified in the preceding incorrect notification was less than 10% of the actual voting right proportion and no notification with respect to reaching, exceeding or falling below the aforementioned thresholds pursuant to Section 33 paragraph 1 of the WpHG was omitted. The same rules apply to shares held by a shareholder, if such shareholder fails to file a notice or provides false information with regard to holdings in instruments or aggregate holdings in shares and instruments pursuant to Sections 38 paragraph 1, 39 paragraph 1 of the WpHG. In addition, a fine may be imposed for failure to comply with notification obligations.

Pursuant to Section 43 of the WpHG, a shareholder who reaches or exceeds the threshold of 10% of the voting rights, or a higher threshold, is obligated to notify the Company within 20 trading days regarding the objective being pursued through the acquisition of voting rights, as well as regarding the source of the funds used for the purchase. Changes in those objectives must also be reported within 20 trading days. The Articles of Association have not made use of the option to release shareholders from this disclosure obligation. In calculating whether the 10% threshold has been reached or exceeded, the attribution rules mentioned above apply.

17.7 Mandatory takeover bids

After the shares of the Company are admitted to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (Prime Standard), the Company is subject to the provisions of the WpÜG. Pursuant to the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*), every person whose share of voting rights reaches or exceeds 30% of the voting shares of the Company is obligated to publish this fact on the internet and by means of an electronically operated system for disseminating financial information, unless an exemption from this obligation has been granted by the BaFin. If no exemption has been granted, this publication has to be made within seven calendar days and include the total amount of voting rights held by and attributed to such person and, subsequently, such person is further required to submit a mandatory public tender offer to all holders of shares in the Company. The German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*) contains a series of provisions intended to ensure the attribution of shareholdings to the person who actually controls the voting rights attached to the shares, comparable to the attribution rules described above for shareholdings pursuant to Section 34 of the WpHG. If a bidder fails to give notice of reaching or exceeding the 30% threshold or fails to submit the mandatory tender offer, the bidder is barred from exercising the rights associated with these shares, including voting rights, for the duration of the delinquency. In case of wilful failure to publish the notice of acquisition of control over another company or submission of a mandatory tender offer or wilful failure to subsequently send those notices in a timely fashion, the bidder is also not entitled to dividends. A fine may also be imposed in case of non-compliance with the notification obligations described above.

17.8 Disclosure of transactions of persons discharging management responsibilities

Pursuant to Article 19 of MAR, persons discharging managerial responsibilities (***Executives***) shall notify the Company and the BaFin of every transaction conducted on their own account relating to the shares or debt instruments of the Company or to derivatives or other financial instruments linked thereto (so-called managers' transactions). The same applies to persons closely associated with

Executives. Transactions that must be notified shall also include, among others, the pledging or lending of financial instruments, transactions undertaken by any person professionally arranging or executing transactions on behalf of an Executive or a closely associated person, including where discretion is exercised, as well as transactions made under a life insurance policy. The notification requirement shall apply to any subsequent transaction once a total amount of EUR 5,000 has been reached within a calendar year. BaFin may decide to increase the threshold to EUR 20,000. Notification shall be made promptly and no later than three business days after the date of the transaction.

For the purposes of MAR, Executive means a person within the Company who is a member of the administrative, management or supervisory body of the Company or a senior executive who is not such member but who has regular access to inside information relating directly or indirectly to the Company and who has power to take managerial decisions affecting the future developments and business prospects of the Company. A person closely associated with an Executive means a spouse, a registered civil partner (*eingetragener Lebenspartner*), a dependent child as well as a relative who has shared the same household for at least one year on the date of the transaction concerned. A person closely associated also includes a legal person, trust or partnership, the managerial responsibilities of which are discharged by an Executive of the Company or by another person closely associated with him. Finally, the term includes a legal person, trust or partnership, which is directly or indirectly controlled by an Executive of the Company or by another person, which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person.

The Company shall ensure that the information of which it is notified is promptly made public. In any case, it shall be made public no later than three business days after the transaction in a manner which enables fast access to this information on a non-discriminatory basis in accordance with European Securities and Markets Authority's implementing technical standards. Furthermore, according to the WpHG, the Company shall without undue delay transmit the information to the German Company Register (*Unternehmensregister*) and notify BaFin. Non-compliance with the notification requirements may result in a fine.

17.9 Post-Admission disclosure requirements

As a result of the intended admission of the Company's shares to trading on the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), the Company will for the first time be subject to the legal disclosure requirements for stock corporations listed in Germany. These disclosure requirements include, among others, periodic financial reporting (disclosure of annual and half-year financial reports), regular calls with securities and industry analysts, and other required disclosures according to the German Securities Trading Act (*Wertpapierhandelsgesetz*) as well as disclosure requirements under the MAR. The Company will also be obliged under the Listing Rules of the Frankfurt Stock Exchange (*Börsenordnung für die Frankfurter Wertpapierbörse*), as amended from time to time, to publish quarterly statements (unless the Company prepares quarterly financial reports), as the Company's shares are to be listed on the Prime Standard sub-segment of the regulated market of the Frankfurt Stock Exchange.

Pursuant to Article 17 MAR, the Company shall inform the public as soon as possible of inside information (as defined below) which directly concerns the Company. In such case the Company shall also, prior to informing the public, inform the BaFin and the management of the trading venues and facilities (*Geschäftsführungen der Handelsplätze*) where financial instruments of the Company have been admitted to trading or been included in such trading, and, after publication, without undue delay transmit the information to the German Company Register (*Unternehmensregister*).

Inside information comprises, among others, any information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments.

The Company may, on its own responsibility, delay disclosure if (i) immediate disclosure is likely to prejudice the legitimate interests of the Company, (ii) delay of disclosure is not likely to mislead the public and (iii) the Company is able to ensure that the inside information will remain confidential. In such case, the Company shall also inform BaFin that disclosure of the information was delayed and shall provide a written explanation of how the conditions set out in the preceding sentence were met, immediately after the information is disclosed to the public. Where disclosure of inside information has been delayed and the confidentiality of that inside information is no longer ensured, the Company shall disclose such inside information to the public as soon as possible.

18 CORPORATE BODIES

18.1 Overview

The Company's corporate bodies are the Management Board (*Vorstand*), the Supervisory Board (*Aufsichtsrat*) and the shareholders' meeting (*Hauptversammlung*). The powers and responsibilities of these governing bodies are determined by the German Stock Corporation Act (*Aktiengesetz*), the Articles of Association (*Satzung*) and the rules of procedure for the Supervisory Board (*Geschäftsordnung für den Aufsichtsrat*) and the Management Board (*Geschäftsordnung für den Vorstand*).

The Management Board is responsible for managing the Company in accordance with applicable law, the Articles of Association and the rules of procedure for the Management Board, including the schedule of responsibilities (*Geschäftsverteilungsplan*), taking into account the resolutions of the shareholders' meeting. The members of the Management Board represent the Company in dealings with third parties.

Simultaneous management and supervisory board membership in a German stock corporation (*AG*) is not permitted under the German Stock Corporation Act (*Aktiengesetz*), as the Supervisory Board is responsible for supervising the management of the Company by the Management Board. However, in exceptional cases and for an interim period, a member of the supervisory board may take a vacant seat on the management board of the German stock corporation. During this period, such individual may not perform any duties for the Supervisory Board. Such stand-in arrangement is limited in time for a maximum period of one year.

The Company's Articles of Association allow the Management Board to consist of one or more members, with the Supervisory Board determining their exact number. The Supervisory Board also appoints the members of the Management Board and is entitled to dismiss each of them under certain circumstances. As set out in the German Stock Corporation Act (*Aktiengesetz*), the Supervisory Board advises and oversees the Management Board's administration of the Company but is not itself authorised to manage the Company. The Supervisory Board may make types of transactions and measures subject to its prior approval by amending the rules of procedure of the Management Board or the Supervisory Board or through a resolution of the Supervisory Board. Matters subject to the prior consent of the Supervisory Board or of a committee of the Supervisory Board pursuant to the rules of procedure of the Management Board currently include, in particular:

- annual budget and annual corporate planning of the Company and the TeamViewer Group;

as well as the following transactions and measures, insofar as they are not already covered by the annual budget or the annual business planning in accordance with the preceding item:

- modification of the fields of business of the Company and the termination of existing and commencement of new fields of business;

- establishment and discontinuation of branches of the Company;

- acquisition, disposal or encumbrance of investments or assets, provided that the expenses incurred in connection with the acquisition exceed EUR 10 million; for the purpose of determining the above limit, content-related individual measures must be combined and the total amount of all individual measures must be taken into account;

- investments of the Company to the extent that they exceed the amount of EUR 10 million in individual cases; if an investment is part of a larger investment project, the above amount limit is based not on the individual investment but on the total amount of the investment project;

- financial measures, in particular those for refinancing or recapitalisation, i.e., replacement or repayment of existing liabilities, in so far as they exceed EUR 60 million; for the purpose of determining the above limit, content-related individual measures must be combined and the total amount of all individual measures must be taken into account; this requirement for approval does not apply to (i) financial transactions from day-to-day business that serve to control liquidity and other financial risks, such as foreign exchange, interest rate and possibly equity risks and (ii) intra-group financial measures;

- taking out of bonds or loans outside the ordinary course of business and exceeding an amount of EUR 10 million in each individual case; for the purpose of determining the above limit, content-related individual measures must be combined and the total amount of all individual measures must be taken into account;

- assumption of sureties, guarantees or similar liability as well as the granting of loans to the extent these measures are outside the ordinary course of business and exceed an amount of EUR 10 million in each individual case;

- acquisition and disposition of, and creating of encumbrances on, real property and rights equivalent to real property rights to the extent the transaction value of the individual transaction exceeds an amount of EUR 5 million in each individual case;

- institution and termination of court cases or arbitration proceedings involving an amount in controversy of more than EUR 1 million in the individual case; and

- conclusion, amendment or termination of enterprise agreements within the meaning of sections 291 et seq. of the German Stock Corporation Act (*Aktiengesetz*).

In addition to the aforementioned transactions and measures, the Supervisory Board may make other types of transactions and measures subject to a requirement of its consent within the rules of procedure of the Management Board or of the Supervisory Board or by a resolution of its members. The Supervisory Board may also give revocable consent in advance to a certain group of transactions in general or to individual transactions that meet certain requirements.

Each member of the Management Board and Supervisory Board owes a duty of loyalty, duty of legality and duty of care to the Company. In discharging these duties, each member of these bodies must consider in their decision-making a broad spectrum of interests, particularly those of the Company and its shareholders, employees and creditors. In addition, the Management Board must take into consideration the shareholders' rights to equal treatment and equal access to information. If members of the Management Board or Supervisory Board breach their duties, they may be individually or jointly and severally liable with the other members of the Management Board or the Supervisory Board to the Company for compensatory damages, as the case may be.

Under German law, a shareholder generally has no right to proceed directly against members of the Management Board or Supervisory Board to assert a breach of their duties to the Company. In general, only the Company has the right to enforce claims for damages against the members of the Management Board or Supervisory Board. With respect to claims against Supervisory Board members, the Company is represented by the Management Board, and the Supervisory Board represents the Company with respect to claims against members of the Management Board. Under a decision of the German Federal Supreme Court (*Bundesgerichtshof*), the Supervisory Board is required to assert damages claims against the Management Board if they are likely to succeed unless significant interests of the Company conflict with the pursuit of such claims and outweigh the reasons for bringing such claim.

Even if either the Supervisory Board or the Management Board decide not to pursue a claim against the respective other governing body for violations of their duties, the Management Board and the Supervisory Board must nevertheless assert the Company's claims for damages if a resolution to this effect is passed by the shareholders' meeting with a simple majority vote. The shareholders' meeting may also appoint a special representative (*besonderer Vertreter*) to assert the claims. Such a special representative may also be appointed by the court upon a petition by shareholders whose shares cumulatively make up 10% of the share capital or a pro rata share of EUR 1,000,000.

In addition, the shareholders' meeting may appoint a special auditor (*Sonderprüfer*) to audit transactions, particularly management transactions, by simple majority vote. If the shareholders' meeting rejects a motion to appoint a special auditor, the court must appoint a special auditor upon the petition of shareholders whose shares cumulatively constitute 1% of the share capital at the time the petition is filed or constitute a pro rata share of EUR 100,000 if facts exist that justify the suspicion that the behaviour in question constituted dishonesty or gross violations of the law or the articles of association. If the shareholders' meeting appoints a special auditor, the court must appoint another special auditor upon the petition of shareholders whose shares cumulatively constitute 1% of the share capital at the time the petition is filed or constitute a pro rata share of EUR 100,000 if this appears necessary, in particular because the appointed special auditor is unsuited.

Shareholders and shareholder associations can solicit other shareholders to file a petition, jointly or by proxy, for a special audit, for the appointment of a special representative, or to convene a shareholders' meeting or exercise voting rights in a shareholders' meeting in the shareholders' forum of the German Federal Gazette (*Bundesanzeiger*), which is also accessible via the website of the German Company Register (*Unternehmensregister*). If there are facts that justify the suspicion that the Company was harmed by dishonesty or a gross violation of law or the articles of association, shareholders who collectively hold 1% of the share capital or a pro rata share of EUR 100,000 may also, under certain further conditions, seek damages from members of the Company's governing bodies in their own names through court proceedings seeking leave to file a claim for damages. Such claims, however, become inadmissible if the Company itself files a claim for damages.

The Company may only waive or settle claims for damages against members of the Management Board or Supervisory Board three years after such claims arose and if the shareholders grant their consent at the shareholders' meeting by simple majority vote and if no objection is raised and documented in the minutes of the shareholders' meeting by shareholders whose shares cumulatively constitute 10% of the share capital.

Under German law, individual shareholders and all other persons are prohibited from using their influence on the Company to cause a member of the Management Board or the Supervisory Board to take an action detrimental to the Company. A shareholder with a controlling influence may not use that influence to cause the Company to act contrary to its own interests unless there is a domination agreement (*Beherrschungsvertrag*) between the shareholder and the Company and unless the influence remains within the boundaries of certain mandatory provisions of law or compensation is paid for the disadvantages that arise. Any person who intentionally uses his influence on the Company to cause a member of the Management Board or the Supervisory Board, an authorised representative (*Prokurist*) or an authorised agent (*Handlungsbevollmächtigter*) to act to the detriment of the Company or its shareholders is liable to compensate the Company and the affected shareholders for the resulting additional losses. Alongside a person who uses his influence to the detriment of the Company, the members of the Management Board and Supervisory Board can be jointly and severally liable, if they acted in violation of their duties.

18.2 Management Board

18.2.1 Overview

The Management Board consists of one or more members with the Supervisory Board determining their number. The Supervisory Board appoints members of the Management Board for a maximum term of five years. The Supervisory Board may appoint members of the Management Board to act as chairperson and deputy chairperson of the Management Board.

Reappointment or extension of the term of members of the Management Board, each for a maximum period of up to five years, is permissible. The Supervisory Board may revoke the appointment of a member of the Management Board prior to the expiration of the member's term for good cause, such as a gross breach of fiduciary duty, or if the shareholders' meeting passes a vote of no-confidence with respect to such member, unless the no-confidence vote was clearly unreasonable. The Supervisory Board is also responsible for entering into, amending and terminating service agreements with members of the Management Board and, in general, for representing the Company in and out of court vis-à-vis the Management Board.

If the Management Board has only two members, it has a quorum if all its members take part in the voting, and if it has three or more members, if at least half of its members take part in the voting.

Generally, resolutions of the Management Board must be approved in a meeting. At the order of the chairperson of the Management Board, resolutions may also be passed in a telephone of video conference or outside of meetings by casting votes in writing, by text form, or orally. The Management Board adopts resolutions by a majority of its members unless the Management Board consists of two members, in which case resolutions have to be passed by two unanimous votes. Further details, particularly regarding composition, duties, overall responsibility, allocation of responsibility for particular functions and internal organisation are governed by the rules of procedure of the Management Board which were resolved upon by the Supervisory Board on 19 August 2019 and entered into force on the same day.

The Company is legally represented by two members of the Management Board or by one member of the Management Board together with an authorised representative (*Prokurist*); if only one member of the Management board is appointed, such member solely represents the Company. The Supervisory Board may determine that all or specific members of the Management Board are authorised to represent the Company individually. Stefan Gaiser and Oliver Steil each represent the Company individually by resolution of the Supervisory Board dated 19 August 2019.

The internal rules of procedure of the Management Board provide for a delegation of responsibilities to individual members of the Management Board on the basis of the business responsibility plan (*Geschäftsverteilungsplan*). The business responsibility plan is an annex to the rules of procedure of the Management Board and may only be amended on the basis of a unanimous resolution adopted by the Management Board with the consent of the Supervisory Board.

18.2.2 Members of the Management Board

The following table lists the current members of the Management Board and their respective responsibilities:

Name/Position	Born	First appointed on	Appointed until	Responsibilities
Oliver Steil	1971	19 August 2019	18 August 2022	Chief Executive Officer
Stefan Gaiser	1974	19 August 2019	18 August 2022	Chief Financial Officer

The following description provides summaries of the curricula vitae of the current members of the Management Board and indicates their principal activities outside the TeamViewer Group to the extent those activities are significant with respect to the TeamViewer Group.

Oliver Steil was born on 2 December 1971 in Gelsenkirchen, Germany. Mr. Steil received a degree in electrical engineering from Ruhr-University in Bochum, Germany. After his studies, he started his career as consultant at McKinsey & Company, Inc., where he became a partner in 2004. From 2006 to 2008, he worked at Debitel AG, where he last held the role as chief executive officer. In 2009, Mr. Steil returned to McKinsey & Company, Inc., where he worked as a partner. From 2010 to 2013 he was the chief executive officer of Sunrise Communications AG, Switzerland. In 2015, he joined Permira Advisers LLP, where he was a partner and assumed the role of head of portfolio group. In 2018, Mr Steil was appointed as managing director (*Geschäftsführer*) of TeamViewer GmbH (now: TeamViewer Germany GmbH) and has since served as the chief executive officer of the TeamViewer Group.

Stefan Gaiser was born on 19 March 1974 in Freiburg im Breisgau (Germany). Mr. Gaiser studied business administration and received his degree from the Berufsakademie Villingen-Schwenningen, Germany. After his studies, Mr. Gaiser started his career as associate chief financial officer and chief financial officer EMEA at Kofax plc. In 2005, he was appointed chief financial officer of Kofax plc and retained that role until 2010. From 2012 to 2015, he served as a managing partner of Board Advisors Deutschland AG and from 2015 to June 2017 he served as chief financial officer of P&I Personal & Informatik AG. In 2017, Mr Gaiser was appointed as managing director (*Geschäftsführer*) of TeamViewer GmbH (now: TeamViewer Germany GmbH) and has since served as the chief financial officer of the TeamViewer Group.

All members of the Management Board may be reached at the Company's offices at Jahnstrasse 30, 73037 Göppingen, Germany (telephone +49 7161 60692 50).

The following overview lists all of the companies and enterprises in which the members of the Management Board currently hold seats or have held seats on administrative, management or supervisory boards, or comparable German or foreign supervisory bodies, or of which they were partners during the last five years, with the exception of the Company and its subsidiaries:

Oliver Steil

Current seats:

- None

Past seats:

- Member of the supervisory board of YippieYo AG
- Chairman of the supervisory board of BigSky Holding AG
- Partner at Permira Advisers LLP

Stefan Gaiser

Current seats:

- None

Past seats:

- Member of the management board of P&I Personal & Informatik AG
- Managing Partner of Board Advisors Deutschland AG
- Board member of various Kofax plc subsidiaries

18.2.3 Remuneration and other benefits of the members of the Management Board

18.2.3.1 Remuneration in the fiscal year ended 31 December 2018

In the financial periods under review, the Company was not yet formed. Regit Eins GmbH did not disclose the individual compensation for each member of the Management Board. In the fiscal year ended 31 December 2018, the total remuneration paid to Mr. Steil and Mr. Gaiser, the two members of the Management Board by the Group (including fixed and variable components as well as benefits in kind) amounted to EUR 4.1 million in the aggregate.

18.2.3.2 Remuneration system

In the context of the change of legal form of the Company from a GmbH into a German stock corporation (AG) and the Management Board members' appointment as management board members of the latter, new service agreements were agreed with the Company. Under such agreements, a distinction is made in relation to the compensation in the period prior to the completion of the Offering (***Pre-IPO-Phase***) and the period after the completion of the Offering (***Post-IPO-Phase***): The compensation for the Pre-IPO-Phase shall in principle continue on the basis of the compensation terms as applicable under the previous managing director's service agreements with the Company in the legal form of a GmbH, whereas the compensation for the Post-IPO Phase is based on new terms and conditions and, in particular, also includes a long-term variable remuneration element which is aimed at aligning the management board members' compensation with the long-term developments and successes of the Company and reflecting the legal requirements for management board members' compensation in listed companies under section 87 of the German Stock Corporation Act (*Aktiengesetz*) and the German Corporate Governance Code.

In the Post-IPO-Phase, the compensation of the members of the Management Board by the Company generally consists of a fixed annual base salary, two variable compensation components (the ***Total Target Compensation***) as well as additional fringe benefits /benefits in kind (in the following referred to as ***additional benefits***):

18.2.3.2.1 Annual base salary

The members of the Management Board receive a fixed annual base salary in cash which for Mr. Steil, amounts to EUR 900,000 (gross) per year and for Mr. Gaiser to EUR 550,000 (gross) per year.

18.2.3.2.2 Variable remuneration

In addition to the fixed annual salary, the members of the Management Board are entitled to a short-term variable remuneration element (***STI***) depending on the annual performance of the Company and a long-term incentive variable remuneration element (***LTI***) on the basis of the Company's long-term incentive plan for management board members (***LTIP***).

18.2.3.2.3 Short-Term Incentive for members of the Management Board (STI)

The STI is determined on the basis of the target achievement level with regard to the targets (such as billings and /or EBITDA) set by the Supervisory Board prior to each financial year. In case of 100% target achievement (and in the absence of a malus or clawback), the STI shall amount to EUR 900,000 (gross) for Mr. Steil and to EUR 500,000 (gross) for Mr. Gaiser. The STI is capped at a maximum of 200% of the target STI. If the respective service agreement begins or ends during the course of a year, the STI will be paid out pro rata temporis (subject to a malus or clawback).

18.2.3.2.4 Long-Term Incentive for members of the Management Board (LTI)

For purposes of the LTI each financial year a new four-year performance period (***Performance Period***) shall start, which is subject to the terms and conditions of the applicable LTIP as determined by the Supervisory Board at its reasonable discretion for the relevant Performance Period. The initial grant value for each Performance Period under the applicable LTIP shall be EUR 1,000,000 for Mr. Steil and EUR 550,000 for Mr. Gaiser. If the service agreement does not exist during the full financial year (representing the start year of the Performance Period), the initial grant value for the respective year will be reduced pro rata temporis.

The initially applicable LTIP (i.e. as applicable for the first Performance Period beginning in 2020) is based on the grant of virtual shares (***Performance Shares***) in the Company. Each member of the Management Board is awarded an initial number of Performances Shares (***Initial Number of Performance Shares***) as determined by reference to the initial grant value and the Company's share price prior to the commencement of the Performance Period (the ***Initial Share Price***). The Initial Share Price represents the arithmetic mean of the closing prices of the share of the Company on the last 60 trading days prior to the beginning of the relevant Performance Period. For the first Performance Period following listing of the Company the Initial Share Price shall be the listing price.

Under the initially applicable LTIP the final number of Performance Shares shall then be determined at the end of the Performance Period by multiplying the Initial Number of Performance Shares with the overall degree of target achievement and by then rounding this final figure to the nearest full Performance Share (thus arriving at the final number of Performance Shares). The overall degree of target achievement is based on the level of target achievement of the targets set by the Supervisory Board for the relevant Performance Period. Under the initially applicable LTIP the targets for each Performance Period shall include at least (i) one target that reflects a long-term financial goal, (ii) one target that is based on a non-financial strategic goal and (iii) one share price /shareholder return based target. The pay-out amount is then determined by multiplying the final number of Performance Shares for the Performance Period with the arithmetic mean of the closing prices of the share of the Company on the last 60 trading days prior to the end of the Performance Period. Thus, if the share price remained unchanged and the overall target achievement was 100% (and no malus and clawback applied), the LTI pay-out amount would equal the initial grant value. The maximum LTI pay-out amount for each Performance Period cannot exceed 200% of the initial grant value.

18.2.3.2.5 Malus and clawback

The pay-out of the STI and LTI is subject to malus and clawback conditions. This means that, before determining the pay-out amount of an STI and LTI respectively, the Supervisory Board will review if one of a set of defined malus events justifies a reduction or even forfeiture of the variable remuneration amount as determined on the basis of the target achievement level and LTIP terms. Also, variable remuneration amounts already paid out are subject to a clawback within a set clawback period if one of a number of defined clawback events occurred during a period for which the variable remuneration element was paid.

18.2.3.3 Total Target Compensation

The Total Target Compensation (including the fixed base salary, STI and LTI) of both management board members will thus amount to EUR 4,400,000 in total.

18.2.3.4 *Additional benefits*

Additional benefits are granted to the members of the Management Board, such as a lump sum payment of EUR 2,000 per month compensating for the use of a privately owned car for business-related trips, reimbursement of out-of-pocket expenses (including travel expenses) incurred in the course of providing services to the Company in accordance with the applicable expense policies of the Company, contributions to the Management Board members' (private or statutory) health instance premiums (equivalent to the statutory employer's contributions to statutory health insurance), continued pay in the event of incapacity to work due to illness or death as well as accident insurance. Additionally, all members of the Management Board are covered against third-party liabilities under a D&O insurance policy at the Company's expense with a deductible in line with the respective provisions of the German Stock Corporation Act (Aktiengesetz) of 10% of the damage, but not exceeding a maximum of 150% of the annual base salary (see "*13.21 Insurance*"). The Company further provides for a personal driver for Mr. Gaiser for certain trips.

18.2.3.5 *Non-compete*

During the term of their service agreement and for a period of 12 months following its termination, the members of the Management Board are subject to certain non-compete obligations, including a prohibition from working (as an employee, in a self-employed or any other capacity) for a company that is a direct or indirect competitor of the Company or that is affiliated with such a competitor. The post-termination non-compete obligations entail an obligation of the Company to pay a non-compete compensation to the members of the Management Board for the duration of the post termination non-compete period. The compensation is to be paid in monthly instalments and amounts to 50% of the contractual remuneration (including benefits in kind) which the member of the Management Board received prior to the end of the service agreement. A potential severance payment is to be set off against the non-compete compensation.

18.2.3.6 *Severance payment*

In the event of a revocation from office, the respective member of the Management Board will be entitled to a severance payment unless the revocation is based on his inability to properly manage the Company or a gross breach of duty pursuant to section 84 (3) of the German Stock Corporation Act (*Aktiengesetz*) or on any other good cause within the meaning of section 84 (3) of the German Stock Corporation Act (*Aktiengesetz*) or within the meaning of section 626 of the German Civil Code (*Bürgerliches Gesetzbuch*/*BGB*) and such cause is attributable to the Management Board member. The severance payment amounts to 200% of the aggregate of the fixed annual salary and STI, but is capped at a maximum amount equal to the aggregate of the fixed annual salary and STI which the member of the management board would normally be entitled to until the end of the regular term.

18.2.4 *Shareholdings of the Members of the Management Board in the Company*

With the settlement by the Selling Shareholder in the context of the IPO of equity participation arrangements for the benefit of the two members of the Company's management board and the sale and transfer of their interests under the Key Employee Participation Programme to an affiliate of the Selling Shareholder, Oliver Steil and Stefan Gaiser are entitled to an equity participation in the Issuer, which will be settled in cash at the IPO and then in shares in the Issuer twelve and 24 months after the Offering. The Selling Shareholder has the right to delay the allocation of shares under the two share tranches for legal and/or commercial reasons. The total entitlements are dependent on the issue price. At the lower end of the price range, Oliver Steil's total entitlement amounts to 2.47% in the Issuer (2.52% at the mid-point of the price range and 2.56% at the higher end of the price range) and Stefan Gaiser's total entitlement, at the lower end of the price range, amounts to 1.24% in the Issuer (1.26% at the mid-point of the price range and 1.28% at the higher end of the price range). For each management board member the tranche settled in cash comprises 30% and the second and third tranches settled in shares each comprise 35% of the aggregate entitlement. Oliver Steil and Stefan Gaiser lose their claims under the second and third tranche if their service agreements with the Company, prior to the share transfer, are terminated by them without cause or by the Company with cause including as a result of a malus event under their service agreements (*cf. 18.2.3.2.5 Malus and clawback*) or if they otherwise leave the Company for that reason. If taxes are not paid otherwise, each of the share tranches will be transferred net of such number of shares as are required, when monetised at the time, to meet wage tax and other mandatory deductions. The settlement of wage taxes and other deductions will be made pursuant to the Tax Processing Agreement. The cash-settlement of the first tranche will, to the extent applicable, also be made on a net basis in accordance with the terms of the Tax Processing Agreement.

18.3 The Supervisory Board

18.3.1 Overview

In accordance with the Articles of Association and Sections 95 and 96 of the German Stock Corporation Act (*Aktiengesetz*), the Supervisory Board consists of six (6) members. All of the members are elected by the shareholders at the general shareholders' meeting in accordance with the provisions of the German Stock Corporation Act (*Aktiengesetz*). The shareholders' meeting may, at the time of election of Supervisory Board members, appoint substitute members who shall replace members of the Supervisory Board leaving office before the end of their term or whose election has been successfully contested. The term of office of such substitute members shall terminate at the end of the Company's shareholders' meeting in which a successor is elected and at the latest at the end of the term of office of the leaving member. If the substitute member whose term of office has terminated due to the election of a successor was appointed as substitute member for several members of the Supervisory Board, its position as substitute member shall revive. Re-election of members of the Supervisory Board is possible.

Unless otherwise specified at the time of their election, the term of office of each Supervisory Board member, as well as the term of each substitute member, ends at the conclusion of the shareholders' meeting that resolves on the formal approval of the members' acts for the fourth fiscal year following the commencement of their term of office, not including for this calculation the fiscal year in which the term of office began. For members of the Supervisory Board who leave office before the end of their term, a successor shall be elected for the remaining term of the member who has left office unless the Company's shareholders' meeting specifies another term for such successor. The same applies if a successor has to be elected due to a challenge of the election. Pursuant to German rules on co-determination, the Company is not required to establish a supervisory board subject to co-determination. It employs less than the relevant number of employees and, in accordance with German co-determination rules, employees of other Group companies are not attributed to the Company. The term of office of the members of the initial Supervisory Board will expire at the end of the shareholders' meeting of the Company passing a resolution on the discharge (*Entlastung*) of the Supervisory Board members for the first fiscal year of the Company.

Supervisory Board members elected by the shareholders' meeting may be removed by a resolution of the shareholders' meeting if such resolution is approved by a simple majority of the votes cast. In addition, each member of the Supervisory Board and each substitute member may resign from office even without good cause with one month written notice issued to the chairperson of the Supervisory Board or, in case of a resignation by the chairperson, to his/her deputy. The chairperson of the Supervisory Board or, in case of a resignation by the chairperson, his/her deputy, can consent to a shortening or to a waiver of this period. Following the shareholders' meeting, in the course of which the members of the Supervisory Board have been elected for a new term, the Supervisory Board will elect a chairperson and a deputy chairperson from among its members to serve for the duration of those members' terms of office as members of the Supervisory Board, unless a shorter period is determined at the time of their respective election. If the chairperson or his/her deputy leaves such office before the end of his/her term, the Supervisory Board shall conduct a new election without undue delay.

The Supervisory Board shall adopt internal rules of procedure in accordance with mandatory statutory provisions and the Articles of Association. It is further authorised to establish committees in accordance with the law and the Articles of Association. To the extent permitted by law or by the Articles of Association, the Supervisory Board may delegate any of its duties, decision-making powers and rights to its chairperson, to one of its members or to committees established from among its members. The Supervisory Board shall determine the composition, competences and procedures of the committees. The current version of the Supervisory Board's internal rules of procedure was passed by resolution of the Supervisory Board on 19 August 2019. The Supervisory Board is entitled to resolve amendments to the Articles of Association if such amendments only relate to the wording. The Supervisory Board must hold at least two meetings in each calendar half-year. Meetings of the Supervisory Board must be called at least 14 days in advance by the chairperson of the Supervisory

Board, not including the day on which the invitation is sent and the day of the meeting itself. Notice of meetings may be given in writing, by telefax, by email or any other customary means of communication. In urgent cases the chairperson may shorten this period and may call the meeting orally or by telephone.

The Articles of Association and the internal rules of procedure for the Supervisory Board provide that resolutions of the Supervisory Board shall generally be passed in meetings. At the order of the chairperson or with the consent of all Supervisory Board members, meetings of the Supervisory Board may also be held in the form of a telephone conference or by other electronic means of communication (especially by video conference). If agreed, individual members of the Supervisory Board may be connected to the meetings via telephone or by other electronic means of communication (especially by video link), and in such cases, resolutions may also be passed by way of telephone conference or by other electronic means of communication (especially by video conference). Absent members of the Supervisory Board or members who do not participate in, or are not connected to, the telephone or video conference can also participate in the passing of resolutions by submitting their votes in writing through another Supervisory Board member. In addition, they may also cast their vote prior to or during the meeting or following the meeting within a reasonable period as determined by the chairperson of the Supervisory Board in oral form, by telephone, by email or any other customary means of communication. Objections to the form of voting determined by the chairperson are not permitted. Resolutions may also be passed outside of meetings in writing or by email or any other comparable means of communication, whereas the aforementioned forms may also be combined, at the order of the chairperson of the Supervisory Board if preceded by reasonable notice or if all members of the Supervisory Board participate in the adoption of the resolution. Members who abstain from voting are considered to take part in the resolution.

The Articles of Association and the rules of procedure for the Supervisory Board provide that the Supervisory Board has a quorum if at least half of the members of which it has to consist of in total take part in the voting. Absent members of the Supervisory Board or members who do not participate or are connected via telephone or via other electronic means of communication (especially via video conference), and who cast their vote in the aforementioned ways as well as members who abstain from voting, are considered to take part in the voting for purposes of the required quorum. Resolutions of the Supervisory Board are passed, unless otherwise provided by mandatory law, by a simple majority of the votes cast. For purposes of passing a resolution, abstentions do not count as votes cast. If a vote in the Supervisory Board results in a tie, the chairperson has the deciding vote. In the absence of the chairperson of the Supervisory Board, the deputy chairperson’s vote shall not be decisive.

18.3.2 Members of the Supervisory Board

The table below lists the current members of the Supervisory Board.

Name	Born	Member since(*)	Appointed until(**)	Position	Principal occupation
Dr. Abraham (Abe) Peled	1945	2019	2023	Chairperson	Partner at Peled Ventures LLC
Jacob Fonnesbech Aqraou	1972	2019	2023	Deputy Chairperson	Entrepreneur and investor
Stefan Dziarski	1980	2019	2023	Member	Partner at Permira
Holger Felgner.....................	1971	2019	2023	Member	Co-chief executive officer at Chrono24 GmbH
Dr. Jörg Rockenhäuser	1966	2019	2023	Member	Partner and head of DACH at Permira
Axel Salzmann	1958	2019	2023	Member	Managing director and chief financial officer at Hensoldt Holding GmbH

(*) Appointed as members of the Supervisory Board in connection with the conversion of the Company from a limited liability company into a stock corporation in August 2019.

(**) The members of the Supervisory Board are appointed for a period until the conclusion of the annual general meeting of the Company that resolves on the formal discharge (*Entlastung*) for the third financial year of the Company following the commencement of their term in office, not including the year in which the term in office commenced.

The following overview lists all of the companies and enterprises in which the members of the Supervisory Board currently hold seats or have held seats on administrative, management or supervisory boards, or comparable German or foreign supervisory bodies, or of which they were partners during the last five years, with the exception of the Company and its subsidiaries:

Dr. Abraham (Abe) Peled	Current seats: • Senior Independent Director of Inmarsat plc • Chairman of CyberArmor Ltd. • Chairman of Synamedia Ltd. Past seats: • None
Dr. Jörg Rockenhäuser	Current seats: • Managing director of Permira Beteiligungsberatung GmbH • Member of the advisory board of Schustermann & Borenstein GmbH • Member of the supervisory board of P&I Personal & Informatik AG • Member of the advisory board of Simon Midco Limited • Member of the regional advisory board of Commerzbank AG Past seats: • Board member of Permira Holdings Limited • Board member of Permira Asesores S.L. • Director of Netafim Ltd. • Vice chairman of the supervisory board of ProSiebenSat1 Media AG
Stefan Dziarski	Current seats: • Member of the supervisory board of P&I Personal & Informatik AG • Member of the advisory board of FlixMobility GmbH Past seats: • Member of the supervisory board of ProSiebenSat 1 Media AG
Holger Felgner	Current seats: • Co-chief executive officer of Chrono24 GmbH • Member of the advisory board of MPN Marketplace Networks GmbH Past seats: • Managing director of Rossmanith GmbH • Managing director of Cloudfogger GmbH • Managing director of Iapetos Holding GmbH • Member of the advisory board of GFI Software S.A.
Axel Salzmann	Current seats: • Managing director and chief financial officer of Hensoldt Holding GmbH • Member of the supervisory board of HUGO BOSS AG

Past seats:

- Chief financial officer of Bilfinger SE
- Chief financial officer of ProSiebenSat.1 Media AG

Jacob Fonnesbech Aqraou Current seats:

- Member of the board of directors of Telenor ASA
- Chairman of the board of directors of Loopia Group
- Member of the board of directors of Wallapop SL
- Member of the board of directors of DenmarkBridge
- Member of the board of directors of Aqraou Invest Aps

Past seats:

- Member of the board of directors of eBay International AG
- Member of the board of Leisure Group
- Chairman of the board of directors of Blackwood Seven AS

The following description provides summaries of the curricula vitae of the current members of the Supervisory Board and indicates their principal activities outside the TeamViewer Group to the extent those activities are significant with respect to the TeamViewer Group.

Dr. Abraham (Abe) Peled was born on 21 September 1945 in Suceava, Romania. Mr. Peled studied electrical engineering and received a bachelor's degree and a master's degrees from the Technion Institute in Israel. In addition, Mr. Peled holds a PhD in digital signal processing from Princeton University. He started his career in 1974 at IBM's research division in the United States, initially as a research scientist and later in research management. From 1985 to 1993, he held the position of vice president for systems and software. In 1995, Mr. Peled served as chief executive officer (and from 2004 also as chairman) of NDS Group Ltd. at that time a fully owned subsidiary of News Corp. In 1999 NDS Ltd. went public on NASDAQ. In 2009 NDS Ltd. was taken private by Permira in partnership with News Corp. Following the acquisition of NDS Group Ltd. by Cisco Systems, Inc. in 2012, Mr. Peled served as senior vice president of strategy at Cisco's Video and Collaboration Group until 2014. Currently, Mr. Peled is a partner at Peled Ventures, senior adviser to the Permira Private Equity Tech Group and is the senior independent director on the board of Inmarsat plc. Since 2014, Mr. Peled was a member of the advisory board of Regit Eins GmbH and since 2019 is a member of the supervisory board of the Company.

Dr. Jörg Rockenhäuser was born on 13 June 1966 in Ratingen, Germany. Mr. Rockenhäuser holds a PhD degree from the University of Bochum and a master's degree from the University of Münster. Mr. Rockenhäuser was a principal at A.T. Kearney before joining Permira in 2001. At Permira he is a partner, head of the DACH region and serves on the executive committee as well as on the investment committee. In addition he serves as a member of the supervisory board of P&I Personal & Informatik AG and the advisory boards of Schustermann & Borenstein GmbH and Lowell/Simon Midco Limited. Since 2014, Mr. Rockenhäuser was a member of the advisory board of Regit Eins GmbH and since 2019 is a member of the supervisory board of the Company.

Stefan Dziarski was born on 27 March 1980 in Leverkusen, Germany. Mr. Dziarski studied business administration at the European Business School in Germany, the Thunderbird School of Global Management, USA and the National University of Singapore. He received his degree from the European Business School. Mr. Dziarski started his career as an associate in the investment banking division at Salomon Smith Barney/Citigroup in New York and Hong Kong where he was part of Citigroup's New York Media and Telecom M&A practice and Citigroup's Asia Pacific Technology practice. He is a partner in the Frankfurt office of Permira. Since 2014, Mr. Dziarski was a member of the advisory board of Regit Eins GmbH and since 2019 is a member of the supervisory board of the Company.

Holger Felgner was born on 25 June 1971 in Kempen, Germany. He holds a diploma in industrial engineering from Stuttgart Media University. Mr. Felgner started his career in sales at Zeta

Software GmbH. In 2002, he joined Rossmanith GmbH, where he served in various roles until 2006, including as the chief operating officer. From 2006 until 2015, Mr. Felgner worked at TeamViewer GmbH (now TeamViewer Germany GmbH), where he served as the chief operating officer and later as the chief executive officer and held other positions within the Group. From 2015 until 2016, he worked at Rossmanith GmbH, where he was employed as a managing director. In 2016, Mr. Felgner joined Chrono24 GmbH, where he currently serves as the co-chief executive officer. Since 2015, Mr. Felgner was a member of the advisory board of Regit Eins GmbH and since 2019 is a member of the supervisory board of the Company.

Axel Salzmann was born on 19 September 1958 in Oldenburg in Holstein, Germany. He holds a degree in industrial engineering and economics from the University of Hamburg. Mr. Salzmann started his career with Philips Group, where he held various positions, including different management functions. In 2002, joined the Telefónica Group, where he served as chief financial officer of O2 (Germany) GmbH & Co. OHG until 2007, acting in parallel as the deputy chief executive officer. In 2008, he was elected to become a management board of ProSieben Sat. 1 Media AG, where he served as chief financial officer until 2015. From 2016 until 2017, Mr. Salzmann was the chief financial officer of Bilfinger SE and responsible for the areas of group controlling, finance investor relations, legal and regulatory affairs and administration. He now serves as managing director and chief financial officer at Hensoldt Holding GmbH. Since 2019, Mr. Salzmann is a member of the supervisory board of the Company.

Jacob Fonnesbech Aqraou was born on 31 October 1972 in Denmark. He holds a master of science degree in finance and accounting from Copenhagen Business School and a master in business administration (MBA) from Harvard Business School. Mr. Aqraou started his career with Aros Securities Bank, where he worked as a project manager. In 2000, he co-founded Finexia Limited, a software company providing screening, scoring and application processes software for debt and asset finance industries, and served as board director until 2002. From 2002 until 2015, he worked for eBay Inc, where he served in various functions, including the chief financial officer of eBay International AG, President eBay Europe, Middle East and Africa and Senior Vice President of eBay Inc. Today, Mr. Aqraou is a tech investor. His track record includes: early investor and advisor to Housetrip, investor and board member to Leisure Group and early investor and board member to Endomondo. Since 2019, Mr. Aqraou is a member of the supervisory board of the Company.

All members of the Supervisory Board may be reached at the Company's offices at Jahnstrasse 30, 73037 Göppingen, Germany (telephone +49 7161 60692 50).

18.3.3 Supervisory Board Committees

Under the Articles of Association, the Supervisory Board can set up committees in accordance with the law. According to the Supervisory Board's internal rules of procedure, the Supervisory Board shall form an audit committee and a presiding and nomination committee from among its members. The Supervisory Board may set up further committees. The Supervisory Board's decision-making authority may be delegated to these committees to the extent permitted by law. The following committees have been established by the Supervisory Board:

The audit committee (*Prüfungsausschuss*) (the ***Audit Committee***) shall be composed of at least three members. The Audit Committee will elect a chairperson from among its members pursuant to Section 9 paragraph 4 of the Rules of Procedure for the Supervisory Board. The chairperson of the Audit Committee has the same powers with regard to the Audit Committee as the chairperson of the Supervisory Board, in particular the convening and chairing of meetings, coordination of committee work or the organization of reporting. If a vote in the Audit Committee results in a tie, the chairperson of the Audit Committee has the deciding vote. The chairperson of the Audit Committee shall be independent and shall have special knowledge of, and experience in, applying accounting principles and internal control processes. Neither the chairperson of the Supervisory Board nor any former Management Board member whose term of office ended less than two years prior shall be chairperson of the Audit Committee. The Audit Committee shall prepare the Supervisory Board's decisions on the adoption of the financial statements and approval of the consolidated financial statements. It shall, above all, be responsible for (i) monitoring accounting, accounting processes, the effectiveness of the internal control system, risk management system, internal auditing system and dealing with compliance issues, (ii) the preparation of the Supervisory Board's decision and making reasoned proposals regarding the nomination of an auditor, (iii) monitoring the auditor's independence and, in addition, (iv) dealing with any additional services provided by such auditor, with the awarding of the audit mandate to the auditor, the determination of the focal points of the audit and the fee agreement. The Audit Committee shall discuss the semi-annual financial reports and any potential quarterly financial reports with the Management Board prior to their publication.

The current members of the Audit Committee are Axel Salzmann (chairperson), Jacob Fonnesbech Aqraou, Stefan Dziarski and Dr. Abraham (Abe) Peled.

Section 107 paragraph 4 of the German Stock Corporation Act (*Aktiengesetz*) requires the Company to have at least one independent member of the audit committee with expertise in the fields of accounting or auditing within the meaning of Section 100 paragraph 5 of the German Stock Corporation Act (*Aktiengesetz*). Members of the Supervisory Board and the Audit Committee are considered to be independent if such members have no business or personal relations with the Company, its Management Board, controlling shareholders or related parties which could cause a substantial and not merely temporary conflict of interest. As concerns the Supervisory Board and its Audit Committee, Axel Salzmann is considered to possess both the respective expertise and independence.

The nomination and compensation committee (*Nominierungs- und Vergütungsausschuss*) (the ***Nomination and Compensation Committee***) shall be composed of at least three members. One of its members shall be the chairperson of the Supervisory Board. The Nomination and Compensation Committee will elect a chairperson from among its members pursuant to Section 9 paragraph 4 of the Rules of Procedure for the Supervisory Board. The chairperson of the Nomination and Compensation Committee has the same powers with regard to the Nomination and Compensation Committee as the chairperson of the Supervisory Board, in particular the convening and chairing of meetings, coordination of committee work or the organization of reporting. If a vote in the Nomination and Compensation Committee results in a tie, the chairperson of the Nomination and Compensation Committee has the deciding vote. The Nomination and Compensation Committee shall prepare the proposals of the Supervisory Board to the Company's shareholders' meeting regarding the election of members of the Supervisory Board. When proposing candidates to the Supervisory Board, the Nomination Committee shall promote a reasonable representation of the largest shareholders on the Supervisory Board taking into account the statutory requirements and the recommendations of the German Corporate Governance Code. The Nomination Committee may at its due discretion (*pflichtgemäßes Ermessen*) and in accordance with applicable law consult any proposals with the largest shareholders of the Company. It shall also consider all aspects of remuneration and employment terms for the Management Board, and in this regard (i) make recommendations to and prepare decisions for the Supervisory Board, as well as (ii) prepare presentations to the Company's shareholders' meeting (as applicable), on the entering into, any amendments to, or the termination of, the service agreements for this group of employees, including in respect of remuneration guidelines, incentive programmes, strategy and framework. The Nomination and Compensation Committee commissions when appropriate, its own independent review of the remuneration guidelines and the packages paid to senior management, to ensure that the guidelines reflect good practice and that the packages remain competitive and in line with market practice. It also presents an evaluation of the Management Board's performance and makes a recommendation for the employment terms and remuneration for the Management Board to the Supervisory Board and assists the Supervisory Board to supervise the system through which the company fulfils the regulations in law, listing agreement and the German Corporate Governance Code concerning the announcement of information about remuneration for the Management Board and other senior managers. The Nomination and Compensation Committee also considers remuneration guidelines to serve as framework for all remuneration matters to be recommended to and decided by the Supervisory Board.

The current members of the Nomination and Compensation Committee are Axel Salzmann (chairperson), Jacob Fonnesbech Aqraou, Dr. Jörg Rockenhäuser and Dr. Abraham (Abe) Peled.

18.3.4 Remuneration of the members of the Supervisory Board

The remuneration of the Supervisory Board members is regulated by Section 13 of the Articles of Association. The members of the Supervisory Board shall receive a fixed compensation in the amount of EUR 75,000. Notwithstanding the foregoing, the chairperson of the Supervisory Board shall receive a fixed compensation in the amount of EUR 187,500 and his deputy shall receive a fixed compensation in the amount of EUR 165,000. In addition, Supervisory Board members acting as members of the Audit Committee shall receive an additional fixed compensation in the amount of EUR 30,000 and for their activity in the other committees of the Supervisory Board an additional fixed annual remuneration of EUR 25,000 per committee, provided that the relevant committee met at least once per year to perform its tasks. The chairpersons of the committees shall receive two times the amount of the aforementioned committee remuneration. Any activities in committees will be taken into account for a maximum of two committees; the two functions with the highest remuneration will be relevant in the event this maximum is exceeded. The remuneration mentioned above is payable in four equal instalments due and payable at the end of each quarter for which the remuneration is paid. Members of the Supervisory Board who hold their office in the Supervisory Board or who hold the office as chairperson or deputy chairperson only during a part of the fiscal year shall receive a corresponding portion of the compensation. In addition to the aforementioned compensation, the Company shall reimburse the members of the Supervisory Board for their reasonable out-of-pocket expenses incurred in the performance of their duties as Supervisory Board members as well as the value-added tax on their compensation and out-of-pocket expenses.

The members of the Supervisory Board are covered by the Company's D&O insurance with coverage in line with best market practice. For more information, see "*13.21 Insurance*".

Permira partners and employees who serve as members of the Supervisory Board of the Company shall not receive additional payments for their services, since these are considered to be covered by their contractual remuneration at Permira. As a rule, they are obligated to waive any compensation that may be due to them in connection with such positions.

18.3.5 Shareholdings of the Supervisory Board members in the Company

The Company's supervisory board members Dr. Abraham (Abe) Peled and Holger Felgner are indirectly invested in the Issuer under the Key Employee Participation Programme (*see "13.17.3.1 Key Employee Participation Programme"*). The indirect participation held by Dr. Abraham (Abe) Peled amounts to 0.43% and the indirect participation held by Holger Felgner amounts to 0.15% (in case the Greenshoe Option and the Upsize Option have been exercised in full; in case the Greenshoe Option and the Upsize Option are not exercised, the participation amounts to 0.52% and 0.18%, respectively).

18.4 Certain information regarding the members of the Management Board and Supervisory Board

In the last five years, no member of the Management Board or Supervisory Board has been convicted of fraudulent offences.

In the last five years, no member of the Management Board or Supervisory Board has been associated with any bankruptcy, receivership or liquidation acting in its capacity as a member of any administrative, management or supervisory body or as a senior manager.

In the last five years, no official public incriminations and/or sanctions have been made by statutory or legal authorities (including designated professional bodies) against the members of the Management Board or Supervisory Board, nor have sanctions been imposed by the aforementioned authorities.

No court has ever disqualified any of the members of either board from acting as a member of the administrative, management, or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

There are no conflicts of interest or potential conflicts of interest between the members of the Management Board and Supervisory Board as regards the Company on the one side and their private interests, membership in governing bodies of companies, or other obligations on the other side.

Neither the members of the Management Board nor the Supervisory Board have entered into a service agreement with a Group company that provides for benefits upon termination of employment or office.

There are no family relationships between the members of the Management Board and the Supervisory Board, either among themselves or in relation to the members of the other body.

18.5 The General Shareholders' meeting

Pursuant to Section 14 paragraph 1 of the Articles of Association, the annual shareholders' meeting takes place within the first eight months of each fiscal year and pursuant to Section 14 paragraph 2 of the Articles of Association, it must be held, at the option of the body convening the Company's shareholders' meeting, either at the registered seat of the Company, at the place of a German stock exchange or in a German city with more than 100,000 inhabitants. Except where other persons are authorised to do so by law and by the Articles of Association, the shareholders' meeting shall be convened by the Management Board. Notice must be issued in the German Federal Gazette (*Bundesanzeiger*) at least 30 days prior to the day of the shareholders' meeting, the day of the receipt of the notice not being included when calculating this period.

A shareholders' meeting may be convened by the Management Board, the Supervisory Board, or may be requested by shareholders whose shares collectively make up 5% of the share capital. Shareholders or shareholder associations may solicit other shareholders to make such a request, jointly or by proxy, in the shareholders' forum of the German Federal Gazette (*Bundesanzeiger*), which is also accessible via the website of the German Company Register (*Unternehmensregister*). If, following a request made by shareholders whose Company's shares collectively make up 5% of the share capital, a shareholders' meeting of the Company is not held in due time, the competent local court (*Amtsgericht*) may authorise the shareholders who have requested it or their representatives to convene a shareholders' meeting of the Company.

Pursuant to the Articles of Association, all shareholders who have duly submitted notification of attendance and of evidence of shareholding are entitled to participate in the shareholders' meeting and to exercise their voting rights. The registration for participation must be received by the Company by the end of the sixth day prior to the date of the shareholders' meeting, unless a shorter period of time was set forth in the convening notice of the shareholders' meeting. When calculating this period, the day of the shareholders' meeting and the day of the receipt of the notice shall not be included. The shareholder's registration must be in text form or by way of other electronic means as specified by the Company in greater detail and in German or English. The evidence of the shareholding is to be submitted in the form of proof prepared by a depository institution in German or English in text form. It must refer to the start of the 21st day prior to the shareholders' meeting and be received by the Company at least six days prior to the shareholders' meeting, unless a shorter period of time was set forth in the convening notice of the shareholders' meeting. When calculating such period, the day of the receipt of the notice shall not be included. Voting rights may be exercised by proxy. The granting of a proxy, its revocation and the evidence of authority to be provided to the Company must be in text form unless the convening notice provides for a less strict form. The Management Board is authorised to provide that shareholders may cast their votes in writing or by electronic communication without attending the shareholders' meeting (absentee vote). The Management Board is further authorised to provide that shareholders may participate in the shareholders' meeting without being present in person at the place of the shareholders' meeting or being represented and may exercise all or specific shareholders' rights in total or in part by electronic communication (online participation).

The shareholders' meeting is chaired by the chairperson of the Supervisory Board or by another member of the Supervisory Board appointed by its chairperson. In the event that neither is present, the chairperson of the general meeting is to be elected by the members of the Supervisory Board present. The chairperson of the shareholders' meeting may decide that topics on the agenda be dealt with in a sequence that differs from the notified sequence. He may determine type, form and sequence of voting. He is entitled to impose a suitable limit on the time allowed for shareholders to speak and ask questions.

According to the German Stock Corporation Act (*Aktiengesetz*), resolutions of fundamental importance (*grundlegende Bedeutung*) require both a majority of votes cast and a majority of at least 75% of the registered share capital represented at the vote on the resolution. Resolutions of fundamental importance include, among others:

- amendments to the business object of the Company;

- approval of contracts within the meaning of Section 179a of the German Stock Corporation Act (*Aktiengesetz*) (transfer of the entire assets of the company) and management actions of special significance that require the approval of the shareholders' meeting in compliance with legal precedents;

- capital increases, including the creation of conditional or authorised capital;

- issuance of, or authorisation to issue, convertible and profit-sharing certificates and other profit-sharing rights;

- exclusion of subscription rights as part of an authorisation on the use of treasury stock;

- capital reductions;

- liquidation of the Company;

- continuation of the liquidated company after the resolution on liquidation or expiry of the time period;

- approval to conclude, amend or terminate affiliation agreements (Unternehmensverträge);

- integration of a stock corporation into another stock corporation and squeeze-out of the minority shareholders; and

- action within the meaning of the German Transformation Act (*Umwandlungsgesetz*).

Pursuant to Section 19 of the Articles of Association, resolutions of the shareholders' meeting are passed with a simple majority of the votes cast, and, in so far as a majority of the share capital is necessary, with a simple majority of the registered share capital represented at the voting, unless mandatory law or the Articles of Association stipulate otherwise. Amendments of the Articles of Association require a resolution of the shareholders' meeting of not less than three-fourths of the share capital represented at the passing of the resolution.

Neither German law nor the Articles of Association limit the right of foreign shareholders or shareholders not domiciled in Germany to hold shares or exercise the voting rights associated therewith.

18.6 Corporate Governance

The German Corporate Governance Code, as amended on 7 February 2017 (the ***Code***) makes proposals concerning the management and supervision of German-listed companies. It is based on internationally and nationally recognised standards of good, responsible governance. The Code contains recommendations ("shall provisions") and suggestions ("should provisions") for corporate governance in relation to shareholders and the shareholders' meeting, the management board and the supervisory board, transparency and accounting and auditing of financial statements. Compliance with the Code's recommendations or suggestions is not obligatory. German stock corporation law only requires the management board and the supervisory board of a listed company to provide an annual statement regarding whether or not the recommendations in the Code were complied with. Alternatively, the management board and the supervisory board of a listed company must explain which recommendations have not been complied with and are not being applied as well as the reasons underlying this non-compliance. The declaration of compliance must be publicly available on the Company's website at all times. The current version of the Code was adopted on 7 February 2017 and published in the German Federal Gazette (*Bundesanzeiger*) on 24 April 2017. The government commission "German Corporate Governance Code" adopted a new version of the Code on 9 May 2019 which has not yet been published in the German Federal Gazette (*Bundesanzeiger*) and has therefore not yet superseded the current version of the Code. The new version of the Code may still be amended in light of the second EU shareholder rights directive, but enterprises may already adopt individual new recommendations and suggestions prior to the official adoption date as within the meaning of best practice.

Prior to the listing of the Company's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), the Company is not subject to the obligation to render a declaration as to compliance with the Code. As of the date of this Prospectus, the Company complies, and following the listing of the Company's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) intends to comply, with the recommendations of the Code except for the following:

- No. 3.8 para. 3 of the Code: According to the Code's recommendation, the D&O insurance covering the members of a supervisory board shall provide for a deductible in the amount of 10% of the loss up to at least 150% of the fixed annual remuneration of the respective member of the supervisory board. The Company's current D&O insurance for the members of the Supervisory Board does not include a deductible. The Management Board and the Supervisory Board are of the opinion that a deductible for the members of the Supervisory Board does not have any influence on the awareness of responsibility and loyalty of the members of the Supervisory Board with regard to their tasks and functions. Moreover, it would reduce the Company's ability to compete for competent and qualified members of the Supervisory Board.

19 CERTAIN RELATIONSHIPS AND RELATED-PARTY TRANSACTIONS

In accordance with IAS 24, transactions with persons or companies which are, inter alia, members of the same group as the Company or which are in control of or controlled by the Company must be disclosed, unless they are already included as consolidated companies in the Company's audited financial statements. Control exists if a shareholder owns more than one half of the voting rights in the Company or, by virtue of an agreement, has the power to control the financial and operating policies of the Company's management. The disclosure requirements under IAS 24 also extend to transactions with associated companies (including joint ventures) as well as transactions with persons who have significant influence on the Company's financial and operating policies, including close family members and intermediate entities. This includes the members of the Management Board and Supervisory Board and close members of their families, as well as those entities over which the members of the Management Board and Supervisory Board or their close family members are able to exercise a significant influence or in which they hold a significant share of voting rights.

Set forth below is an overview of such transactions with related parties for the fiscal years ended 31 December 2018, 31 December 2017 and 31 December 2016, as well as for the current fiscal year up to and including the date of this Prospectus. Further information of related party transactions, including quantitative amounts, are contained in the notes to the Audited Consolidated Financial Statements of Regit Eins and the notes to the Unaudited Interim Consolidated Financial Statements of Regit Eins, which are included in the section "Financial Information" of this Prospectus on page F-2 et seqq. Business relationships between companies of the TeamViewer Group are not included.

19.1 General

The TeamViewer Group had business transactions with related parties in the fiscal years ended 31 December 2018, 31 December 2017 and 31 December 2016 as well as in the current fiscal year until the date of the prospectus. Other than as described below, all transactions are performed substantially on the same terms, including interest rates and security, as for transactions of a similar nature with third party counterparts. Other than as described below, all such transactions with related parties were thus, in the Company's view, carried out in accordance with the arm's length principle.

The TeamViewer Group identified the Selling Shareholder and TigerLuxOne Holdco S.C.A. as related parties who were parties to related-party transaction. See note 24 to the Audited Consolidated Financial Statements of Regit Eins and note 14 to the Unaudited Interim Consolidated Financial Statements of Regit Eins included in this Prospectus in section *"22 Financial Information"*.

The following table sets forth certain transactions entered into by Regit Eins GmbH and its subsidiaries with the Selling Shareholder (as controlling shareholder of the TeamViewer Group) and other related companies, which result exclusively from transactions in the ordinary course of business, unless otherwise specified. Details of the transactions set out in the tables are further described below in Section 19.2.2 and 19.2.3.

Counterparty	As of and for the year ended 31 December	Sales to related parties	Purchases from related parties	Interest income from related parties	Interest expense from related parties	Current accounts owed by related parties	Current accounts owed to related parties	Loans & borrowings owed by related parties	Loans & borrowings owed to related parties
				(audited) (EUR in thousands)					
TigerLuxOne Holdco S.C.A.	2018	120	-	606	-	-	-	9,354	-
	2017	63	-	157	-	-	-	8,629	-
	2016	44	-	14	-	-	-	306	-
TigerLuxOne S.à r.l....	2018	1,011	-	53	14,681	1,408	-	-	155,236
	2017	735	-	25	51,472	647	-	-	140,555
	2016	480	10	67	34,065	1,465	-	-	359,342
TeamViewer Pty Ltd(1)	2018	-	4,004	-	3	-	403	-	-
	2017	17	3,533	3	1	-	351	-	-
	2016	17	3,437	6	1	-	352	140	-
TeamViewer US, LLC(1)	2018	30	15,452	-	6	-	2,173	-	-
	2017	33	9,338	24	3	-	774	-	-
	2016	77	8,417	19	1	-	971	933	-
TeamViewer UK, Ltd(1)	2018	196	695	163	-	2,993	-	-	-
	2017	293	911	154	-	3,250	-	-	-
	2016	255	939	124	-	2,673	-	-	-
Monitis US, LLC(1)	2018	-	50	-	-	-	-	-	-
	2017	-	91	-	-	-	-	-	-
	2016	-	51	-	-	-	-	-	-
Monitis CJSC (now TeamViewer Armenia CJSC)(1) ...	2018	57	2,969	33	-	-	344	350	-
	2017	6	1,084	19	-	-	159	650	-
	2016	5	451	-	-	-	54	-	-
GFKL	2018	-	4	-	-	-	-	-	-
	2017	-	17	-	-	-	-	-	-
	2016	-	32	-	-	-	-	-	-
Magento	2018	-	23	-	-	-	-	-	-
	2017	-	3	-	-	-	-	-	-
	2016	-	329	-	-	-	-	-	-
Tricor	2018	-	67	-	-	-	-	16	-
	2017	-	-	-	-	-	-	-	-
	2016	-	-	-	-	-	-	-	-

(1) As part of the IPO Reorganisation, shares of these subsidiaries of the Selling Shareholder were contributed into the capital reserve of Regit Eins GmbH and, subsequently, its direct subsidiary TeamViewer GmbH (now TeamViewer Germany GmbH) and corresponding share transfers. These transfers were completed on 12 June 2019 with the exception of the transfers of Monitis CJSC (now TeamViewer Armenia CJSC) to Regit Eins GmbH and, subsequently, to TeamViewer GmbH (now TeamViewer Germany GmbH), which were completed on 26 June 2019 and 11 July 2019, respectively. See "*16 General Information on the Company and the TeamViewer Group–Group structure*" for more information on the IPO Reorganisation.

19.2 Relationships between the TeamViewer Group and its shareholders

19.2.1 Services

In the fiscal years ended 31 December 2018, 2017 and 2016, services consisted of fees resulting from a management service agreement between the Selling Shareholder, Regit Eins GmbH, TeamViewer UK and TeamViewer GmbH (now TeamViewer Germany GmbH) dated as of 1 January 2015, relating to general business management, business development, communications, finance, legal human resources, information, marketing.

19.2.2 Loans

Members of the TeamViewer Group entered into the following loan agreements with their direct and indirect shareholders:

- a EUR 350 million shareholder loan (the ***Shareholder Loan***) from the Selling Shareholder as lender to Regit Eins GmbH as borrower dated 7 July 2014 the term of which is either ten years from the drawdown date or the date of termination and which has a contractual interest rate of 7% per annum. Due to the different fair market interest rate the shown liability and interest expense differs. The loan was initially recognised at fair value at the issuance date which was calculated using the discounted cash flow method with applicable market interest rates, expected repayment date and a credit spread that is consistent with secured bank loans, taking into account that the loan is subordinated. The loan is subsequently measured at amortised cost using the effective interest rate method applying an effective rate of 10.44% at initial recognition. Consequently, a portion of the loan amount has been accounted for as a shareholder contribution to equity. As part of the IPO Reorganisation, the receivable under the Shareholder Loan granted by the Selling Shareholder to Regit Eins GmbH was contributed into the free capital reserve of the Company on 9 September 2019, increasing the Company's equity, and was subsequently contributed and directly transferred to Regit Eins GmbH on the same day. Following its transfer to Regit Eins GmbH, the Shareholder Loan ceased to exist by operation of law. As a result, the Shareholder Loan no longer constitutes an obligation of any member of the TeamViewer Group;

- a EUR 0.5 million upstream intercompany revolving loan granted by Regit Eins GmbH as lender to TigerLuxOne Holdco S.C.A. as borrower on 1 March 2017 with an interest rate of 5.73% per annum for a duration of two years and extended on 1 March 2019 for another two-year period. On 28 June 2019 Regit Eins GmbH transferred its interests in the loan to the Selling Shareholder and therefore no member of the TeamViewer Group has any outstanding claims under this loan; and

- a EUR 8.4 million upstream intercompany loan granted by TeamViewer GmbH (now TeamViewer Germany GmbH) as lender to TigerLuxOne Holdco S.C.A. as borrower on 27 September 2017 until 31 December 2023 with an interest rate of 7% per annum. On 28 June 2019, TeamViewer GmbH (now TeamViewer Germany GmbH) transferred its interests in the loan to the Selling Shareholder and therefore no member of the TeamViewer Group has any outstanding claims under this loan.

19.2.3 Intragroup financing

As of 1 January 2015, the Selling Shareholder, among others, as a member, entered into an intercompany financing framework agreement (the ***Intercompany Financing Framework Agreement***) with TeamViewer GmbH (now TeamViewer Germany GmbH) as leader and Regit Eins GmbH, TeamViewer UK Limited, TeamViewer US, Inc., TeamViewer Pty. Limited, Monitis CJSC (now TeamViewer Armenia CJSC) and TV Borrower US, LLC (each as a member). The Intercompany Financing Framework Agreement serves the purpose of setting out the terms of a joint cash management system and stipulating framework provisions for intercompany loan transactions between the parties. Under the Intercompany Financing Framework Agreement, any current account (receivable or payable) will yield interest at an effective interest rate computed on the Euro Overnight Index Average (***EONIA***) rate plus a spread.

19.3 Relationships between the Company and related companies

19.3.1 Purchase of goods and services

In the fiscal years ended 31 December 2018, 2017 and 2016, purchase of goods and services from related parties by members of the TeamViewer Group consisted of sales and marketing services, R&D services and minor other services and goods delivered by the related parties.

In 2018, members of the TeamViewer Group entered into several service agreements with Tricor Group to support its business expansion in India, Singapore and Japan providing mainly accounting and HR services. Tricor is a company related to the Permira Funds. None of the balances are secured. No expense has been recognised in the current year for bad or doubtful debts in respect of amounts owed by related parties.

The subsidiary TeamViewer GmbH (now TeamViewer Germany GmbH) subscribed to software licences from Magento, Inc., a company related to the Permira Funds. In total, the TeamViewer Group paid EUR 23 thousand in 2018 and as of 31 December 2018 no accounts payable were outstanding. There were nearly no activities with Magento in 2017. In 2016, purchases of Magento, Inc. from the TeamViewer Group amounted to EUR 329 thousand and as of 31 December 2017 no accounts payable were outstanding.

In 2015 the subsidiary TeamViewer GmbH (now TeamViewer Germany GmbH) concluded an agreement concerning debt collection with GFKL, a company related to the Permira Funds. All debts were settled within the same period so that no outstanding balance existed in between 2016 and 2018.

In the year ended 31 December 2018, purchases from related parties, including its shareholders but excluding the Non-consolidated Entities, totalled EUR 0.1 million in aggregate, equivalent to 0.0% of Regit Eins GmbH's consolidated revenue for the period.

19.3.2 Sale of goods & services

In the fiscal years ended 31 December 2018, 2017 and 2016, sales of goods and services by members of the TeamViewer Group to related parties included fees resulting from management services, recharged expenses and sale of software delivered to the related parties. In the year ended 31 December 2018, sales to related parties, including its shareholders but excluding the Non-consolidated Entities, totalled EUR 1.1 million in aggregate, equivalent to 0.6% of Regit Eins GmbH's consolidated revenue for the period.

19.3.3 Loans

In the fiscal years ended 31 December 2018, 2017 and 2016, loans within the TeamViewer Group consisted of a loan agreement between TeamViewer GmbH (now TeamViewer Germany GmbH) and TeamViewer Pty Ltd (Australia) dated 2013, between TeamViewer GmbH (now TeamViewer Germany GmbH) and TeamViewer US LLC (USA) dated 2016 and between TeamViewer GmbH (now TeamViewer Germany GmbH) and Monitis CJSC (Armenia) (now TeamViewer Armenia CJSC) dated 2017. Loan agreements between members of the TeamViewer Group and related parties are set out above under "*19.2.2 Relationships between the TeamViewer Group and its shareholders– Loans*".

19.3.4 Interest on loans

In the fiscal year ended 31 December 2018, 2017 and 2016 interest income resulted from loans between TeamViewer GmbH (now TeamViewer Germany GmbH) and the related companies TeamViewer Pty Ltd (Australia), TeamViewer US LLC (USA) and Monitis CJSC (Armenia) (now TeamViewer Armenia CJSC), as well as interest income on current accounts. Interest expense resulted from currents account. In the year ended 31 December 2018, interest income from related parties, including its shareholders but excluding the Non-consolidated Entities, totalled EUR 0.7 million in aggregate, equivalent to 0.3% of Regit Eins GmbH's consolidated revenue for the period. In the year ended 31 December 2018, interest expense from related parties, including its shareholders but excluding the Non-consolidated Entities, totalled EUR 14.7 million in aggregate, equivalent to 5.7% of Regit Eins GmbH's consolidated revenue for the period. As of 31 December 2018, current accounts owed by related parties, including its shareholders but excluding the Non-consolidated Entities, totalled EUR 1.4 million in aggregate, equivalent to 0.5% of Regit Eins GmbH's consolidated revenue for the year ended 31 December 2018.

19.4 Relationships between the Company and its key management personnel

The remuneration paid to key management personnel of the TeamViewer Group comprised short-term employee benefits amounting to EUR 1.4 million in the six months ended 30 June 2019, EUR 1.5 million in the fiscal year ended 31 December 2018, EUR 1.3 million in the fiscal year ended 31 December 2017 and EUR 1.8 million in the fiscal year ended 31 December 2016. The bonus payment for the year ended 31 December 2017 was paid out partially in 2017 and partially in 2018, whereas the bonus payment for the year ended 31 December 2018 was fully paid out in the six months ended 30 June 2019, resulting in the higher bonus payments in that period. Termination benefits amounted to EUR 0.0 million in the fiscal year ended 31 December 2018, EUR 2.2 million in the fiscal year ended 31 December 2017 and EUR 0.6 million in the fiscal year ended 31 December 2016. Share appreciation rights were granted to key management personnel by the Selling Shareholder (see note 7 to the Audited Consolidated Financial Statements of Regit Eins and note 14 to the Unaudited Interim Consolidated Financial Statements of Regit Eins for more information).

In addition, certain managers and board members of the TeamViewer Group (***Managers***) were given the opportunity to invest in four German limited partnerships, TigerLuxOne Management Beteiligungs S.à r.l. & Co KG., TigerLuxOne Zweite Management Beteiligungs S.à r.l. & Co KG, TigerLuxOne Dritte Management Beteiligungs S.à r.l. & Co. KG and TigerLuxOne Vierte Management Beteiligungs S.à r.l. & Co, which indirectly owned interests in the TeamViewer Group. The subscription price for the partnership interests subscribed by the Managers in the limited partnerships corresponded to their fair value at the date on which they were granted. The acquisition qualified as a Share Based Payment under IFRS 2 and the Managers' interests in the partnership were recognised as an equity-settled share-based payment arrangement in the financial statements of the Selling Shareholder. As the investments in the partnership were acquired at fair value, no expense was recognised as a result of this transaction. The participation rights in the form of partnership interests were acquired from an entity outside the TeamViewer Group and the TeamViewer Group has no obligation to make any payments on the partnership interests to the Managers. The share-based payment arrangements were fully vested at grant date. The governing bodies of the Selling Shareholder received no remuneration for their management activities from Regit Eins GmbH.

Remuneration paid to the advisory board of Regit Eins GmbH comprised short-term benefits amounting to EUR 92 thousand in the six months ended 30 June 2019 and EUR 0.2 million in each of the fiscal years ended 31 December 2018, 2017 and 2016. Consultancy fees for services provided by a member of the advisory board amounted to EUR 21 thousand in 2016 (2018: EUR 0 thousand; 2017: EUR 0 thousand) as well as accounts payables and accruals amounted to EUR 73 thousand, EUR 64 thousand, EUR 85 thousand and EUR 124 thousand as of 30 June 2019, 31 December 2018, 31 December 2017 and 31 December 2016, respectively.

For an overview regarding the compensation, shareholding and long-term incentives of the members of the Management Board see "*18 Corporate Bodies—Management Board—Remuneration and other benefits of the members of the Management Board*".

20 UNDERWRITING

20.1 General

On or about 24 September 2019, the Company, the Selling Shareholder and the Underwriters are expected to enter into the Underwriting Agreement.

Under the terms of the Underwriting Agreement and subject to certain conditions, each Underwriter will acquire such number of Offer Shares as will be specified in the Underwriting Agreement, but in any event only up to the maximum number of Offer Shares set forth below opposite such Underwriter's name:

Underwriters	**Maximum Number of Offer Shares to be Underwritten(1)**	**Percentage of maximum Number Offer Shares Underwritten (in %)**
Goldman Sachs International	29,400,000	35.00
Morgan Stanley & Co International plc	29,400,000	35.00
Merrill Lynch International	10,080,000	12.00
Barclays Bank PLC	10,080,000	12.00
RBC Europe Limited	5,040,000	6.00
Total	**84,000,000**	**100.00**

(1) Assuming full exercise of the Greenshoe Option and of the Upsize Option.

In connection with the Offering, each of the Underwriters and any of their respective affiliates may take up a portion of the securities in the Offering as a principal position and in that capacity may retain, purchase or sell for its own account such securities and any Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offering. Accordingly, references in this Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Underwriters or any of their respective affiliates acting in such capacity. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps or contracts for difference with investors) in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Offer Shares. None of the Underwriters intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

20.2 Underwriting Agreement

In the Underwriting Agreement, the Underwriters, the Company and the Selling Shareholder will agree to the Offer Price and the final number of Offer Shares to be purchased by the Underwriters with a view to offering them to investors in this Offering. The Underwriters will agree to acquire the Sale Shares from the holdings of the Selling Shareholder and to sell such shares as part of the Offering. The Underwriters will agree to remit the purchase price (less agreed upon commissions and expenses) of the placed Sale Shares to the Selling Shareholder at the time the shares are delivered. For the purpose of a potential Over-Allotment, the stabilisation manager, for the account of the Underwriters, will be provided with 9,000,000 Company's shares from the holdings of the Selling Shareholder in the form of a securities loan. The total number of Over-Allotment Shares will not exceed 15% of the number of the sum of the final number of placed Sale Shares. The Selling Shareholder granted the Underwriters an option to acquire a number of the Company's shares equal to the number of Over-Allotment Shares at the Offer Price less agreed commissions. The Underwriters will agree to remit the purchase price (less agreed commissions and expenses) of the shares from the exercise of the Greenshoe Option, if any, to the Selling Shareholder at the time the shares are delivered. The Greenshoe Option will terminate on 25 October 2019.

The obligations of the Underwriters are subject to various conditions, including, but not limited to, (i) the absence of a material event, e.g., a material adverse change in or affecting the business, prospects, management, consolidated financial position, shareholders' equity or results of operations of TeamViewer, or a suspension in trading of the Company's securities or in securities generally on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), the London Stock Exchange or the New York Stock Exchange, (ii) receipt of customary certificates, legal opinions, auditor letters, and (iii) the introduction of the Company's shares to trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

The Underwriters have provided and may in the future provide services to TeamViewer and the Selling Shareholder in the ordinary course of business and may extend credit to and have regular business dealings with TeamViewer and the Selling Shareholder in their capacity as financial institutions. For a more detailed description of the interests of the Underwriters in the Offering, see *"3 The Offering–Interests of parties participating in the Offering"*.

20.3 Commissions

The Underwriters will offer the Offer Shares at the Offer Price. The Selling Shareholder will pay the Underwriters a base commission of 1.50% of the gross proceeds from the Offering (including the shares covered by the exercise of all or part of the Greenshoe Option, if applicable) (the ***Base Fee***). The Base Fee may be deducted from the gross proceeds of the Offering. In addition to the Base Fee, the Selling Shareholder may, in its absolute and full discretion, pay the Underwriters based on its assessment of the Offering's success an additional discretionary success fee of up to 1.25% of the overall gross placement proceeds (including any proceeds from the Over-Allotment Shares). Any discretionary fee will be decided on by the Selling Shareholder within 35 business days after the settlement of the placed Offer Shares. The Selling Shareholder will also agree to reimburse the Underwriters for certain expenses incurred by them in connection with the Offering.

20.4 Greenshoe Option and Securities Loan

For the purpose of a possible Over-Allotment, the stabilisation manager, for the account of the Underwriters, will be provided with up to 9,000,000 Over-Allotment Shares in the form of a securities loan free of charge from the Selling Shareholder; this number of Over-Allotment Shares will not exceed 15% of the sum of the final number of placed Sale Shares. In addition, the Selling Shareholder will further grant the Underwriters the option to acquire up to an equal number of shares against payment of the Offer Price (Greenshoe Option) in order to satisfy the retransfer obligation under the securities loan. The Greenshoe Option may be exercised at maximum to the extent that shares of the Company have been placed by way of Over-Allotments. The Greenshoe Option Shall be exercisable by Morgan Stanley as stabilisation manager in agreement with the other Underwriters within 30 calendar days after the commencement of the trading of the shares on the stock exchange. The stabilisation manager may, to the extent permitted by applicable law, over-allot or effect transactions with the view to supporting the market price of the shares or any options, warrants or rights with respect to, or other interest in, the shares or other securities of the Company, in each case at a level higher than that which might otherwise prevail. However, there is no assurance that the stabilisation manager will undertake stabilisation action.

20.5 Termination/Indemnification

The Underwriting Agreement provides that the Underwriters may, under certain circumstances, terminate the Underwriting Agreement, including after the shares have been allotted and listed, up to delivery and settlement. Grounds for termination include, in particular, if:

- the Company or the TeamViewer Group has sustained since the date of the latest audited financial statements included in the Offering documents a loss or interference with respect to its business from fire, explosion, flood or other calamity (whether or not covered by insurance), or from any labour dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the offering documents;

- since 30 June 2019 there has been any material change or development reasonably likely to result in a material change to the share capital of the Company;

- since 30 June 2019, there has been any material change or development reasonably likely to result in a material change in the long-term debt of the Company or the TeamViewer Group;

- since 30 June 2019, there has been any material adverse change, or any development involving a prospective material adverse change, in or affecting the condition, business, prospects, management, consolidated financial position, shareholders' equity or results of operations of the TeamViewer Group or such as would prevent the Company from performing any of its material obligations under the Underwriting Agreement;

- since 30 June 2019, the Company or the TeamViewer Group has incurred any material liability or obligation, direct or contingent, or entered into any material transaction not in the ordinary course of business;

- a not only temporary suspension or material limitation in trading in securities generally on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), the London Stock Exchange or the New York Stock Exchange;

- a not only temporary general moratorium on banking activities in Frankfurt am Main (Germany), London (United Kingdom) or New York (United States) declared by the relevant authorities or a material, not only temporary, disruption in commercial banking or securities settlement or clearance services in Germany, the United Kingdom or the United States;

- a change or development involving a prospective change in German taxation affecting the Company, the shares in the Company or the transfer thereof or the imposition of exchange controls by Germany, the United Kingdom or the United States;

- the outbreak or escalation of hostilities involving Germany, the United Kingdom or the United States or the declaration by Germany, the United Kingdom or the United States of a national emergency or war which have a material adverse impact on the financial markets in Germany, the United Kingdom or the United States; or

- the occurrence of any acts of terrorism or any other calamity or crisis or any change in financial, political or economic conditions or currency exchange rates in Germany or the United States which have a material adverse impact on the financial markets in Germany, the United Kingdom or the United States.

If the Underwriting Agreement is terminated, the Offering will not take place, in which case any allotments already made to investors will be invalidated and investors will have no claim for delivery. Claims with respect to subscription fees already paid and costs incurred by an investor in connection with the subscription will be governed solely by the legal relationship between the investor and the financial intermediary to which the investor submitted its purchase order. Investors who engage in short-selling bear the risk of being unable to satisfy their delivery obligations.

The Company and the Selling Shareholder have agreed in the Underwriting Agreement to indemnify the Underwriters against certain liabilities that may arise in connection with the Offering, including liabilities under applicable securities laws.

20.6 Selling restrictions

The distribution of this Prospectus and the sale of the Offer Shares may be restricted by law in certain jurisdictions. No action has been or will be taken by the Company, the Selling Shareholder or the Underwriters to permit a public offering of the Offers Shares anywhere other than Germany or the possession or distribution of this document in any other jurisdiction, where action for that purpose may be required. This Prospectus has been approved solely by BaFin as competent authority under Regulation (EU) 2017/1129 (see "*2.1 Responsibility Statement*").

The Offer Shares are not and will not be registered pursuant to the provisions of the Securities Act or with the securities regulators of the individual states of the United States. The Offer Shares may not be offered, sold or delivered, directly or indirectly, in or into the United States except pursuant to an exemption from the registration and reporting requirements of the United States securities laws and in compliance with all other applicable United States legal regulations. The Offer Shares may be sold in or into the United States only to persons who are QIBs within the meaning of Rule 144A or another exemption from registration, and outside the United States in accordance with Rule 903 of Regulation S and in compliance with other US legal regulations, and no (i) “direct selling efforts” as defined in Regulation S or (ii) “general advertising” or “general solicitation”, each as defined in Regulation D under the Securities Act in relation to the Offer Shares may take place. Any offer or sale of shares in reliance on Rule 144A will be made by broker dealers who are registered as such under the US Securities Exchange Act of 1934, as amended. Terms used above have the meanings given to them by Regulation S and Rule 144A under the Securities Act.

In addition, until 40 days after the commencement of the Offering, an offer or sale of shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act if such offer or sales is made otherwise than in accordance with Rule 144A or pursuant to another exemption from registration under the Securities Act.

The Company does not intend to register either the Offering or any portion of the Offering in the United States or to conduct a public offering of shares in the United States.

Accordingly, neither this document nor any advertisement or any other offering material may be distributed or published in any jurisdiction other than Germany except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes are required to inform themselves about and observe any such restrictions, including those set out in the preceding paragraphs. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Sales in the United Kingdom are also subject to restrictions. In the United Kingdom, this Prospectus is only addressed to and directed to qualified investors (i) who have professional experience in matters relating to investments falling within Article 19 para. 5 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the ***Order***), and/or (ii) who are high net worth entities falling within Article 49 para. 2(a) through (d) of the Order, and other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as ***Relevant Persons***). The securities described herein are only available in the United Kingdom to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities in the United Kingdom will be engaged in only with, Relevant Persons. Any person in the United Kingdom who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

No offer to the public of any Offer Shares which are the subject of this Offering has been and will be made in any member state of the EEA, other than the offers contemplated in this Prospectus in Germany (once the Prospectus has been approved by BaFin and published in accordance with Regulation (EU) 2017/1129), except that offers to the public of Offer Shares in any member state of the EEA are permitted in accordance with the following exceptions under the Regulation (EU) 2017/1129:

- to any qualified investor as defined in Article 2 lit. e) of the Regulation (EU) 2017/1129;
- to fewer than 150 natural or legal persons per member state of the EEA (other than qualified investors as defined in Article 2 lit. e) of the Regulation (EU) 2017/1129), subject to obtaining the prior consent of the Underwriters for any such offer; or
- in any other circumstances falling within Article 1 para. 4 of the Regulation (EU) 2017/1129.

For the purposes of this Prospectus, the expression “offer to the public” in relation to any Offer Shares in any member state of the EEA means a communication to persons in any form and by any means, presenting sufficient information on the terms of the Offering and the Offer Shares, so as to enable an investor to decide to purchase or subscribe to Offer Shares, including any placing of Offer Shares through financial intermediaries.

In Canada, the Offered Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Offered Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this Offering.

21 WARNING ON TAX CONSEQUENCES

Income received from the Offer Shares is subject to taxation. In particular, the tax laws of any jurisdiction with authority to impose taxes on the investor and the tax laws of the Issuer's state of incorporation, statutory seat and place of effective management, i.e., Germany, might have an impact on the income received from the Shares.

Persons interested in purchasing any of the Offer Shares should seek advice from their own tax counsel regarding the tax implications of purchasing, holding, disposing, donating and bequeathing Offer Shares, and the regulations on reclaiming previously withheld withholding tax (*Kapitalertragsteuer*). Due consideration to a shareholder's specific tax-related circumstances can only be given within the scope of an individual tax consultation.

The following sections describe a number of key German taxation principles for German tax residents (either an individual with a domicile or habitual abode in Germany or a legal entity with its corporate seat or place of management in Germany) that may be relevant to purchasing, holding or transferring the Offer Shares. The information provided does not constitute a comprehensive or exhaustive explanation of all possible aspects of taxation in this area. This overview is based on applicable German tax law as of the date hereof, including the double taxation treaties that are currently in force between Germany and other countries. It should be noted that the legal situation may change, including, in certain cases, with retroactive effect.

21.1 Taxation of the Company

The Company's taxable income, whether distributed or retained, is generally subject to German corporate income tax (*Körperschaftsteuer*) at a uniform rate of 15% plus the solidarity surcharge (*Solidaritätszuschlag*) of 5.5% thereon, resulting in a total tax rate of 15.825%.

Dividends and other shares in profits (***Dividends***) which the Company receives from domestic and foreign corporations are generally not subject to corporate income tax; however, 5% of this type of income are deemed to be a non-deductible business expense and are thus subject to corporate income tax plus solidarity surcharge thereon, *i.e.*, 95% of this type of income is effectively exempt from such taxation The same applies generally to profits earned by the Company from the sale of shares in another domestic or foreign corporation. Losses incurred from the disposal of such shares are not deductible for tax purposes, regardless of the percentage of shares held. Different rules apply to free-floating Dividends, i.e., Dividends earned on direct shareholdings in a distributing corporation equal to less than 10% of its share capital at the start of the respective calendar year (***Portfolio Dividends***). Portfolio Dividends are fully taxed at the corporate income tax rate (plus solidarity surcharge thereon). The acquisition of a shareholding of at least 10% is deemed to have occurred at the beginning of the calendar year.

Participations in the share capital of other corporations which the Company holds through partnerships, including co-entrepreneurships (*Mitunternehmerschaften*), are attributable to the Company only on a pro rata basis at the ratio of the interest share of the Company in the assets of the relevant partnership.

In addition, the Company is subject to trade tax (*Gewerbesteuer*) with respect to its taxable trade profits (*Gewerbeertrag*) from its permanent establishments in Germany (*inländische Betriebstätten*). Trade tax may range between the statutory minimum rate of 7% and 19% or higher of the taxable trade profits depending on the municipal trade tax multiplier applied by the relevant municipal authorities (*Hebesatz*) in which the Company maintains its domestic permanent establishments. The average trade tax rate in Germany amounts to approximately 15% but the (blended) trade tax rate applying to the Company might be lower or higher and subject to changes in the future. When determining the income of the corporation that is subject to corporate income tax, trade tax must not be deducted as a business expense.

For trade tax purposes, Dividends received from domestic and foreign corporations and capital gains from the sale of shares in other corporations are treated in principle in the same manner as for corporate income tax purposes. However, Dividends received from domestic and foreign corporations are effectively 95% exempt from trade tax only if, among other things, the company that is receiving the Dividends held a stake of at least 15% in the share capital of the company making the distribution at the beginning or – in the case of foreign corporations – continuously holds since the beginning of the relevant assessment period. If the Dividends are received from a foreign corporation as per Article 2 of Council Directive 2011/96/EU of November 30, 2011, as amended, with neither corporate seat nor place of management in Germany, Dividends are effectively 95% exempt from trade tax if, among other things, the corporation held at least 10% in the share capital of such foreign corporation at the beginning of the relevant assessment period. Additional limitations apply with respect to Dividends received from foreign non-EU corporations. It is currently planned to amend the legislation such Dividends from a corporation having its seat or place of management outside Germany would, generally, only be effectively 95% exempt from trade tax if the company receiving the Dividends held at least 15% of the share capital at the beginning of the relevant assessment period, beginning for the assessment period 2020. However, in the legislative procedure the draft bill might be substantially changed or might not be enacted at all.

The provisions of the interest barrier (*Zinsschranke*) restrict the extent to which interest expenses are tax deductible. Under these rules, net interest expense (the interest expense minus the interest income in a fiscal year) is generally only deductible up to 30% of the EBITDA as determined for tax purposes (taxable earnings particularly adjusted for interest costs, interest income, and certain depreciation and amortisation) in a given fiscal year, although there are certain exceptions to this rule. The interest barrier rules do not apply in a given year (i) if the annual net interest expense is less than €3 million, (ii) if the respective entity is not or only partially part of a consolidated group, or (iii) if the respective entity is part of a consolidated group but its equity ratio is not more than 2%-points below the equity ratio of the consolidated group. For the eligibility of exemption (ii), the entity must prove that it did not pay more than 10% of the net interest expense to shareholders with a (direct or indirect) shareholding in the entity of more than 25% or to an associated person. For the eligibility of exemption (iii), the entity must prove that the entity itself and any other company of the consolidated group did not pay more than 10% of the net interest expense to shareholders with a (direct or indirect) shareholding in a group company of more than 25% or to an associated person. Interest expense that is not deductible in a given year may be carried forward to subsequent fiscal years of the Company (interest carryforward) and will increase the interest expense in those subsequent years. Under certain conditions, EBITDA that has not been fully utilised can also be carried forward to subsequent years (EBITDA carryforward) up to five years. For the purpose of trade tax, however, the deductibility of interest expenses is further restricted to the extent that the sum of certain trade taxable add back items exceeds €100,000, since in such cases 25% of the interest expenses, to the extent they were deducted for corporate income tax purposes, are added back for purposes of the trade tax base; consequently, in these cases the deductibility for trade tax purposes is limited to 75% of the interest expenses deductible for corporate income tax purposes. The constitutionality of the interest barrier is currently under review by the Federal Constitutional Court (*Bundesverfassungsgericht*).

Losses of the Company can be carried forward in subsequent assessment periods and used to fully offset taxable income for corporate income tax and trade tax purposes only up to an amount of €1 million. If the taxable income for the year or taxable profit subject to trade taxation exceeds this amount, only up to 60% of the amount exceeding the amount may be offset by tax loss carryforwards. The remaining 40% are subject to tax (minimum taxation). The rules also provide for a tax loss carryback of an amount up to €1 million to the previous assessment period with regards to corporate income tax. Unused tax loss carryforwards can generally continue to be carried forward without time limitation.

If more than 50% of the subscribed capital or voting rights of the Company are transferred to an acquirer (including parties related to the acquirer) within five years directly or indirectly or a comparable acquisition occurs, all tax loss carryforwards and interest carryforwards (possibly also EBITDA carry-forwards) are, generally, forfeited and cannot be offset against future profits any more. A group of acquirers with aligned interests is also considered to be an acquirer for these purposes. In addition, any losses in the current assessment period incurred prior to the acquisition will, generally, not be offsettable with positive income. This does not apply to share transfers if (i) the purchaser directly or indirectly holds a participation of 100% in the transferring entity, (ii) the seller indirectly or directly holds a participation of 100% in the receiving entity, or (iii) the same natural or legal person or commercial partnership directly or indirectly holds a participation of 100% in the transferring and the receiving entity (*Konzernklausel*, the ***Intra-Group Clause***). Furthermore, tax loss carryforwards, unused current losses and interest carryforwards taxable in Germany will not expire to the extent that they are covered by built in gains taxable in Germany at the time of such acquisition (*Stille-Reserven-Klausel*, the ***Hidden-Reserves Clause***). Further, any share transfer that would otherwise be subject to the rules above does not result upon application in forfeiture of tax loss carryforwards and interest carryforwards resulting from current business operations (*Geschäftsbetrieb*) of the Company, if the current business operations of the Company remained the same (i) from the time of its establishment; or (ii) during the last three business years prior to the share transfer and such business operations are maintained after the transfer (*fortführungsgebundener Verlustvortrag*, ***Going Concern Tax Loss Carry Forward***). The determination of whether the business operations have been maintained is assessed on the basis of qualitative factors, such as the produced goods and services, target markets, customer and supplier bases, etc. However, the tax loss carryforwards and interest carryforwards will be forfeited in any circumstance if, after the share transfer, the business operations of the Company become dormant, are amended, the Company becomes a partner in an co-entrepreneurship (*Mitunternehmerschaft*), the Company becomes a fiscal unity parent, or assets are transferred from the Company and recognised at a value lower than the fair market value. This requirement is monitored until the retained tax loss carryforwards and interest carryforwards have been fully utilised. The question whether the loss expiry rules infringe the German Constitution is currently dealt with in cases pending with the Federal Fiscal Court (*Bundesfinanzhof*).

21.2 Taxation of shareholders

Shareholders are taxed in particular in connection with the holding of shares (taxation of dividend income, 21.2.1 below), upon the sale of shares (taxation of capital gains, 21.5 below) and the gratuitous transfer of shares (inheritance or gift tax, 21.7 below).

21.2.1 Taxation of dividend income

In the future, the Company may pay dividends out of a tax-recognised contribution account (*steuerliches Einlagenkonto*). To the extent that the Company pays dividends to shareholders who are tax resident in Germany and hold shares as private assets from the tax-recognised contribution account (*steuerliches Einlagenkonto*), the dividends are, generally, not subject to withholding tax, personal income tax (including the solidarity surcharge and church tax, if applicable) or corporate income tax, as the case may be. However, dividends paid out of a tax-recognised contribution account lower the acquisition costs of the shares, which may result in a higher amount of taxable capital gain upon the shareholder's sale of the shares. Special rules apply to the extent that dividends from the tax-recognised contribution account exceed the then lowered acquisition costs of the shares (the details are outlined below).

21.2.2 German withholding tax

Dividends distributed by the Company that are not paid out of the tax-recognised contribution account (*steuerliches Einlagenkonto*) are, generally, subject to a deduction at source (withholding tax) at a 25% rate plus a solidarity surcharge of 5.5% on the amount of such withholding tax (amounting in total to a rate of 26.375%) and church tax (*Kirchensteuer*), if applicable. The basis for determining the dividend withholding tax is the dividend approved for distribution by the Company's general meeting.

In general, dividend withholding tax is withheld regardless of whether and, if so, to what extent the shareholder must report the dividend for tax purposes and regardless of whether the shareholder is a resident of Germany or of a foreign country.

As the Offer Shares are admitted to be held in collective safe custody (*Sammelverwahrung*) with a central securities depository (*Wertpapiersammelbank*) pursuant to Section 5 German Act on Securities Accounts (*Depotgesetz*) and are entrusted to such central securities depository for collective safe custody in Germany, the Company is generally not responsible for withholding the withholding tax; rather, it is, for the account of the shareholders, the responsibility of one of the following entities in Germany authorised to collect withholding tax to do so and to remit it to the relevant tax authority: (i) a domestic bank or financial service institute, a domestic securities trading company or a domestic securities trading bank (including the domestic branches of foreign banks or financial service institutes) that holds the shares in custody or that manages them and that pays out or credits the shareholders' investment income or that pays the investment income to a foreign entity, or (ii) the central securities depository holding the collective deposit shares in collective custody if it pays the investment income to a foreign entity. However, if and to the extent shares held in collective safe custody (*girosammelverwahrt*) by the central securities depository (*Wertpapiersammelbank*) are treated as stock being held separately (so-called "*abgesetzte Bestände*"), the Company itself is responsible for withholding tax.

The Company only assumes the responsibility for the withholding of taxes on distributions at source in accordance with statutory provisions if and to the extent the central securities depository holding the shares in the Company in collective custody does not process the settlement of the dividends. This means that the Company is released from liability for the violation of its legal obligation to withhold and transfer the taxes at source if it provides evidence that it has not breached its duties intentionally or grossly negligently.

Where dividends are distributed to a company resident in another member state of the EU within the meaning of Article 2 of the EC Directive 2011/96/EU of November 30, 2011, as amended (the ***Parent-Subsidiary Directive***), the withholding of the dividend withholding tax may not be required, upon application, provided that additional requirements are met (withholding tax exemption). This also applies to dividends distributed to a permanent establishment located in another EU Member State of such a parent company or of a parent company that is tax resident in Germany if the interest in the dividend-paying subsidiary is part of the respective permanent establishment's business assets. An important prerequisite for the exemption from withholding at source under the Parent-Subsidiary Directive is that the shareholder has directly held at least 10% of the Company's registered share capital continuously for one year and that the German Federal Central Office of Taxation (*Bundeszentralamt für Steuern*, with its registered office in Bonn-Beuel, An der Küppe 1, 53225 Bonn, Germany) has certified to the creditor of the dividends, based upon an application filed by such creditor on the officially prescribed form, that the prerequisites for exemption have been met.

The dividend withholding tax rate for dividends paid to other shareholders without a tax residence in Germany can be reduced in accordance with the applicable double taxation treaty, if any, between Germany and the shareholder's country of residence, provided that the shares are neither held as part of the business assets of a permanent establishment or a fixed place of business in Germany nor as part of the business assets for which a permanent representative in Germany has been appointed. The reduction in the dividend withholding tax is generally obtained by applying to the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*, with its registered office in Bonn-Beuel, An der Küppe 1, 53225 Bonn, Germany) for a refund of the difference between the dividend withholding tax withheld, including the solidarity surcharge, and the amount of withholding tax actually owed under the applicable double taxation treaty, which is usually between 5 to 15%. A reduced withholding tax rate (according to the applicable double taxation treaty) may be applicable, if the shareholder applied for an exemption at the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*). A full exemption from German dividend withholding tax may also be possible under the applicable double taxation treaty, if the shareholder has directly held at least 10% of the Company's registered share capital and if further prerequisites are met. Forms for the refund and exemption procedure may be obtained from the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*, http://www.bzst.bund.de), as well as German embassies and consulates.

Corporations that are not tax residents in Germany can receive upon application a refund of two fifths of the dividend withholding tax that was withheld and remitted to the tax authorities subject to certain requirements. This applies regardless of any further reduction or exemption provided under other provisions.

Foreign corporations will generally have to meet certain stringent substance criteria defined by statute in order to receive an exemption from or (partial) refund of German dividend withholding tax.

Pursuant to a special rule on the restriction of withholding tax credit, the above mentioned relief in accordance with the applicable double taxation treaty as well as the credit of withholding tax described in the section "*21.4 Taxation of Dividends of Shareholders with a Tax Residence in Germany*" for shares held as private and as business assets is subject to the following three cumulative prerequisites: (i) the shareholder must qualify as beneficial owner of the Offer Shares for a minimum holding period of 45 consecutive days occurring within a period of 45 days prior and 45 days after the due date of the dividends, (ii) the shareholder has to bear, taking into account counter claims and claims against related parties, at least 70% of the change in value risk (*Mindestwertänderungsrisiko*) related to the Offer Shares during the minimum holding period without being directly or indirectly hedged, and (iii) the shareholder must not be required to fully or largely compensate directly or indirectly the dividends to third parties. Should one of the three prerequisites not be fulfilled, the following applies:

- As regards the taxation of dividends of shareholders with a tax residence in Germany, three fifths of the withholding tax imposed on the dividends must not be credited against the shareholder's (corporate) income tax liability, but may, upon application, be deducted from the shareholder's tax base for the relevant assessment period. A shareholder that has received gross dividends without any deduction of withholding tax due to a tax exemption without qualifying for a full tax credit has to notify the competent local tax office accordingly and has to make a payment in the amount of the withholding tax deduction which was omitted. The special rule on the restriction of withholding tax credit does not apply to a shareholder whose overall dividend earnings and certain profit participation rights (*Genussschein*) within an assessment period do not exceed €20,000 or that has been the beneficial owner of the Offer Shares for at least one uninterrupted year upon receipt of the dividends.

- As regards the taxation of dividends of shareholders without a tax residence in Germany who applied for a full or partial refund of the withholding tax pursuant to a double taxation treaty, no refund is available. This restriction does not apply to a shareholder (i) that holds directly at least 10% of the Offer Shares and that is subject to (corporate) income tax in the country of its tax residence without any exemptions, (ii) or that has been the beneficial owner of the Offer Shares for at least one uninterrupted year upon receipt of the dividends, or (iii) if the applicable tax rate pursuant to the applicable double taxation treaty is at least 15%.

21.3 Taxation of dividends of shareholders with a tax residence in Germany

21.3.1 Individuals who hold the shares as private assets

For individuals who are tax resident in Germany (generally, individuals whose domicile or usual residence is located in Germany) and who hold shares as private assets, the withholding tax of 25% plus solidarity surcharge of 5.5% thereon, resulting in a total tax rate of 26.375% (plus church tax, if applicable) will generally serve as a final tax. In other words, once deducted, the shareholder's income tax liability on the dividends will be satisfied, and he or she will no longer have to declare them on his or her annual tax return (the ***Flat Tax*** *(Abgeltungsteuer)*).

Shareholders may apply to have their capital investment income assessed in accordance with the general rules and with an individual's personal income tax rate if this would result in a lower tax burden (*Günstigerprüfung*). This request may only be exercised consistently for all capital investment income and exercised jointly in case of married couples and registered partners. In this case, the base for taxation would be the gross dividend income less the savers' allowance of €801 (€1,602 for jointly filing individuals). Any tax and solidarity surcharge already withheld would be credited against the income tax and solidarity surcharge so determined and any overpayment refunded. Income-related expenses cannot be deducted from capital gains in either case. The only deduction that may be made is the savers' allowance of €801 (€1,602 for jointly filing individuals) on all private capital income. Furthermore, dividend income can only be offset by losses from capital income, except for losses generated by the disposal of shares.

If the individual owns (i) at least 1% of the shares in the Company and is able to exercise, by virtue of professional activity (*berufliche Tätigkeit*) for the Company, a significant entrepreneurial influence on the business activity of the Company or (ii) at least 25% of the shares, the tax authorities may approve upon application that the dividends are taxed under the partial-income method (*Teileinkünfteverfahren*) (see below, "*21.3.2.2 Sole Proprietors (Individuals)*").

Entities required to collect withholding taxes on capital investment income are required to likewise withhold the church tax on payments to shareholders who are subject to church tax, unless the shareholder objects in writing to the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*) against the sharing of his or her private information regarding his or her affiliation with a religious denomination (*Sperrvermerk*). If church tax is withheld and remitted to the tax authority as part of the withholding tax deduction, then the church tax on the dividends is also deemed to be discharged when it is deducted. The withheld church tax cannot be deducted in the tax assessment as a special expense (*Sonderausgaben*); however, 26.375% of the church tax withheld on the dividends is deducted from the withholding tax (including the solidarity surcharge) withheld. If no church taxes are withheld along with the withholding of the withholding tax, the shareholder who is subject to church tax is required to report his or her dividends in his or her income tax return. The church tax on the dividends will then be imposed during the assessment.

As an exemption, dividend payments that are funded from the Company's tax-recognised contribution account (*steuerliches Einlagekonto*) and are paid to shareholders who are tax resident in Germany whose shares are held as private assets, do – contrary to the above – not form part of the shareholder's taxable income. However, dividends paid out of a tax-recognised contribution account (*steuerliches Einlagekonto*) reduce the acquisition costs of the shares, which may result in a higher amount of taxable capital gain upon the shareholder's sale of the shares. If the dividend payment funded from the Company's tax-recognised contribution account (*steuerliches Einlagekonto*) exceeds the shareholder's acquisition costs, negative acquisition costs will arise which can result in a higher capital gain in case of the shares' disposal (cf. below). This will not apply if (i) the shareholder or, in the event of a gratuitous transfer, its legal predecessor, or, if the shares have been gratuitously transferred several times in succession, one of his legal predecessors at any point during the five years preceding the (deemed, as the case may be,) disposal directly or indirectly held at least 1% of the share capital of the Company (a ***Qualified Participation***) and (ii) the dividend payment funded from the Company's tax-recognised contribution account (*steuerliches Einlagekonto*) exceeds the acquisition costs of the shares. In such a case of a Qualified Participation, a dividend payment funded from the Company's tax-recognised contribution account (*steuerliches Einlagekonto*) is deemed a sale of the shares and is taxable as a capital gain if and to the extent the dividend payment funded from the Company's tax-recognised contribution account (*steuerliches Einlagekonto*) exceeds the acquisition costs of the shares. In this case the taxation corresponds with the description in the section "*21.5 Taxation of Capital Gains*" made with regard to shareholders maintaining a Qualified Participation.

21.3.2 Shares held as business assets

The Flat Tax does not apply to dividends from shares held as business assets of shareholders who are tax resident in Germany. In this case, the taxation is based on whether the shareholder is a corporation, an individual or a partnership. The withholding tax withheld and paid to the tax authorities, including the solidarity surcharge and church tax, if applicable, is credited against the income or corporate income tax and the solidarity surcharge of the shareholder and church tax, if applicable, and any overpayment will be refunded, as discussed in the section on withholding tax above (see above "*21.2.2 German Withholding Tax*").

Dividend payments that are funded from the Company's tax-recognised contribution account (*steuerliches Einlagekonto*) and are paid to shareholders who are tax resident in Germany whose shares are held as business assets are generally fully tax-exempt in the hands of such shareholder. To the extent the dividend payments funded from the Company's tax-recognised contribution account (*steuerliches Einlagekonto*) exceed the acquisition costs of the shares, a taxable capital gain should occur. The taxation of such gain corresponds with the description in the section "*21.3.2 Shares Held as Business Assets*" made with regard to shareholders whose shares are held as business assets (however, as regards the application of the 95% exemption in case of a corporation this is not undisputed).

21.3.2.1 Corporations

Dividends received by corporations tax resident in Germany are generally exempt from corporate income tax and solidarity surcharge; however 5% of the dividends are treated as a non-deductible business expenses and, as such, are subject to corporate income tax (plus the solidarity surcharge) with a total tax rate of 15.825%.

Portfolio Dividends are fully taxed at the corporate income tax rate of 15% (plus solidarity surcharge of 5.5% thereon), i.e., at a total rate of 15.825%. The acquisition of a shareholding of at least 10% during a calendar year is deemed to have occurred at the beginning of the respective calendar year. Participations which a shareholder holds through a co-entrepreneurship (*Mitunternehmerschaft*) are attributable to the shareholder only on a pro rata basis at the ratio of the interest share of the shareholder in the assets of the relevant partnership.

Business expenses actually incurred and having a direct business relationship to the dividends may be fully deducted.

The amount of any dividends (after deducting business expenses related to the dividends) is fully subject to trade tax, unless the corporation held a stake of at least 15% in the share capital of the company making the distribution at the beginning, or – in the case of foreign corporations – continuously holds since the beginning, of the relevant assessment period. In the latter case, the aforementioned exemption of 95% of the dividend income applies analogously for trade tax purposes.

21.3.2.2 Sole proprietors (individuals)

If the shares are held as part of the business assets of a sole proprietor (individual) with his or her tax residence in Germany, 40% of any dividend is tax exempt (so called partial income method), i.e., 60% of the dividends are subject to progressive income tax (plus the solidarity surcharge) at a total tax rate of up to approximately 47.5% (plus church tax, if applicable). Only 60% of the expenses economically related to the dividends are tax deductible. The partial income method will also apply when individuals hold the shares indirectly through a partnership (with the exception of individual investors who hold their shares through partnerships that are neither commercial partnerships nor deemed to be commercial partnerships). However, the partial-income method does not apply with respect to church tax (if applicable). If the shares are held as business assets of a domestic commercial permanent establishment, the full amount of the dividend income (after deducting business expenses that are economically related to the dividends) is also subject to trade tax, unless the taxpayer held a stake of at least 15% in the share capital of the company making the distribution at the beginning, or – in the case of foreign corporations – continuously holds since the beginning, of the relevant assessment period. In the latter case, the net dividends (after deducting directly related expenses) are effectively 95% exempt from trade tax. However, trade tax is generally credited – fully or in part – as a lump sum against the shareholder's personal income tax liability.

21.3.2.3 Partnerships

If the shareholder is a partnership, the personal income tax or corporate income tax, as the case may be, and the solidarity surcharge are levied at the level of each partner rather than at the level of the partnership. The taxation of each partner depends upon whether the partner is a corporation or an individual. If the partner is a corporation, then the dividend is generally 95% tax exempt; however, dividends from an indirect shareholding representing less than 10% of the share capital for the relevant partner are fully subject to corporate income tax (and solidarity surcharge thereon) and trade tax (see above, "*21.3.2.1 Corporations*"). If the partner is an individual and the shares are held as business assets of the partnership, only 60% of the dividend income is subject to income tax; in this case the partial-income method does not apply with regard to church tax (if applicable) (see above, "*21.3.2.2 Sole Proprietors (Individuals)*"). Upon application and provided that additional prerequisites are met, an individual who is a partner can obtain a reduction of his or her personal income tax rate for profits not withdrawn from the partnership.

Additionally, if the shares are held as business assets of a domestic permanent establishment of a commercial or deemed to be commercial partnership, the full amount of the dividend income is generally also subject to trade tax at the level of the partnership. In the case of partners who are individuals, the trade tax that the partnership pays on his or her proportion of the partnership's income is generally credited as a lump sum – fully or in part – against the individual's personal income tax liability. If the partnership held a stake of at least 15% in the share capital of the company making the distribution at the beginning, or – in the case of foreign corporations – continuously holds since the beginning, of the relevant assessment period, the dividends (after the deduction of business expenses economically related thereto) should generally not be subject to trade tax. However, in these cases, trade tax should be levied on 5% of the dividends to the extent they are attributable to the profit share of such corporate partners to whom at least 10% of the shares in the Company are attributable on a look-through basis, since such portion of the dividends should be deemed to be non-deductible business expenses. The remaining portion of the dividend income attributable to other than such specific corporate partners (which includes individual partners and should, according to a literal reading of the law, also include corporate partners to whom, on a look-through basis, only portfolio participations are attributable) should not be subject to trade tax.

21.3.3 Financial and insurance sector

Special rules apply to companies operating in the financial and insurance sector (see below, "*21.6 Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds*").

21.4 Taxation of dividends of shareholders without a tax residence in Germany

The dividends paid to shareholders (individuals and corporations) without a tax residence in Germany are taxed in Germany, provided that the shares are held as part of the business assets of a permanent establishment or a fixed place of business in Germany or as part of the business assets for which a permanent representative in Germany has been appointed. The withholding tax (including solidarity surcharge) withheld and remitted to the German tax authorities is credited against the respective shareholder's personal income tax or corporate income tax liability, and any overpayment will be refunded. The same applies to the solidarity surcharge. These shareholders are essentially subject to the same rules applicable to tax resident shareholders, as discussed above.

In all other cases, the withholding of the dividend withholding tax satisfies any tax liability of the shareholder in Germany. A refund or exemption is granted only as discussed in the section on dividend withholding tax above (see above "*21.2.2 German Withholding Tax*").

Dividend payments that are funded from the Company's tax-recognised contribution account (*steuerliches Einlagekonto*) are generally not taxable in Germany.

21.5 Taxation of capital gains

21.5.1 Taxation of capital gains of shareholders with a tax residence in Germany

21.5.1.1 Shares held as private assets

Gains on the sale of shares that are held as private assets by shareholders with a tax residence in Germany are generally taxable regardless of the length of time held. The tax rate is (generally) a uniform 25% plus the 5.5% solidarity surcharge thereon (resulting in an aggregate tax rate of 26.375%) as well as church tax, if applicable.

The taxable capital gains are the difference between (a) the proceeds from the disposal of shares after deducting the direct sales costs and (b) the acquisition cost of the shares. Under certain conditions, prior payments from the tax-recognised contribution account (*steuerliches Einlagekonto*) may lead to reduced acquisition costs of the shares held as private assets and, as a consequence, increase the taxable sales gain. Losses on the sale of shares can only be used to offset gains made on the sale of shares during the same year or in subsequent years. The only deduction that may generally be made is the savers' allowance of €801 (€1,602 for jointly filing individuals) on all private capital income.

If the shares are held in custody or administered by a domestic bank or financial service institute, a domestic securities trading company or a domestic securities trading bank (including the domestic branches of foreign banks and financial service institutes), or if such entity or branch sells the shares and pays out or credits the capital gains (each a ***Domestic Paying Agent***), said Domestic Paying Agent withholds a withholding tax of 25% plus 5.5% solidarity surcharge thereon and any church tax (if applicable) and remits this to the tax authority; in such a case, the tax liability on the capital gain will generally be satisfied. If the shares were only held in custody or administered by the respective Domestic Paying Agent continuously after acquisition, the amount of tax withheld is generally based on the difference between the proceeds from the sale, after deducting expenses directly related to the sale, and the amount paid to acquire the shares. However, the withholding tax rate of 25% plus the 5.5% solidarity surcharge thereon and any church tax (if applicable), will be applied to 30% of the gross sales proceeds if the shares were not administered by the same custodian bank since acquisition and the original cost of the shares cannot be verified or such verification is not admissible. In this case, the shareholder is entitled to, and in case the actual gain is higher than 30% of the gross proceeds must, verify the original costs of the shares in his or her annual tax return.

Entities required to collect withholding taxes on capital investment income are required to likewise withhold the church tax for shareholders who are subject to church taxes, unless the shareholder objects in writing to the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*) against the sharing of his or her private information regarding his or her affiliation with a denomination (*Sperrvermerk*). If church tax is withheld and remitted to the tax authority as part of the withholding tax deduction, then the church tax on the capital gain is also deemed to be discharged when it is deducted. The withheld church tax cannot be deducted in the tax assessment as a special expense; however, 26.375% of the church tax withheld on the capital gain is deducted from the withholding tax (including the solidarity surcharge) withheld.

If the withholding tax or, if applicable, the church tax on capital gains is not withheld by a Domestic Paying Agent, the shareholder is required to declare the capital gains in his income tax return. The income tax and any applicable church tax on the capital gains will then be collected by way of assessment.

A shareholder may request that all his or her items of capital investment income, along with his or her other taxable income, be subject to the progressive income tax rate instead of the uniform tax rate for private capital investment income if this lowers his or her tax burden. This request may only be exercised consistently for all capital investment income and exercised jointly in case of married couples and registered partners. The base for taxation would be the gross income less the savers' allowance of €801 (€1,602 for jointly filing individuals). The non-deductibility of income-related costs and the restrictions on offsetting losses also apply to tax assessments based on the progressive income tax rate. Any tax already withheld would be credited against the income tax so determined and any overpayment refunded.

One exception to this rule is that a shareholder's capital gains are subject to the partial-income method and not the Flat Tax. Consequently, 60% of the proceeds from the sale of shares are subject to the individual income tax rate, if (i) the shareholder or, in the event of a gratuitous transfer, its legal predecessor, or, if the shares have been gratuitously transferred several times in succession, one of his legal predecessors at any point during the five years preceding the (as the case may be, deemed) disposal directly or indirectly held at least 1% of the share capital of the Company (i.e., held a Qualified Participation). 60% of the expenses economically related to the proceeds of the sale of shares are tax-deductible.

In the case of a Qualified Participation, withholding tax (including the solidarity surcharge) is also withheld by the Domestic Paying Agent. The tax withheld, however, is not treated as a final tax. Hence, the shareholder is obliged to declare the gains from the sale in his or her income tax return. The withholding tax (including solidarity surcharge) withheld and remitted to the German tax authorities is credited against the respective shareholder's personal income tax or corporate income tax liability in the tax assessment, and any overpayment will be refunded.

21.5.1.2 Shares held as business assets

The Flat Tax does not apply to proceeds from the sale of shares held as business assets by shareholders tax resident in Germany. If the shares form part of a shareholder's business assets, taxation of the capital gains realised will then depend upon whether the shareholder is a corporation, sole proprietor or partnership. Dividend payments that are funded from the Company's tax-recognised contribution account (*steuerliches Einlagekonto*) reduce the original acquisition costs. In case of a sale of shares, a higher taxable capital gain can arise herefrom. If the dividend payments exceed the shares' book value for tax purposes, a taxable capital gain can arise.

- Corporations: In general, capital gains earned on the sale of shares by corporations tax resident in Germany are exempt from corporate income tax (including the solidarity surcharge) and trade tax, irrespective of the stake represented by the shares and the length of time the shares are held; however, 5% of the capital gains are treated as a non-deductible business expense and, as such, are subject to corporate income tax (plus the solidarity surcharge thereon) and to trade tax.

- Sole proprietors (individuals): If the shares were acquired after 31 December 2008 and form part of the business assets of a sole proprietor (individual) who is tax resident in

Germany, 60% of the capital gains on their sale are subject to the individual's personal tax rate plus the solidarity surcharge thereon (partial income method). Correspondingly, only 60% of losses from such sales and 60% of expenses economically related to such sales are deductible. For church tax, if applicable, the partial income method does not apply. If the shares are held as business assets of a commercial permanent establishment located in Germany, 60% of the capital gains are also subject to trade tax. The trade tax is fully or partially credited as a lump sum against the shareholder's personal income tax liability.

- Commercial Partnerships: If the shareholder is a partnership, personal income tax or corporate income tax, as the case may be, is assessed at the level of each partner rather than at the level of the partnership. The taxation of each partner depends upon whether the respective partner is a corporation or an individual. If the partner is a corporation, the tax principles applying to capital gains which are outlined in subsection 1 apply. If the partner is an individual, the tax principles applying to capital gains that are outlined in subsection 2 apply. Upon application and provided that additional prerequisites are met, an individual who is a partner can obtain a reduction of his or her personal income tax rate for profits not withdrawn from the partnership. In addition, capital gains from the sale of shares attributable to a permanent establishment maintained in Germany by a commercial partnership, or deemed to be commercial partnership are subject to trade tax at the level of the partnership. As a general rule, only 60% of the gains in this case are subject to trade tax to the extent the partners in the partnership are individuals, while 5% are subject to trade tax to the extent the partners are corporations and shares are sold. Under the principles discussed above, losses on sales and other reductions in profit related to the shares sold are generally not deductible or only partially deductible, if the partner is a corporation. If the partner is an individual, the trade tax the partnership pays on his or her share of the partnership's income is generally credited as a lump sum – fully or in part – against his or her personal income tax liability, depending on the tax rate imposed by the local municipality and certain individual tax-relevant circumstances of the taxpayer.

Special rules apply to capital gains realised by companies active in the financial and insurance sectors, as well as pension funds (see below, "*21.6 Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds*").

If a Domestic Paying Agent is involved, the proceeds from the sale of shares held as business assets are generally subject to the same withholding tax rate as those of shareholders whose shares are held as private assets (see "*21.5.1.1 Shares Held as Private Assets*"). However, the Domestic Paying Agent may refrain from withholding the withholding tax if (i) the shareholder is a corporation, association or estate with its tax residence in Germany, or (ii) the shares form part of the shareholder's domestic business assets, and the shareholder informs the Domestic Paying Agent of this on the officially prescribed form and meets certain additional prerequisites. If the Domestic Paying Agent nevertheless withholds taxes, the withholding tax withheld and remitted (including the solidarity surcharge and church tax, if applicable) will be credited against the shareholder's income tax or corporate income tax liability (including the solidarity surcharge and church tax, if applicable) and any excess amount will be refunded.

21.5.2 Taxation of capital gains of shareholders without a tax residence in Germany

Capital gains realised by a shareholder with no tax residence in Germany are subject to German income tax only if the Selling Shareholder holds a Qualified Participation or if the shares form part of the business assets of a permanent establishment in Germany or of business assets for which a permanent representative is appointed.

Most double taxation treaties provide for an exemption from German taxes and assign the right of taxation to the shareholder's country of tax residence in the former case.

21.6 Special treatment of companies in the financial and insurance sectors and pension funds

Dividends paid to and capital gains realised by certain companies in the financial and insurance sector are, as an exception to the aforementioned rules, fully taxable.

This applies to dividends from as well as gains from the disposal of shares in the trading portfolio (*Handelsbestand*) within the meaning of § 340e (3) HGB of credit institutions and financial services institutions, and shares that are, upon acquisition of the shares, allocable to the current assets (*Umlaufvermögen*) of a financial enterprise within the meaning of the German Banking Act that is directly or indirectly held by a credit institution or financial services institution to more than 50%. The same applies to shares held as investments by life insurers, health insurers and pension funds. If the stake held at the beginning of the relevant assessment period is 15% or higher, subject to certain conditions, the dividends can be fully exempted from trade tax.

However, an exemption to the foregoing, and thus a 95% effective tax exemption, applies to dividends obtained by the aforementioned companies, to which the Council Directive 2011/96/EU of 30 November 2011, as amended, applies.

21.7 Inheritance or gift tax

The transfer of shares to another person by inheritance or gift is generally subject to German inheritance or gift tax only if:

- the decedent, donor, heir, beneficiary or other transferee maintained his or her domicile or habitual abode in Germany, or had its place of management or registered office in Germany at the time of the transfer, or is a German citizen who has spent no more than five consecutive years (this term is extended to ten years for German expatriates with US residence) prior to the transfer outside Germany without maintaining a residence in Germany (special rules apply to certain former German citizens who neither maintain their domicile nor have their habitual abode in Germany);

- the shares were held by the decedent or donor as part of business assets for which a permanent establishment was maintained in Germany or for which a permanent representative in Germany had been appointed; or

- the decedent or donor, either individually or collectively with related parties, held, directly or indirectly, at least 10% of the Company's registered share capital at the time of the inheritance or gift.

The fair value represents the tax assessment base. In general that is the stock exchange price. Dependent on the degree of relationship between decedent or donor and recipient, different tax-free allowances and tax rates apply.

The few German double taxation treaties relating to inheritance tax and gift tax currently in force usually provide that the German inheritance tax or gift tax can only be levied in the cases of 1) above, and also with certain restrictions in case of 2) above. Special provisions apply to certain German nationals living outside of Germany and former German nationals.

21.8 Proposed Tax Law Changes under the 2018-2021 Agenda of the Grand Coalition

The German government for the legislative period 2018 - 2021 formed by the Grand Coalition (*Große Koalition*) of Christian Democratic Union (*CDU*), the Christian Social Union (*CSU*) and the Social Democratic Party (*SPD*) concluded a coalition agreement dated 7 February 2018, providing, inter alia, for an abolishment of the flat tax rate of 26.375% with the definitive taxation of interest income as soon as the automatic information exchange on tax matters (*Automatischer Informationsaustausch in Steuerfragen*) is established. Instead, interest income shall be taxed by way of assessment on the basis of the investor's marginal tax rate of up to combined 47.475% (plus church tax, if applicable).

21.9 Other taxes

21.9.1 General

No German transfer tax, value-added tax, stamp duty or similar taxes are assessed on the purchase, sale or other transfer of shares. Provided that certain requirements are met, an entrepreneur may, however, opt for the payment of value-added tax on transactions that are otherwise tax-exempt. Net wealth tax is currently not imposed in Germany.

21.9.2 The proposed financial transaction tax (FTT)

On 14 February 2013, the European Commission published a proposal (the ***Commission's Proposal***) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the ***Participating Member States***). However, Estonia has since stated that it will not participate.

The Commission's Proposal has a very broad scope and could, if introduced, apply to certain dealings in the shares (including secondary market transactions) in certain circumstances. The Commission Proposal focused on levying a FTT on financial transactions (as defined in the Commission Proposal), including the purchase, sale and exchange of financial instruments. Under the Commission Proposal, the rate of the FTT would not be lower than 0.1% (0.01% for derivatives), generally based on the amount of the paid or owed consideration or in case of derivatives, the notional amount referred to in the derivatives contract at the time of the financial transaction. The issuance and subscription of shares should, however, be exempt.

Since the date of the publication of the Commission Proposal, discussions have taken place between the Participating Member States. According to a note dated 7 June 2019 by the German delegation for a meeting of the Economic and Financial Affairs Council (ECOFIN) of the European Union on 14 June 2019, the finance ministers of the Participating Member States (excluding Estonia) agreed on 11 March 2019 to continue the negotiations based on a new approach. Such new approach is based on a proposal by France and Germany which is modelled on the concept of the financial transaction tax currently imposed in France. According to such note, the FTT would be limited to shares of listed companies whose head office is located in a Member State of the European Union and whose market capitalization exceeds EUR 1 billion on 1 December of the preceding year. The FTT would be levied on the transfer of ownership upon acquisition of shares in listed public limited companies. According to such note, initial public offerings, market making and intraday trading should not be taxable. The tax rate should be no less than 0.2%.

Since the scope of the FTT is not final and subject to the further negotiations between the Participating Member States (excluding Estonia), the scope and timing of the FTT is uncertain. Additional European Union member states may decide to participate and/or certain of the Participating Member States may decide to withdraw. The FTT may therefore also apply to certain dealings in the shares (including secondary market transactions) in certain circumstances. Prospective investors are urged to consult their own tax advisors regarding the possible implications of the FTT on an investment in the shares.

22 FINANCIAL INFORMATION

Unaudited Interim Condensed Consolidated Financial Statements of Regit Eins GmbH prepared in accordance with IFRS on interim financial reporting (IAS 34) as of and for the six-month period ended 30 June 2019:

Audited Consolidated Financial Statements of Regit Eins GmbH prepared in accordance with IFRS as of and for the fiscal years ended 31 December 2018, 31 December 2017 and 31 December 2016, and independent auditor's report thereon:

Audited Unconsolidated Interim Financial Statements of TeamViewer AG (previous: Regit Beteiligungs-GmbH) prepared in accordance with IFRS on interim financial reporting (IAS 34) as of 31 July 2019 and for the period from 3 July 2019 to 31 July 2019:

Interim Condensed Consolidated Financial Statements

Regit Eins GmbH
(unaudited)

For the six months ended 30 June 2019

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Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six months ended 30 June 2019

Regit Eins GmbH

	For the six months ended		
In thousands of euro	**30 June 2019**	**30 June 2018**	**Note**
	unaudited		
Revenue	181,236	101,726	*(5)*
Cost of sales	(23,771)	(22,534)	
Gross profit	**157,465**	**79,191**	
Other income	8,012	965	*(14)*
Research and development	(16,509)	(10,666)	
Sales	(20,534)	(13,347)	
Marketing	(11,158)	(8,215)	
General and administrative	(20,308)	(12,292)	
Other expenses	(47)	-	
Bad debt expenses	(6,679)	(2,718)	*(9)*
Operating profit	**90,242**	**32,918**	
Unrealised foreign exchange gains/(losses)	(4,683)	(12,610)	
Realised foreign exchange gains/(losses)	1,266	(69)	
Finance income	22,281	4,146	*(12)*
Finance costs	(39,354)	(37,213)	
(Loss)/profit before taxation	**69,752**	**(12,828)**	
Tax (expense)/ income	(24,030)	2,493	*(8)*
(Loss)/profit for the period	**45,722**	**(10,335)**	
Thereof attributable to owners of the parent	*45,722*	*(10,335)*	
Other comprehensive income for the period			
Items that may be reclassified to profit or loss	12	-	
Hedge reserve, gross	*1*	-	
Exchange differences on translation of foreign operations	*10*	-	
Total comprehensive income for the period	**45,734**	**(10,335)**	
Thereof attributable to owners of the parent	*45,734*	*(10,335)*	

Interim Condensed Consolidated Statement of Financial Position as at 30 June 2019

Regit Eins GmbH

In thousands of euro	As at 30 June 2019 unaudited	As at 31 December 2018	Note
Non-current assets			
Property, plant and equipment	10,298	2,239	*(6)*
Goodwill	590,369	584,312	*(7)*
Intangible assets	245,117	252,563	*(7)*
Financial assets, non-current	-	-	*(12)*
Cost to obtain a contract, non-current	188	427	
Other assets, non-current	1,068	318	
Total non-current assets	**847,039**	**839,858**	
Current assets			
Trade receivables	17,528	15,442	*(9)*
Cost to obtain a contract, current	636	710	
Other assets, current	4,567	2,548	
Tax assets, current	4,477	-	
Financial assets, current	13,384	9,715	*(12)*
Cash and cash equivalents	48,783	79,939	
Total current assets	**89,376**	**108,355**	
Total assets	**936,415**	**948,213**	
Equity			
Issued capital	25	25	*(10)*
Capital reserve	125,890	116,312	
(Accumulated losses)/retained earnings	(288,043)	(332,876)	*(10)*
Hedge reserve	(12)	(14)	*(10)*
Foreign currency translation reserve	903	4	(10)
Total equity	**(161,237)**	**(216,548)**	
Thereof equity attributable to owners of the parent	*(161,237)*	*(216,548)*	
Non-current liabilities			
Interest-bearing loans and borrowings, non-current	627,793	678,771	*(11)*
Deferred revenue, non-current	17,831	47,225	
Provisions, non-current	197	143	
Deferred tax liabilities	37,464	18,614	
Financial liabilities, non-current	4,242	2,928	
Total non-current liabilities	687,527	747,681	
Current liabilities			
Interest-bearing loans and borrowings, current	147,012	154,818	*(11)*
Trade payables	5,330	6,695	
Deferred revenue, current	222,105	233,410	
Accrued expenses and other payables	20,418	13,846	
Tax liabilities, current	8	466	*(8)*
Provisions, current	1,289	1,205	
Financial liabilities, current	13,963	6,640	
Total current liabilities	**410,125**	**417,080**	
Total liabilities	**1,097,652**	**1,164,761**	
Total equity and liabilities	**936,415**	**948,213**	

Interim Condensed Consolidated Statement of Cash Flows for the six months ended 30 June 2019

Regit Eins GmbH

In thousands of euro	For the six months ended 30 June 2019	30 June 2018	Note
	unaudited		
Cash flows from operating activities			
Profit/(loss) for the period	**45,722**	**(10,335)**	
Depreciation and amortisation	17,906	14,386	
Depreciation of property, plant and equipment	*2,197*	*699*	*(6)*
Amortisation of intangible assets	*15,709*	*13,686*	*(7)*
Increase/(decrease) of provisions	(137)	(312)	
Share-based compensation expenses	900	900	
Non-operational foreign exchange (gains)/losses	2,897	12,226	
Financial result effect	17,073	33,067	
Net finance costs(1)	*32,398*	*30,283*	
Movement in fair value of derivative financial instruments	*(15,325)*	*2,784*	
Changes in working capital	(45,418)	6,269	
(Increase)/decrease in trade receivables	*(3,064)*	*2,413*	
Increase/(decrease) in deferred revenue	*(41,529)*	*3,450*	
Increase/(decrease) in trade payables	*(3,896)*	*2,303*	
(Increase)/decrease in prepayments	*(982)*	*(1,167)*	
(Increase)/decrease in cost to obtain a contract	*314*	*(102)*	
Increase/(decrease) in accrued expenses and other payables	*4,291*	*(482)*	
(Increase)/decrease in other assets	*(551)*	*(147)*	
Tax expense/(income)	24,030	(2,493)	*(8)*
Taxes (paid)/received	(10,262)	(613)	
Interest paid (other than borrowings)(2)	(18)	-	
Net cash from operating activities	**52,694**	**53,094**	
Cash flows from investing activities			
Investments	-	(54)	
Proceeds from loans	-	*(54)*	
Capital expenditure	(7,926)	(4,990)	
Purchase of property, plant and equipment	*(696)*	*(277)*	*(6)*
Purchase of intangible assets	*(7,229)*	*(4,713)*	*(7)*
Finance effects	251	16	
Interest received	*251*	*16*	
Net cash used in investing activities	**(7,675)**	**(5,028)**	
Cash flows from financing activities			
Loans & borrowings, third parties	(81,175)	(26,990)	
Repayments of borrowings	*(52,461)*	*(2,480)*	*(11)*
Interest paid on borrowings	*(26,280)*	*(24,223)*	
Proceeds / (payments) from the settlement of derivatives	*(64)*	*(288)*	
Net cash used in financing activities	**(81,175)**	**(26,990)**	
Net change in cash and cash equivalents	**(36,156)**	**21,076**	
Net foreign exchange difference	388	240	
Net change from cash risk provisioning	844	(454)	
Contribution of foreign entities	3,768	-	*(4)*
Cash and cash equivalents at beginning of period	79,939	35,154	
Cash and cash equivalents at end of period	**48,783**	**56,016**	

(1) Does not comprise movement in fair value of derivatives as the net change of those financial instruments is presented separately in the line below.

(2) Comprises interest paid on current accounts and tax liabilities.

Interim Condensed Consolidated Statement of Changes in Equity for the six months ended 30 June 2019

Regit Eins GmbH

				Other components of equity		
In thousands of euro	**Issued Capital**	**Capital reserve**	**(Accumulated losses) /retained earnings**	**Hedging reserve**	**Foreign currency translation reserve**	**Total equity**
Balance at 01 January 2019 (unaudited)	**25**	**116,312**	**(332,876)**	**(14)**	**4**	**(216,548)**
Total comprehensive income:						
(Loss)/profit for the period	-	-	45,722	-	-	45,722
Other comprehensive income	-	-	-	2	11	13
Total comprehensive income	**-**	**-**	**45,722**	**2**	**11**	**45,735**
Share based compensations		900				900
Contribution of foreign entities (note 4)	-	8,678	(889)	-	889	8,678
Balance at 30 June 2019 (unaudited)	**25**	**125,890**	**(288,043)**	**(12)**	**903**	**(161,237)**
Balance at 01 January 2018 (unaudited)	**25**	**114,512**	**(316,226)**	**-**	**-**	**(201,689)**
First time adoption IFRS 9 & IFRS 15	-	-	(4,237)	-	-	(4,237)
Total comprehensive income:						
(Loss)/profit for the period	-	-	(10,335)	-	-	(10,335)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	**-**	**-**	**(10,335)**	**-**	**-**	**(10,335)**
Share-based compensation		900				900
Balance at 30 June 2018 (unaudited)	**25**	**115,412**	**(330,798)**	**-**	**-**	**(215,361)**

Notes to the Interim Condensed Consolidated Financial Statements

1 Company Information

Regit Eins GmbH (the "Company") was formed on 01 April 2014 in Munich as a German limited liability company (Gesellschaft mit beschränkter Haftung). The shareholder of Regit Eins GmbH is TigerLuxOne S.à r.l. (referred to as "TLO"), a company based in Luxembourg.

The Company's registered office is at Jahnstrasse 30, 73037 Göppingen, Germany. Its main operating entity, TeamViewer GmbH, is also located in Jahnstraße 30, 73037 Göppingen, Germany.

These consolidated financial statements comprise the Company and its subsidiaries (together referred to as "the Group" and individually as "Group companies").

2 Basis of Preparation of the Interim Condensed Consolidated Financial Statements

This interim condensed consolidated financial statements for the six months ended 30 June 2019 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They have neither been audited nor reviewed. Interim condensed consolidated financial statements do not contain all the information and disclosures that would be required in a complete set of annual consolidated financial statements. These interim condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements for the years ended 31 December 2018, 2017 and 2016.

The accounting policies adopted are consistent with those used for consolidated financial statements of the previous financial years ended 31 December 2018, 2017 and 2016, except for those related to the adoption of new standards effective for the first time for the period beginning (or after) 01 January 2019. The Company has not early adopted any other standard, interpretation or improvement that has been issued but is not yet effective.

The Company has applied for the first time IFRS 16 *Leases*. As a result, the Company has changed its accounting policy for lease recognition and accounting. The nature and the effects of these changes are disclosed in the following section in accordance with IAS 34.

Several other amendments to standards are effective on or after 01 January 2019, but they have no significant impact on the interim condensed consolidated financial statements of the Regit Eins GmbH.

All figures and percentages are rounded according to customary business practice, so minor discrepancies may arise from the addition of these amounts.

The following significant exchange rates have been applied for this interim reporting:

		Spot exchange rate		**Average rate (six months ended)**	
Currency	**ISO Code**	**30 June 2019**	**31 December 2018**	**30 June 2019**	**30 June 2018**
U.S. Dollar	USD	1.1380	n/a	1.1298	n/a
Australian Dollar	AUD	1.6244	n/a	1.6002	n/a
Armenian Dram	AMD	543.1900	n/a	547.0733	n/a
British Pound	GBP	0.8966	n/a	0.8736	n/a
Chinese Yuan	CNY	7.8185	n/a	7.6670	n/a
Japanese Yen	JPY	122.6000	125.8500	124.2933	n/a
Indian Rupee	INR	78.5240	79.7298	79.1182	n/a
Singapore Dollar	SGD	1.5395	1.5591	1.5354	n/a

3 Changes in Significant Accounting Policies

IFRS 16 *Leases*

Prior to 01 January 2019 lease payments were accounted according to IAS 17 and the relevant IFRIC (IFRS Interpretation Committee) and SIC (Standing Interpretations Committee) interpretations. This implied that expenses under operating leases were recognised in profit or loss on a straight-line basis over the lease term, and no related assets or liabilities were recognised in the statement of financial position.

Starting 2019 the Company has applied the IFRS 16 *Leases*, published in January 2016. This standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The Company applied IFRS 16 *Leases* using the modified retrospective method of adoption with the date of initial application of 01 January 2019 and this was applied consistently to all identified leases. The Company elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Company has elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (‘short-term leases’).

The lease liability is measured based on the remaining lease payments discounted using the incremental borrowing rate of the Company as of the date of initial application. The discount rate was calculated based on the risk-free interest rate of a risk-free government bond and the risk premium. The resulting discount rate was applied to the leases according to their maturity, which was ensured by the adjustment of the used lending rate by maturity-compliant risk-free interest rates.

The effect of IFRS 16 adoption as at 01 January 2019

In thousands of euro	**Increase/(Decrease)**
Assets	
Property, plant and equipment	7,340
Other assets	(199)
Total assets	*7,142*
Liabilities	
Financial liabilities	7,142
Total liabilities	*7,142*

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

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

As a consequence of recognising deferred taxes on the initial recognition of right-of-use assets and lease liabilities, the Group recognised deferred tax assets related to lease liabilities and deferred tax liabilities related to right-of-use assets in the amount of EUR 2,056 thousand each on 1 January 2019 as the date of initial application of IFRS 16. The amount of deferred tax assets equaled the amount of deferred tax liabilities at the date of initial application of IFRS 16 since all of these leases have previously been classified as operating leases applying IAS 17, the right-of-use assets have been measured at an amount equal to the lease liability and tax deductions are only given for the lease payments made. The recognition of these deferred tax assets and liabilities did not have any effect on the statement of financial position on 1 January 2019 because of offsetting. These deferred tax assets and liabilities might however affect the statement of profit or loss and other comprehensive income and the statement of financial position of subsequent period because the right-of-use assets and the lease liabilities might unwind of different bases.

Reconciliation of operating lease commitments as at 31 December 2018 to lease liabilities recognized as at 01 January 2019

Operating leases commitments as at 31 December 2018	**6,367**
Weighted average incremental borrowing rate as at 01 January 2019	**4.8%**
Discounted using the lessee's incremental borrowing rate at the date of initial application as at 01 January 2019	**6,057**
Less short-term leases recognised on a straight-line basis as expense	(242)
Add/(less) adjustments as a result of a different treatment of extension and termination options	1,327
Lease liability recognised as at 01 January 2019	**7,142**

(a) Nature of the effect of adoption of IFRS 16

The Group has lease contracts for various items of plant, equipment and other vehicles. Prior to the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease in accordance with IAS 17. The Group had no finance leases prior to 01 January 2019. Expenses under operating leases were recognised in profit or loss on a straight-line basis over the lease term. Lease incentives were received and recognised as an integral part of the total lease expense over the term of the lease. Any prepayment rent was recognised under other assets.

Upon adoption of IFRS 16, the Company applied a single recognition and measurement approach for all leases that is the lessee, except for leases with a term less than 12 months, which were not recognised in accordance with IFRS 16. The Company recognised lease liabilities representing the future lease payments and right-of-use assets representing the right to use the underlying assets. In accordance with the modified retrospective method of adoption, the Company applied IFRS 16 by measuring the lease liability based on the remaining lease payments discounted using the incremental borrowing rate as of the date of initial application and the carrying amount of right-of-use asset by the lease liability on the date of initial application. Prior to the transition to IFRS 16, prepaid lease payments were recognised as prepaid expenses in other assets for leases classified as operating leases in applying IAS 17. On 01 January 2019, as the date of initial application of IFRS 16, these other assets were de-recognised and the prepaid lease payments were included in the carrying amounts of the right-of-use assets. No effects were accounted for in the retained earnings.

(b) Summary of new accounting policies

Set out below are the new accounting policies of the Company upon adoption of IFRS 16:

Right-of-use asset

The Company recognises right-of-use assets at the commencement date. The right-of-use asset is initially measured at costs, which consists of the initial amount of the respective lease liability adjusted for any prepayment done at or before the commencement less any lease incentive received. Consequently, the right-of-use asset is adjusted for any change in lease liabilities value and/or is subject to impairment. The recognised right-of-use assets are depreciated on straight line basis during the lease term.

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

Significant judgement in determining the lease term of contracts with renewal options

Renewal options are considered when determining the lease term. If both sides of the contract have the option to renew or prolong, the non-cancellable lease term is only the currently agreed upon lease term.

If the Company is having a unilateral option to renew or prolong a contract, the lease term is determined also considering the probability that the option is drawn. Only if the Company is significantly certain that it will renew the contract the lease term is seen to be longer than the original lease term.

(c) Amounts recognised in the statement of financial position and profit or loss

Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements for the period ending 30 June 2019:

	Right of use assets				
In thousands of euro	**Buildings**	**Computer equipment**	**Other equipment**	**Total**	**Lease liabilities**
As at 01 January 2019	**3,147**	**4,174**	**20**	**7,340**	**7,142**
Depreciation expense	(452)	(961)	(4)	(1,416)	-
Interest expense	-	-	-	-	139
Payments	-	-	-	-	(2,370)
Adjustments	(687)	-	-	(687)	(625)
As at 30 June 2019 without contributed entities	**2,007**	**3,213**	**16**	**5,236**	**4,286**
Contribution of foreign entities (note 4)	1,946	-	-	1,946	1,979
As at 30 June 2019	**3,954**	**3,213**	**16**	**7,183**	**6,265**

During the first half of 2019, the lease option assumption regarding earlier termination was revised for some contracts, therefore the related liabilities were revised in terms of the remaining lease term. As a result, the respective assets were revised as well, and this resulted in a loss recognition on the profit and loss statement at the amount of EUR 62 thousand.

The rent payment for short-term leases for the period ending 30 June 2019 was EUR 247 thousand. Short term lease contracts which started after 01 January 2019 are included in this amount as well.

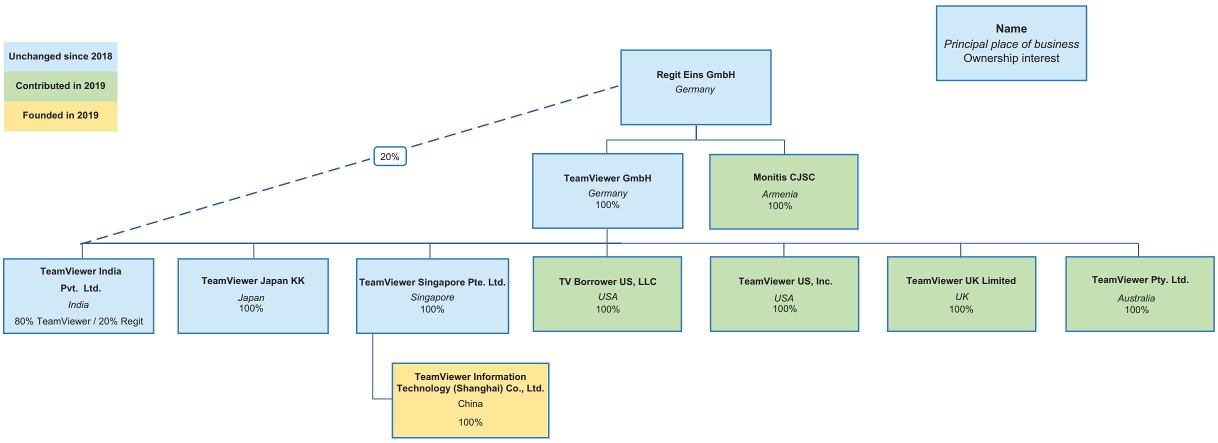
Maturity analysis of lease obligations

Thousands of euro	**As at 30 June 2019**
Contractual undiscounted cash flows	
Less than one year	3,299
One to three years	2,454
More than three years	987
Total undiscounted lease liabilities	**6,740**
Lease liabilities included in the statement of financial position	**6,265**
Current	3,068
Non-current	3,197

4 Structure of the Group

(a) Changes to the structure of the Group

Set out below is the structure of the Group as of 30 June 2019. In January 2019 the Group founded the TeamViewer Information Technology (Shanghai) Co., Ltd. based in Shanghai. Also in January 2019 the Regit Zwei GmbH was merged with the Regit Eins GmbH. On 12 June 2019 TigerLuxOne S.à r.l. contributed 100% of the shares of TeamViewer US Inc. (USA), TV Borrower US LLC (USA), TeamViewer Pty. Ltd. (Australia), TeamViewer UK limited (UK) and on 27 June 2019 100% of the shares of the Monitis CJSC (Armenia) to the Group (referred to as “contribution of foreign entities”).



(b) Business Combinations under Common Control

On 12 June 2019 TigerLuxOne S.à r.l., the 100% shareholder of Regit Eins GmbH, contributed 100% of the shares of three of its foreign subsidiaries to the equity of the Company:

- TeamViewer US Inc. (USA),
- TeamViewer Pty. Ltd. (Australia), and
- TeamViewer UK limited (UK).

These subsidiaries are engaged with marketing and sales activities.

On 27 June 2019 TigerLuxOne S.à r.l. contributed 100% of the shares of Monitis CJSC (Armenia) to the equity of the Company. Monitis CJSC is engaged in software developing.

For business combinations under common control the Company applies an accounting policy which is referred to as “predecessor accounting”. In particular, the Company as the entity obtaining control of the businesses of the four contributed foreign entities:

- recognised the assets and liabilities of the four contributed foreign entities when control was obtained at the carrying amounts recognised by TigerLuxOne S.à r.l. as the common controlling party. This includes any goodwill recognised when the four contributed foreign entities became part of TigerLuxOne S.à r.l.’s group;
- carried over the history of assets and liabilities of the four contributed foreign entities (e.g. historic cost and depreciation of items of property, plant and equipment recognised by TigerLuxOne S.à r.l.) and reflected it in the post-combination financial statements of the Company;
- recognised no additional goodwill as a result of the business combination under common control. Any difference between the consideration transferred and the net assets of the four contributed foreign entities was recognised in capital reserve;
- reflects the results of the four contributed foreign entities after obtaining control;
- carried over the pre-combination foreign currency translation reserve when control was obtained and reflected it in the post-combination financial statements of the Company,
- did not restate financial information for periods prior to the business combination under common control; and
- eliminated the effects of all transactions between the Group and the four contributed foreign entities that occurred before the Company obtained control.

Furthermore, on 12 April 2019 the Group acquired the intellectual property of the Monitis business from TeamViewer UK limited (UK) for EUR 3,610 thousand. EUR 603 thousand of the consideration was paid in cash whereas the remaining liability of EUR 3,007 thousand was settled by offsetting loans and receivables to TeamViewer UK limited (UK). As a linked transaction, this acquisition is combined for accounting purposes with the business combination under common control for TeamViewer UK limited. Consequently, the Group recognised the intellectual property of Monitis at the carrying amount of EUR 883 thousand recognised by TigerLuxOne S.à r.l. Furthermore, the payment of EUR 603 thousand cash to TeamViewer UK Limited (UK) was not presented in the cash flows from investing activities within the interim condensed consolidated statement of cash flows and also not included in the cash added to the Groups cash due to the contribution of the foreign entities.

As a result of the above mentioned contribution of the foreign entities on 12 June 2019 and 27 June 2019 respectively the following assets and liabilities were included in these condensed consolidated financial statements of Regit Eins GmbH as of 30 June 2019:

Assets and liabilities recognised on contribution of foreign entities:

In thousands of euro	**As at 12 and 27 June 2019**
Assets:	
Property, plant and equipment *(Note 6)*	2,907
Goodwill *(Note 7)*	6,057
Other intangible assets *(Note 7)**	1,035
Trade receivables	144
Cash and cash equivalents	3,768
Other assets	1,700
Total assets	**15,611**
Liabilities	
Trade payables and other operating liabilities	3,403
Interest bearing loans and borrowings	690
Other liabilities	1,967
Total liabilities	**6,060**
Net assets stated at values in the predesessor's accounting books	**9,551**
Elimination of the sale of the Monitis IP rights	(3,610)
Elimination of other transactions with the Group	2,737
Effect of the contribution of foreign entities on the Group's capital reserve	**8,678**

* Other intangible assets include the book value of Monitis IP right that was transferred on 12 April 2019.

As a result of the contribution of TeamViewer US, Inc to Regit Eins Group as of 12 June 2019, the beneficiaries of the share appreciation right programme increased by one key executive compared to prior year end. In total granted share appreciation rights increased from 91.8 million share appreciation rights to 104.55 million share appreciation rights for the Regit Eins Group because of the contribution of the foreign subsidiary.

5 REVENUE

Revenue was generated in following regions:

Revenue per region

	For the six months ended	
In thousands of euro	**30 June 2019**	**30 June 2018**
EMEA	103,092	60,484
Americas	56,183	30,144
APAC	21,961	11,098
Revenue	**181,236**	**101,726**

Historically the highest revenues of the Group were realised in the fourth quarter of the year due to the release of new versions of the TeamViewer core product in November / December of the respective year. With the switch to subscription solutions this effect is expected to flatten in the future.

6 Property, Plant and Equipment

Property, plant and equipment was increased by EUR 2,907 thousand due to the contribution and first-time consolidation of the foreign entities (note 4) as of 12 June 2019 for TeamViewer US, Inc., TeamViewer UK Ltd. and TeamViewer Pty Ltd. and 27 June 2019 for Monitis CJSC. Most of this increase is due to office buildings that are capitalised according to IFRS 16 (EUR 1,946 thousand). “Furniture and office equipment” increased by EUR 281 thousand, “Computer equipment” by EUR 354 thousand and “Improvements in premises” by EUR 325 thousand.

Furthermore, the position increased due to the initial application of IFRS 16 for further details please see note 3.

7 Goodwill and Other Intangible Assets

Due to the above mentioned contribution of the foreign entities, the goodwill increased by EUR 6,057 thousand and other intangible assets by EUR 1,035 thousand.

According to IAS 36 the Company performs an impairment test at the end of each reporting period or if there is an indication that an asset is impaired. The contributed entities were added to the existing *Cash Generating Unit* (CGU). According to the impairment test at the end of 2018, the recoverable amount of the CGU was significantly higher than its carrying amount. Therefore, the Company does not see any indication for a possible impairment on assets because of the contribution of the foreign entities.

8 Income Tax

Income tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. The Group determines these tax rates for the regions Germany and the Rest of the World. First time application of IFRIC 23 has led to no impact.

The major components of tax (expense)/income in the interim condensed consolidated statement of profit or loss are:

Tax (expense)/income

	For the six months ended	
In thousands of euro	**30 June 2019**	**30 June 2018**
Current tax expense, net	(5,333)	(245)
Deferred tax income/(expense), net	(18,697)	2,738
Tax (expense)/income	**(24,030)**	**2,493**

While revenue of the Group for the six months ended 30 June 2019 increased by EUR 80 million in comparison to the six months ended 30 June 2018, current tax expense increased by only EUR 5 million. To some extent, this comparatively moderate increase of current taxes results from the recent transition to the subscription model. Due to this transition to the subscription model, revenue from perpetual licences phases out and taxable revenue is lower than revenue recognised in applying IFRSs.

This is because revenue from the sale of perpetual licences is recognised at the point of time of the sale of the perpetual licence for tax purposes, whereas the same revenue is recognised over a period of three/four years in applying IFRSs. In other words, the Group still recognises revenue from sales of perpetual licences in the past in applying IFRSs, that it no longer does for tax purposes. Furthermore, the current tax expense was mitigated by the expected utilisation of the unused tax loss carry forward in the amount of EUR 30 million for the entire fiscal year 2019.

The deferred tax expense of EUR 18,697 thousand is partly caused by the expected utilisation of the unused tax loss carried forward in the amount of EUR 30 million for the entire fiscal year 2019.

On 31 December 2018, a deferred tax asset of EUR 9 million was recognised for this unused tax loss carried forward. Further, a major part of the deferred tax expense results from the significant decrease of the deferred tax assets related to the liabilities for deferred revenue. As described above, due to the transition to the subscription model, revenue from perpetual licences phases out. In addition, there is no difference for the subscription model in recognising revenue for tax purposes and in applying IFRSs.

Revenue from software subscriptions is recognised over the comparatively short subscription period which is generally one year.

9 TRADE RECEIVABLES

There are only current trade receivables, no non-current receivables have been recognised as of 30 June 2019. Current trade receivables on a gross basis including receivables older than 120 days are as follows:

Trade receivables aging

	As at	
In thousands of euro	**30 June 2019**	**31 December 2018**
Neither past due nor impaired	755	334
Past due and impaired		
Past due 1-30 days	*15,482*	*10,275*
Past due 31-60 days	*3,152*	*3,048*
Past due 61-90 days	*2,440*	*1,090*
Past due 91-120 days	*1,338*	*1,002*
Past due over 120 days	*16,845*	*17,250*
Total trade receivables, gross	**40,012**	**32,999**

The total trade receivables gross includes also trade receivables from related parties of EUR 6,926 thousand (31 December 2018: EUR 4,876 thousand).

The loss allowance for trade receivables increased to EUR 22,483 thousand as of 30 June 2019 (31 December 2018: EUR 17,557 thousand) mainly due to increased receivables and a higher expected credit loss. All trade receivables are still subject to enforcement activities. After three years, trade receivables and the applicable loss allowance are derecognised, due to German limitation period regulations, i.e. after three years receivables cannot be legally claimed. This led to the derecognition of trade receivables of EUR 1,262 thousand as at 30 June 2019 (as at 31 December 2018: EUR 3,925 thousand).

Valuation allowance (trade receivables)

	For the six months ended	For the year ended
In thousands of euro	**30 June 2019**	**31 December 2018**
Valuation allowance as of beginning of period	(17,557)	(14,951)
Change in accounting policies	-	1,759
Addition	(6,661)	(8,293)
Utilisation	1,262	3,925
Reversals	-	3
Contribution of foreign entities	472	-
Total valuation allowance end of period	**(22,483)**	**(17,557)**

Information about the Group’s exposure to credit and market risks for trade receivables is included in Note 13 - *Financial instruments – Fair values*.

10 EQUITY

Equity

In thousands of euro	As at 30 June 2019	As at 31 December 2018
Issued capital	25	25
Capital reserve	125,890	116,312
(Accumulated losses)/retained earnings	(288,043)	(332,876)
Hedge reserve	(12)	(14)
Foreign currency translation reserve	903	4
Total equity attributable to owners of the parent	**(161,237)**	**(216,548)**

(a) Nature and purpose of reserves

Issued capital comprises the subscribed capital of Regit Eins GmbH. The Company was incorporated with a subscribed capital of EUR 25 thousand.

The capital reserve as of 31 December 2018 consists of shareholder contribution of EUR 64.9 million in 2014 to the free capital reserve of the Company and the difference between the fair value and the nominal value of a loan from TLO issued in 2014 totalling EUR 49.6 million net of deferred tax. Also as of 31 December 2018 the Capital reserve includes the expensed share-based payment awards with an amount of EUR 1.8 million, which are accounted for as a shareholder contribution under the group share scheme.

In June 2019, TLO contributed 100% shares of four foreign subsidiaries to the equity of Regit Eins GmbH. This contribution resulted in an increase of the capital reserve of Regit Eins GmbH of EUR 8.7 million (for details see Note 4). As of 30 June 2019 the Capital reserve includes the expensed share-based payment awards of 2019 with an amount of EUR 0.9 million, which are accounted for as a shareholder contribution under the group share scheme.

Accumulated losses of EUR 288.0 million as at 30 June 2019 and EUR 332.9 million as at 31 December 2018 comprise the losses of the Group since the fiscal year 2014 and the effect of transition to IFRS 9 and 15 at 1 January 2018 and the counter position of the carried over pre-combination foreign currency translation reserve from the four contributed foreign entities of EUR 0.9 million. Adoption of IFRS 16 at 1 January 2019 did not have any effect on the retained earnings (see Note 3).

The movement in (accumulated losses)/retained earnings of the Group for the six months ended 30 June 2019 consists of comprehensive income of EUR 45.7 million and of an effect due to the contribution of foreign entities of EUR -0.9 million.

During the first six months of 2019 the Group recorded profit for the period of EUR 45.7 million compared to loss for the first six months of 2018 of EUR 10.3 million. The increase is mainly due to significant growth in revenue (from EUR 101.7 million to EUR 181.2 million, i.e. by 78.2%), operating profit margin (from 29.7% to 50.3%) and increase in finance income (from EUR 4.1 million to 22.3 million) in the first six months 2019 compared to the first six months of 2018.

This trend is consistent with the expectation of positive income for 2019. The Management of the Company expects to further improve the financial results for 2019 due to the finished switch to sale of subscription licences, development of business operations and the expansion to new markets especially in the APAC region, where the Group founded new subsidiaries to get a better market standing. Foreign currency translation reserve comprises foreign exchange differences arising from foreign operations of the Group, starting only in 2018 when the subsidiaries in Japan, Singapore and India were founded. As of 30 June 2019 the Group also included the difference between historical values of share capital and reserves in the accounting records of TLO and their values using the spot exchange rates as at the reporting date in the movement of foreign currency translation reserve. Also included in the Other Comprehensive Income is the hedging position.

(b) Capital management

The Company's policy is to enhance growth of business in order to safeguard its going concern, to maintain investor, creditor and market confidence as well as to sustain future developments. For this purpose, the Management actively manages and monitors the net debt position, defined as interest-bearing liabilities minus cash and cash equivalents. The net debt amounted to EUR 726.0 million as at 30 June 2019 compared to EUR 753.7 million as at 31 December 2018. The figure mainly improved due to cash received from operating activities before partial upfront repayments of bank loans and partial settlement of the TLO loan to Regit Eins GmbH (for details see Note 11).

11 LOANS AND BORROWINGS

(a) Interest-bearing liabilities

The following table shows the terms, conditions and the carrying amounts of the Group's interest-bearing liabilities:

Interest-bearing liabilities

				As at	
				30 June 2019	
In thousands of euro	**Currency**	**Nominal interest rate**	**Year of maturity**	**Principal amount (EUR)**	**Carrying amount (EUR)**
TigerLuxOne S.à. r.l.	EUR	7.00%	2024	151,981	141,896
Regit Loan First Lien	USD	7.08%	2024	251,318	254,674
Regit Loan First Lien	EUR	5.50%	2024	198,880	201,247
Regit Loan Second Lien	USD	10.58%	2025	175,747	177,207
Regit revolver loan	various	NA[1]	2022	-	(220)
Total interest-bearing liabilities				**777,926**	**774,805**

				As at	
				31 December 2018	
In thousands of euro	**Currency**	**Nominal interest rate**	**Year of maturity**	**Principal amount (EUR)**	**Carrying amount (EUR)**
TigerLuxOne S.à. r.l.	EUR	7.00%	2024	162,515	149,720
Regit Loan First Lien	USD	7.55%	2024	278,876	282,984
Regit Loan First Lien	EUR	5.50%	2024	222,045	224,927
Regit Loan Second Lien	USD	11.05%	2025	174,673	176,219
Regit revolver loan	various	NA[1]	2022	-	(260)
Total interest-bearing liabilities				**838,109**	**833,589**

(b) Loan from TigerLuxOne S.à. r.l.

In June 2019 the Company partly settled a loan from TigerLuxOne S.à r.l. by an unscheduled payment of EUR 10.5 million of principal and EUR 0.7 million of interest with the TigerLuxOne S.à r.l. This led to an additional accelerated recognition of amortised costs of EUR 0.7 million in June 2019. The estimated repayment date for the remaining principal in 2021 remained unchanged.

(c) Syndicated loans

In June 2019 the Company repaid an unscheduled EUR 50.3 million of principal for the 1st Lien loans (1st Lien EUR: 22.0 million EUR, 1st Lien USD: 31.7 million USD). This led to an additional accelerated recognition of amortised costs of EUR 0.7 million in June 2019. The estimated repayment dates for the remaining principal remained unchanged.

[1] NA as the revolver loan is not used as of 30 June 2019. Interest would be between 3.25-3.75%.

As of 30 June 2019, there were no breaches of loan covenants.

12 Financial Instruments – Fair Values

Finance income increased by EUR 18.1 million compared to the first half year 2018 mainly due to an increased fair value of the embedded derivatives.

(a) Accounting classifications and fair values

The Company applies the following fair value hierarchy to define and present its assets and liabilities measured at fair value:

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

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Carrying amount and fair value level

In thousands of euro	As at June 30, 2019					
	Carrying amount				Fair value level	
Classification	**Fair value through profit and loss**	**Amortised cost**	**Amortised cost**	**Total**	**Fair Value**	**Level Nr.**
Financial assets - thereof derivatives	13,384	-	-	13,384	13,384	Level 2
Total financial assets measured at fair value	**13,384**	**-**	**-**	**13,384**		
Trade and other receivables	-	17,528	-	17,528	17,528	Level 2
Cash and cash equivalents	-	48,783	-	48,783	48,783	Level 2
Total financial assets not measured at fair value	**-**	**66,311**	**-**	**66,311**		
Financial liabilities - thereof derivatives	1,111	-	-	1,111	1,111	Level 2
Total financial liabilities measured at fair value	**1,111**	**-**	**-**	**1,111**		
Trade payables	-	-	5,330	5,330	5,330	Level 2
Interest bearing liabilities	-	-	774,805	774,805	832,336	Level 2
Other financial liabilities	-	-	17,093	17,093	17,093	Level 2
Total financial liabilities not measured at fair value	**-**	**-**	**797,228**	**797,228**		

Carrying amount and fair value level

In thousands of euro	As at December 31, 2018					
				Carrying amount		Fair value level
Classification	**Fair value through profit and loss**	**Amortised cost**	**Amortised cost**	**Total**	**Fair Value**	**Level Nr.**
Financial assets - thereof derivatives	11	-	-	11	11	Level 2
Total financial assets measured at fair value	**11**	**-**	**-**	**11**		
Trade and other receivables	-	15,442	-	15,442	15,442	Level 2
Cash and cash equivalents	-	79,939	-	79,939	79,939	Level 2
Loan receivables	-	9,704	-	9,704	9,704	Level 2
Total financial assets not measured at fair value	**-**	**105,086**	**-**	**105,086**		
Financial liabilities - thereof derivatives	3,058	-	-	3,058	3,058	Level 2
Total financial liabilities measured at fair value	**3,058**	**-**	**-**	**3,058**		
Trade payables	-	-	6,695	6,695	6,695	Level 2
Interest bearing liabilities	-	-	833,589	833,589	806,389	Level 2
Other financial liabilities	-	-	6,509	6,509	6,509	Level 2
Total financial liabilities not measured at fair value	**-**	**-**	**846,794**	**846,794**		

(b) Measurement of fair values

Valuation techniques - The fair values are calculated using standard financial valuation models, based entirely on observable inputs.

Interest rate swaps are measured with the discounted-cash-flow method using applicable yield curves. Interest rate caps are measured using an option pricing model with current market volatilities.

The fair values for the embedded derivatives are calculated with an option pricing model in which the most relevant factors are current yield curves and credit default spreads for comparable companies.

The fair values of the debt instruments assigned to Level 2 are calculated as the present values of the payments associated with the debts, based on the applicable yield curve and the credit spread curve for comparable companies.

Trade receivables, receivables from affiliates, associates and other investments, as well as loan receivables, other assets and cash and cash equivalents generally all have short maturities. For this particular reason, their carrying amounts approximate their fair values on closing date.

Trade liabilities, payables and other non-financial liabilities also generally have short maturities. For this particular reason, their carrying amounts approximate their fair values on closing date.

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

There were neither transfers between fair value levels in the first half year of 2019 nor in 2018.

13 Operating Segments

Unchanged to the end of 2018 the Group is seen as a single segment entity by Management. Therefore, no further reconciliation of the “Consolidated Statements of Profit or Loss and other Comprehensive Income” and the “Consolidated Statements of Financial Position” is necessary.

The most relevant key performance indicators based on which Management decides about the allocation of resources are billings per region and Cash EBITDA.

Billings split per region

In thousands of euro	For the six months ended 30 June 2019	For the six months ended 30 June 2018
EMEA	79,896	58,928
Americas	41,118	27,604
APAC	20,627	17,139
Billings	**141,640**	**103,671**

Billings can be reconciled to revenue as follows:

Revenue

In thousands of euro	For the six months ended 30 June 2019	For the six months ended 30 June 2018
Billings	141,640	103,671
Change in deferred revenue p/l effective	39,596	(1,945)
Revenue	**181,236**	**101,726**

Cash EBITDA is calculated as follows:

In thousands of euro	For the six months ended 30 June 2019	For the six months ended 30 June 2018
Operating (loss)/profit	**90,242**	**32,918**
Depreciation and amortisation	17,906	14,386
EBITDA*	**108,148**	**47,304**
Adjustments for specific non-recurring items	4,991	4,872
Change in deferred revenue p/l effective	(39,596)	1,946
Cash EBITDA	**73,543**	**54,121**

* The position is affected by the initial recognition of IFRS 16 in 2019. Therefore, the comparability is limited.

The adjustments for specific non-recurring items include the following amounts:

In thousands of euro	For the six months ended 30 June 2019	For the six months ended 30 June 2018
GDPR and IT Security projects	(2,174)	(1,757)
IT related projects	(124)	(132)
Re-Organisation	(1,372)	(1,628)
SaaS Transformation	-	(341)
Transaction related	(1,205)	(901)
Other	(116)	(112)
Total	**(4,991)**	**(4,872)**

GDPR and IT Security projects:

In H1 2019 this position mainly consists of costs for improving the IT security environment (EUR 1,768 thousand), in H1 2018 this was included with EUR 472 thousand. Furthermore, there were costs included regarding external consulting costs for GDPR implementation amounting to EUR 406 thousand in H1 2019 and EUR 1,284 thousand in H1 2018.

IT related projects:

IT project related include cost for the new ERP/CRM system.

Re-Organisation:

The re-organisation costs include organisational changes such as head hunter costs and severance payments for leadership positions. In H1 2019 EUR 931 thousand were included. In H1 2018 EUR 651 thousand were included.

Furthermore, costs related to external consulting support in the re-organisation of the US sales and marketing organisation, amounting to EUR 441 thousand in H1 2019 and EUR 977 thousand in H1 2018.

SaaS Transformation:

All costs incurred in this category are related to external support on transforming the business model of the Group from sale of perpetual licences towards sale of subscription licences. The transformation was completed in 2018.

Transaction related:

The transaction related costs were mainly incurred for exit considerations of the current shareholder after reimbursement of costs by the shareholder incl. share-based payments.

Other:

These adjustments include minor extraordinary projects.

The geographical allocation of the revenue is as follows:

Geographical locations of revenue

	For the six months ended	
In thousands of euro	**30 June 2019**	**30 June 2018**
USA	40,670	22,662
Germany	31,093	16,512
France	9,805	4,878
Great Britain	9,043	6,073
Italy	5,968	2,605
Australia	5,789	3,892
Switzerland	5,749	3,715
Canada	5,396	2,991
Japan	3,929	1,650
Brasil	3,567	1,802
Rest of EMEA	41,435	26,701
Rest of APAC	12,243	5,557
Rest of Americas	6,550	2,689
Revenue	**181,236**	**101,726**

The non-current assets, excluding the financial instruments and deferred tax assets, split to the countries as follows:

Geographical locations of non-current assets

	As at	
In thousands of euro	**30 June 2019**	**31 December 2018**
Germany	837,234	839,855
India	2	2
Japan	18	1
USA	5,707	-
Armenia	2,746	-
Australia	1,328	-
Singapore	1	-
China	-	-
Non-current assets	**847,039**	**839,858**

The Group has a very diversified group of customers. Therefore, no single customer has a revenue share of more than 10%.

14 Related Party Disclosures

The shareholder of Regit Eins GmbH is TigerLuxOne S.à r.l., a company based in Luxembourg. Listed in the below table are the shareholders of TigerLuxOne S.à r.l.

Shareholders of TigerLuxOne S.à r.l.	Interest as of 30.06.2019	Interest as of 31.12.2018
TigerLuxOne Holdco S.C.A, Luxembourg	94.27%	94.27%
TigerLuxOne Management Beteiligungs S.à r.l. & Co. KG, Germany	4.35%	4.35%
TigerLuxOne Zweite Management Beteiligungs S.à r.l. & Co. KG, Germany	1.06%	1.06%
TigerLuxOne Dritte Management Beteiligungs S.à r.l. & Co. KG, Germany	0.02%	0.02%
TigerLuxOne Vierte Management Beteiligungs S.à r.l. & Co. KG, Germany	0.30%	0.30%

The Group is majority-owned by funds advised by Permira, an international private equity firm registered in the United Kingdom. There is no senior parent of TigerLuxOne S.à r.l. which produces consolidated financial statements available for public use.

In the following table is the overview of the transactions with the related parties of Regit Eins GmbH:

Counterpart	As of and for the period ended[1]	Sales to related parties	Purchases from related parties	Interest income from related parties	Interest expense from related parties	Current accounts owed by related parties	Current accounts owed to related parties	Loans& borrowings owed by related parties	Loans& borrowings owed to related parties
				In thousands of euro					
TigerLuxOne HoldCo S.C.A.	30.06.2019	-	-	270	-	-	-	-	-
	31.12.2018	120	-	606	-	-	-	9,354	-
TigerLuxOne S.a.r.l.	30.06.2019	7,057[2]	-	35	8,292	6,926	-	-	152,331
	31.12.2018	1,011	-	53	14,681	1,408	-	-	155,236
Teamviewer Pty Ltd	30.06.2019	-	1,545	-	1	-	-	-	-
	31.12.2018	-	4,004	-	3	-	403	-	-
Teamviewer US, LLC	30.06.2019	-	11,944	-	11	-	-	-	-
	31.12.2018	30	15,452	-	6	-	2,173	-	-
Teamviewer UK, Ltd	30.06.2019	33	266	45	-	-	-	-	-
	31.12.2018	196	695	163	-	2,993	-	-	-
Monitis US, LLC	30.06.2019	528	2	1	-	-	-	-	-
	31.12.2018	-	50	-	-	-	-	-	-
Monitis CJSC	30.06.2019	-	1,995	10	-	-	-	-	-
	31.12.2018	57	2,969	33	-	-	344	350	-
GFKL	30.06.2019	-	-	-	-	-	-	-	-
	31.12.2018	-	4	-	-	-	-	-	-
Magento	30.06.2019	-	-	-	-	-	-	-	-
	31.12.2018	-	23	-	-	-	-	-	-
Tricor	30.06.2019	-	145	-	-	-	5	-	-
	31.12.2018	-	67	-	-	-	16	-	-

1 The PL effects above show the first half year 2019 and the full year 2018.
2 Recharge of expenses. Shown in the P&L under “Other income”

Transactions with key management personnel – The remuneration paid to key management personnel of the Group companies comprised short-term employee benefits amounting to EUR 1,357 thousand in the first half year 2019 (EUR 1,535 thousand in 2018). The bonus payment for the year 2017 was paid out partially in 2017 and in 2018, whereas the bonus payment for the year 2018 was fully paid out in 2019. Therefore, bonus payments increased from 2018 to 2019. In the first half year of 2018 and as well of 2019 share-based awards were granted to newly joined key management personnel, which were expensed in an amount of EUR 0.9 million within general and administrative expenses.

In addition, certain managers and board members of the Group ("Managers") were given the opportunity to invest in four German limited partnerships, respectively TigerLuxOne Management Beteiligungs S.à r.l. & Co KG., TigerLuxOne Zweite Management Beteiligungs S.à r.l. & Co KG, TigerLuxOne Dritte Management Beteiligungs S.à r.l. & Co. KG and TigerLuxOne Vierte Management Beteiligungs S.à r.l. & Co which directly owns interests in the Group. The subscription price for the partnership interests subscribed by the Managers in the limited partnership corresponded to their fair value at grant date.

The acquisition qualifies as a Share Based Payment under IFRS 2, the Managers interests in the partnership are recognised as an equity-settled share-based payment arrangement in the financial statements of TigerLuxOne Group.

As the investments in the partnership were acquired at fair value, no expense will be recognised as a result of this transaction. The participation rights in form of partnership interest were acquired from an entity outside the Group and the Group has no obligation to make any payments on the partnership interests to the Managers. The share-based payment arrangements are fully vested at grant date. The governing bodies of TigerLuxOne S.à r.l. received no remuneration for their management activities from the Company.

The remuneration paid to the advisory board of Regit Eins GmbH comprised short-term benefits amounting to EUR 92 thousand in the first half year 2019 (EUR 178 thousand in 2018). Accounts payables respectively accruals as of 30 June 2019 amounted to EUR 73 thousand (31 December 2018: EUR 64 thousand)

There were no other transactions with key management personnel during the reporting period first half year 2019, neither any balances outstanding to key management personnel as of 30 June 2019.

15 SUBSEQUENT EVENTS

- On 01 August 2019 TigerLuxOne S.à r.l. contributed their shares in the Company into a new company named Regit Beteiligungs-GmbH.
- In August 2019, the Group founded a new subsidiary in Greece (TeamViewer Greece EPE).
- The Company is currently considering an IPO. Under this scenario the 1st and 2nd lien loans would be repaid end of Q3 2019 which would lead to an additional accelerated recognition of amortised costs as well as derecognition of embedded derivatives. New financing agreements, which are contingent upon such IPO, have been signed with the banks. Under this IPO scenario the Company would grant certain IPO related incentive payments to management and employees. These considerations did not affect the financial information reported in this interim condensed consolidated financial statements.

Release date for publication

The interim condensed consolidated financial statements were released for publication on 30 August 2019.

30 August 2019

The Management

Mr. Oliver Steil

Mr. Stefan Gaiser

Consolidated Financial Statements

Regit Eins GmbH

For the fiscal years ended 31 December 2018, 2017 and 2016

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Consolidated Statements of Profit or Loss and Other Comprehensive Income for the fiscal years ended December 31, 2018, 2017 and 2016

Regit Eins GmbH

In thousands of euro	For the fiscal year ended 31 December 2018	2017	2016	Note
Revenue	258,157	138,467	91,670	(5)
Cost of sales	(46,610)	(41,370)	(39,700)	(6)
Gross profit	**211,548**	**97,098**	**51,970**	
Other income	1,588	2,651	1,555	
Research and development	(23,039)	(16,542)	(13,020)	(6)
Sales	(30,458)	(22,421)	(21,621)	(6)
Marketing	(17,974)	(13,020)	(10,443)	(6)
General and administrative	(26,089)	(21,004)	(15,688)	(6)
Other expenses	(166)	(568)	(26)	(6)
Bad debt expenses	(8,280)	-	-	(12)
Operating (loss)/profit	**107,129**	**26,192**	**(7,272)**	
Unrealised foreign exchange gains/(losses)	(20,791)	58,747	(11,638)	(8)
Realised foreign exchange gains/(losses)	(162)	(1,772)	(1,252)	(8)
Finance income	12,311	7,094	26,766	(8)
Finance costs	(93,988)	(160,466)	(74,822)	(8)
(Loss)/profit before taxation	**4,499**	**(70,205)**	**(68,218)**	
Tax (expense) / income	(16,912)	1,052	9,396	(11)
(Loss)/profit for the year	**(12,413)**	**(69,153)**	**(58,823)**	
Thereof attributable to owners of the parent	*(12,413)*	*(69,153)*	*(58,823)*	
Other comprehensive income for the year				
Items that may be reclassified to profit or loss	(10)	-	-	
Hedge reserve, gross	*(14)*	-	-	
Exchange differences on translation of foreign operations	*4*	-	-	
Total comprehensive income for the year	**(12,423)**	**(69,153)**	**(58,823)**	
Thereof attributable to owners of the parent	*(12,423)*	*(69,153)*	*(58,823)*	

Consolidated Statements of Financial Position as of December 31, 2018, 2017 and 2016

Regit Eins GmbH

	As at				
	31 December			01 January	
In thousands of euro	**2018**	**2017**	**2016**	**2016**	**Note**
Non-current assets					
Property, plant and equipment	2,239	2,919	2,782	2,117	*(9)*
Goodwill	584,312	584,312	584,312	584,312	*(10)*
Intangible assets	252,563	270,505	290,501	312,047	*(10)*
Deferred tax assets	-	-	-	-	*(11)*
Financial assets, non-current	-	14,747	19,672	297	*(21)*
Cost to obtain a contract, non-current	427	-	-	-	
Other assets, non-current	318	317	219	173	
Total non-current assets	**839,858**	**872,800**	**897,486**	**898,946**	
Current assets					
Trade receivables	15,442	18,571	18,766	17,841	*(12)*
Cost to obtain a contract, current	710	-	-	-	
Other assets, current	2,548	2,702	1,939	1,574	*(13)*
Tax assets, current	-	1,869	1,982	-	*(11)*
Financial assets, current	9,715	9,279	1,379	140	*(21)*
Cash and cash equivalents	79,939	35,154	86,876	54,687	*(14)*
Total current assets	**108,355**	**67,574**	**110,942**	**74,242**	
Total assets	**948,213**	**940,374**	**1,008,428**	**973,188**	
Equity					
Issued capital	25	25	25	25	*(15)*
Capital reserve	116,312	114,512	114,512	114,512	
(Accumulated losses)/retained earnings	(332,876)	(316,226)	(247,073)	(188,251)	*(15)*
Hedge reserve	(14)	-	-	-	*(15)*
Foreign currency translation reserve	4	-	-	-	*(15)*
Total equity	**(216,548)**	**(201,689)**	**(132,536)**	**(73,713)**	
Thereof equity attributable to owners of the parent	*(216,548)*	*(201,689)*	*(132,536)*	*(73,713)*	
Non-current liabilities					
Interest-bearing loans and borrowings, non-current	678,771	664,328	488,189	475,742	(16)
Deferred revenue, non-current	47,225	148,660	173,593	123,371	(17)
Provisions, non-current	143	24	24	20	(20)
Deferred tax liabilities	18,614	6,766	7,544	34,267	(11)
Financial liabilities, non-current	2,928	731	1,325	7,728	(21)
Total non-current liabilities	**747,681**	**820,509**	**670,675**	**641,128**	
Current liabilities					
Interest-bearing loans and borrowings, current	154,818	140,369	349,773	316,503	*(16)*
Trade payables	6,695	4,535	3,952	2,392	*(18)*
Deferred revenue, current	233,410	160,123	94,181	62,992	*(17)*
Accrued expenses and other payables	13,846	9,623	7,100	4,818	*(19)*
Tax liabilities, current	466	-	-	4,178	*(11)*
Provisions, current	1,205	1,491	1,581	2,082	*(20)*
Financial liabilities, current	6,640	5,413	13,703	12,808	(21)
Total current liabilities	**417,080**	**321,553**	**470,289**	**405,774**	
Total liabilities	**1,164,761**	**1,142,062**	**1,140,964**	**1,046,902**	
Total equity and liabilities	**948,213**	**940,374**	**1,008,428**	**973,188**	

Consolidated Statements of Cash Flows for the fiscal years ended 31 December 2018, 2017 and 2016

Regit Eins GmbH

	For the fiscal year ended December 31,			
In thousands of euro	**2018**	**2017**	**2016**	**Note**
Cash flows from operating activities				
(Loss)/profit for the year	**(12,413)**	**(69,153)**	**(58,823)**	
Depreciation and amortisation	30,106	27,708	26,368	
Depreciation of property, plant and equipment	*1,496*	*1,212*	*951*	*(9)*
Amortisation of intangible assets	*28,611*	*26,496*	*25,417*	*(10)*
(Gain)/ loss on sale of fixed assets	-	(2)	12	
Increase/(decrease) of provisions	(221)	(295)	(498)	(20)
Share-based compensation expenses	1,800	-	-	(7)
Non-operational foreign exchange (gains)/losses	20,208	(58,246)	12,206	(8)
Financial result effect	81,677	153,372	48,057	
Net finance costs [(1)]	*63,727*	*120,307*	*72,776*	*(8)*
Movement in fair value of derivative financial instruments	*17,950*	*33,065*	*(24,719)*	
Changes in working capital	(24,496)	44,609	83,563	
(Increase)/decrease in trade receivables	*(4,391)*	*324*	*(1,190)*	
Increase/(decrease) in deferred revenue	*(28,097)*	*41,010*	*81,411*	
Increase/(decrease) in trade payables	*3,035*	*1,614*	*1,954*	
(Increase)/decrease in prepayments	*400*	*(757)*	*(225)*	
(Increase)/decrease in cost to obtain a contract	*164*	*-*	*-*	
Increase/(decrease) in accrued expenses and other payables	*4,412*	*2,522*	*2,044*	
(Increase)/decrease in other assets	*(20)*	*(103)*	*(431)*	
Tax expense/(income)	16,912	(1,052)	(9,396)	(11)
Taxes (paid)/received	(1,016)	683	(23,446)	
Interest paid (other than borrowings) [(2)]	(0)	(14)	-	
Net cash from operating activities	**112,556**	**97,610**	**78,043**	
Cash flows from investing activities				
Investments	180	(7,943)	(897)	
Proceeds from loans	*180*	*(8,251)*	*(897)*	
Repayments of loans	*-*	*309*	*-*	
Capital expenditure	(11,484)	(7,847)	(5,499)	
Purchase of property, plant and equipment	*(816)*	*(1,349)*	*(1,622)*	*(9)*
Purchase of intangible assets	*(10,668)*	*(6,501)*	*(3,882)*	*(10)*
Proceeds from sale of property, plant and equipment	*-*	*2*	*5*	
Proceeds from sale of intangible assets	*-*	*-*	*-*	
Finance effects	126	32	69	
Interest received	*126*	*32*	*69*	(8)
Net cash used in investing activities	**(11,178)**	**(15,757)**	**(6,327)**	
Cash flows from financing activities				
Loans & borrowings, third parties	(55,948)	137,556	(39,533)	
Repayments of borrowings	*(5,016)*	*(4,430)*	*(3,914)*	*(21)*
Proceeds from borrowings	*-*	*184,002*	*-*	*(16)*
Interest paid on borrowings	*(50,323)*	*(41,416)*	*(35,000)*	*(8)*
Proceeds / (payments) from the settlement of derivatives	*(610)*	*(600)*	*(618)*	
Proceeds from / (repayments) of related party loans	-	(258,773)	-	
Interest received / (paid) on related party loans	-	(11,465)	-	
Net cash used in financing activities	**(55,948)**	**(132,682)**	**(39,533)**	
Net change in cash and cash equivalents	**45,430**	**(50,829)**	**32,183**	
Net foreign exchange difference	272	(893)	6	
Net change from cash risk provisioning	(917)	-	-	
Cash and cash equivalents at beginning of period	35,154	86,876	54,687	
Cash and cash equivalents at end of period	**79,939**	**35,154**	**86,876**	(14)

(1) Does not comprise movement in fair value of derivatives as the net change of those financial instruments is presented separately in the line below.

(2) Comprises interest paid on current accounts and tax liabilities.

Consolidated Statements of Changes in Equity for the fiscal years ended 31 December 2018, 2017 and 2016

Regit Eins GmbH

				Other components of equity		
In thousands of euro	***Issued Capital***	***Capital reserve***	***(Accumulated losses) / retained earnings***	***Hedging reserve***	***Foreign currency translation reserve***	***Total equity***
Balance at 01 January 2018	**25**	**114,512**	**(316,226)**	**-**	**-**	**(201,689)**
First time adoption IFRS 9 & 15	-	-	(4,237)	-	-	(4,237)
Total comprehensive income						
(Loss)/profit for the year	-	-	(12,413)	-	-	(12,413)
Other comprehensive income	-	-	-	(14)	4	(10)
Total comprehensive income	**-**	**-**	**(12,413)**	**(14)**	**4**	**(12,423)**
Share based compensation	-	1,800	-	-	-	1,800
Balance at 31 December 2018	**25**	**116,312**	**(332,876)**	**(14)**	**4**	**(216,548)**

				Other components of equity		
In thousands of euro	***Issued Capital***	***Capital reserve***	***(Accumulated losses) / retained earnings***	***Hedging reserve***	***Foreign currency translation reserve***	***Total equity***
Balance at 01 January 2017	**25**	**114,512**	**(247,074)**	**-**	**-**	**(132,536)**
Total comprehensive income						
(Loss)/profit for the year	-	-	(69,153)	-	-	(69,153)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	**-**	**-**	**(69,153)**	**-**	**-**	**(69,153)**
Balance at 31 December 2017	**25**	**114,512**	**(316,226)**	**-**	**-**	**(201,689)**
Balance at 01 January 2016	**25**	**114,512**	**(188,251)**	**-**	**-**	**(73,713)**
Total comprehensive income						
(Loss)/profit for the year	-	-	(58,823)	-	-	(58,823)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	**-**	**-**	**(58,823)**	**-**	**-**	**(58,823)**
Balance at 31 December 2016	**25**	**114,512**	**(247,074)**	**-**	**-**	**(132,536)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 REPORTING ENTITY

Regit Eins GmbH (the "Company") was formed on 01 April 2014 in Munich as a German limited liability company (Gesellschaft mit beschränkter Haftung).

The Company's registered office is at Jahnstrasse 30, 73037 Göppingen, Germany. Its main operating entity, TeamViewer GmbH, is also located in Jahnstraße 30, 73037 Göppingen, Germany.

These consolidated financial statements comprise the Company and its subsidiaries (together referred to as "the Group" and individually as "Group companies").

The financial year is the calendar year.

The Group is engaged in the development and distribution of high-end remote connectivity solutions. Remote connectivity solutions are a critical component for many different use cases and applications like online communication and collaboration, remote support and remote management of any kind of connected devices such as machines, PCs, mobile devices, and Internet of Things (IoT) devices. TeamViewer connects all those devices in a highly secure manner, on a global basis across all operating systems and platforms with superior performance.

2 BASIS OF PREPARATION

All figures and percentages are rounded according to customary business practice, so minor discrepancies may arise from the addition of these amounts.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") of the International Accounting Standards Board (IASB) in force at the reporting date, as adopted by the European Union pursuant to EU Regulation No. 1606/2002 of the European Parliament and the Council concerning the use of International Accounting Standards. Additional disclosures required by § 315e of the German Commercial Code are not included. The term IFRS also includes the International Accounting Standards (IAS) that are still in effect. All binding interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC) mandatory for the financial years 2016, 2017 and 2018 were also applied.

Details are described in *Note 3 – Significant accounting policies*.

The consolidated financial statements were approved and authorised for issue by the Company's board of directors on 19 August 2019. The consolidated financial statements will be approved by the shareholders at the general meeting in accordance with German Law. Shareholders can reject the financial statements and have them changed.

(b) First-time adoption of IFRS

It is the first time, that the Company has prepared financial statements in accordance with IFRS. In addition, these financial statements are the first consolidated financial statements that the Company has prepared. So far, the Company has only prepared stand-alone financial statements, i.e. financial statements on an entity-level, in accordance with the German legally required accounting principles ("German GAAP"). Furthermore, the Group prepared reporting packages for its inclusion in the consolidated IFRS financial statements of its parent, TigerLuxOne S.à r.l., Luxembourg ("TLO").

The Company has prepared financial statements that comply with IFRS applicable as at 31 December 2018, as described in the summary of significant accounting policies, and an opening statement of financial position on the Group's date of transition to IFRS. In order to meet the requirements of the

European Prospectus Regulation, these financial statements present information for 2016, 2017 and 2018 and the Group's date of transition to IFRS is 01 January 2016.

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS. The Company has applied the exemption for subsidiaries that become first-time adopters later than their parents in paragraph D16(a) of IFRS 1. Consequently, the Group measured its assets and liabilities at the carrying amounts that were included its parent's consolidated IFRS financial statements. With one exception, the application of the exemption results in the adoption of TLO's accounting for the Group's transactions in these consolidated financial statements of the Company. The exception relates to the consolidation adjustments made for including the Group in the consolidated financial statements of TLO.

No reconciliations of the Group's equity and comprehensive income reported in accordance with German GAAP to its equity and comprehensive income in accordance with IFRSs are presented since the Company did not prepare consolidated financial statements so far.

(c) Basis of measurement

The consolidated financial statements are based on the principle of historical cost, except for the following items

- derivatives;
- preferred equity certificates at initial recognition; and
- assets acquired and liabilities assumed in a business combination

which are recognised at fair value.

(d) Basis of preparation

The consolidated income statement is presented using the cost-of-sales method. The consolidated financial statements follow the organisational requirements of IAS 1. The presentation in the statement of financial position distinguishes between current and non-current assets and liabilities. Assets and liabilities are classified as current when they are expected to be settled within one year or, for current liabilities, if the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

To provide a clearer and more meaningful picture, certain items have been combined in the consolidated income statement and the consolidated statement of financial position, while specific explanations by item are provided in the Notes.

(e) Basis of cash flow statement preparation

The Group presents cash flows from operating activities using the indirect method and has used "profit or loss of the period" as the starting point. Only interest related to loans, borrowings or similar products are comprised in financing activities, whereas interest received is related to financial assets and therefore, disclosed in the cash flows from investing activities. Interest paid (other than on borrowings) is allocated to operating activities.

(f) Presentation currency

The consolidated financial statements have been prepared in Euros (EUR or €), which is the Group's presentation currency. Rounding differences may arise when individual amounts or percentages are added together.

(g) Use of judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities, accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties include:

- Capital Management Note 15 – *Equity*
- Financial instruments risk management and policies Note 21 – *Financial instruments – Fair value and risk management*
- Sensitivity analyses Note 21 – *Financial instruments – Fair value and risk management*

Judgements

The application of the Group's accounting policies is based on the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Revenue – Starting with the release of TeamViewer 12 in Q4 2016, the period for the recognition of revenue for perpetual licenses was determined to be three years rather than four years up to TeamViewer 11. Please refer to Note 3 – *Significant accounting policies*.

Recognition and measurement of assets – Particularly intangible assets/goodwill and liabilities resulting from the purchase price allocation at the time of first consolidation – see Note 10 – *Goodwill and other intangible assets.*

Other intangible assets and goodwill – allocation of goodwill to the cash-generating units / impairment test: key assumptions underlying recoverable amounts – please refer to Note 10 – *Goodwill and other intangible assets.*

Estimates and assumptions

Described below are the key assumptions concerning the future as well as the other key sources of estimation uncertainty, which were made at the reporting date and have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Assumptions and estimates are based on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Share-based compensation – Estimating fair value for share-based payment transactions requires determination of an appropriate valuation model, which depends on the terms and conditions of the awards granted. This estimate also requires determination of an appropriate inputs to the valuation model including the expected life of the appreciation right, volatility and dividend yield and making assumptions about them. The Group initially measures the services received as an equity-settled share-based payment transaction using a black-scholes-model to determine the fair value at grant date. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 7.

Recognition of deferred tax assets – Availability of future taxable profits against which carried forward tax assets can be used – please refer to Note 11 *Income taxes.*

Tax-related liabilities – The Group is required to calculate and pay income taxes in accordance with applicable tax law. The application of tax rules to complex transactions is sometimes open to interpretation, by both the Group and the taxation authorities. The tax authorities may challenge current income tax positions and require further payments. Those interpretations of tax law that are unclear are generally referred to as uncertain tax positions.

Current tax assets/liabilities for the current and prior periods are calculated at the amount expected to be paid to (or recovered from) the tax authorities, which involves dealing with uncertainties in the application of complex tax laws and regulations in a multitude of jurisdictions across our global operations. If it is probable that an outflow of economic resources will occur (i.e. that upon examination of the tax position by the appropriate tax authority, the Group will, for example, not be entitled to a particular tax credit or deduction or that a particular income stream will be judged taxable), the Group records a liability based on its best estimate of the amount of the economic outflow that may occur as a result of the examination of the tax position by the tax authorities. The Group's best estimate of the amount to be provided is determined by judgment of management, supplemented by experience of similar transactions and, in some cases, reports from independent experts.

(h) IFRS 13 – Fair values

The Group measures financial instruments such as derivatives at fair value at each balance sheet date. Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

- *Note 16 – Loans and borrowings*; and
- *Note 21 – Financial instruments*.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

For fair value measurements, valuation techniques are used that are appropriate in the circumstances and for which sufficient data are available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

External valuers are involved for valuation of significant assets and significant liabilities. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosures, classes of assets and liabilities have been determined on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

3 Significant accounting policies

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

(a) Basis of consolidation

Business combinations – The Company accounts for business combinations using the acquisition method in accordance with IFRS 3 when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred.

Subsidiaries – In line with IFRS 10, subsidiaries are entities controlled by Regit Eins GmbH. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity´s relevant activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control – When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, any related non-controlling interests (“NCI”) and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation – Intra-group balances, transactions and any unrealised income and expenses arising from intra-group transactions are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Financial year – The financial year of all consolidated companies corresponds to the financial year of the parent company with the exception of the first financial year of the TeamViewer Singapore Pte. Ltd. from September 2018 to December 2019 and the financial year of TeamViewer India Pvt. Ltd. from April to March. If the financial year differs additional financial information as of the same date as the financial statements of the parent is used for the Group consolidation.

(b) Revenue

For the fiscal years ended 31 December 2016 and 31 December 2017, the Group recognised revenue according to IAS 18. In these periods, revenue is measured at the fair value of consideration received or receivable (net of returns, applicable discounts and sales taxes and other similar assessments collected from customers and remitted to government authorities) and is recognised in accordance with IAS 18 when each of the following criteria for revenue recognition have been met:

- The amount of revenue and costs incurred or to be incurred in respect of the transaction can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group; and
- The stage of completion of the transaction at the end of the reporting period can be measured reliably.

Starting from 01 January 2018, revenue is recognised according to IFRS 15. The transition results from the application of the exemption for subsidiaries that become first-time adopters later than their parents in paragraph D16(a) of IFRS 1. According to this exemption, the Company has adopted TLO’s accounting for the Group’s transactions (with the exception of some consolidation adjustments). TLO however chose to apply IFRS 15 retrospectively with the cumulative effect of initially applying this standard as an adjustment to the opening balance of retained earnings as of 01 January 2018. Adopting TLO’s accounting for the Group’s transactions also implies that IFRS 15 is only applied on contracts that were not completed on 01 January 2018 since TLO applied this practical expedient in IFRS 15. For the numerical effect of transition to IFRS 15, please refer to Note 5 – *Revenue*.

Revenue is derived from the sales of subscription-based software and perpetual software license arrangements with post-contract support or maintenance in a single bundled transaction through direct sales to end users and indirect sales through resellers, distributors and through original equipment manufacturers (“OEMs”).

For the Group, each arrangement is considered to be a single performance obligation (before 2018 – as a single unit of accounting) for revenue recognition purposes, since the components of the arrangements are not individually distinct or separable. Proportional recognition on a straight-line basis over the term of the arrangement is the most appropriate attribution methodology. Logic of this method is the fact that the Group has to provide services over the complete term of the contract. Accordingly, when the criteria for revenue recognition associated with provisioning of services are met, the Group records revenue for the entire arrangement on a straight-line basis.

Measurement of the revenue is the transaction price agreed upon in the contract and is recognised in accordance with IFRS 15 when each of the following criteria for revenue recognition have been met:

- There is a contract with a customer which was approved by both parties;
- The performance obligations of both sides are identifiable;
- Transaction price is determined;
- Transaction price is allocated to the single performance obligations of the contract;
- Performance obligation of the Group is fulfilled.

Revenue is recorded net of any returns, discounts, sales taxes and other remittable amounts.

In general, the Group identified the following deliverables within the product offering:

- License
- Technical Support/Minor Updates
- Access via Master Server

Subscription-based Software – Since the second half of the 2018 fiscal year, all of TeamViewer’s offerings are marketed and sold as software subscriptions for the most current version of the applicable licence. TeamViewer records revenue for the entire arrangement on a straight-line basis over the subscription term (predominantly one-year terms).

Perpetual Licence Agreements – The estimated technological life of a particular software version approximates the period over which the connectivity services are provided and thus the period over which revenue should be recognised. Until 2016, it was determined that this period is four years. Due to changes in user behaviour, that indicates a shorter period of use with every new version, the duration of revenue recognition was changed to three years starting with the release of TeamViewer 12 (October 2016). If updates for existing Perpetual License Agreements were provided, the new revenue is again proportioned for the next three years, but also the remaining deferred revenue from the previous license purchase will be deferred over the new three-year timeframe.

A special case of perpetual licence agreements are service contracts. In these cases, the customers are obliged to buy the next updates of the licence versions. Since 2016 these contracts are no longer offered to customers, but existing contracts are prolonged as long as the existing customers do not terminate the contracts.

When sales are made through indirect channels such as resellers and distributors, the Group recognises revenue starting from the date of providing the licence key to the reseller or distributor.

Add-on Components – The Group offers add-on components to existing licenses. These components are generally intended to add valuable functionality to selected customers. These high value-added features are separately priced optional products – which may be offered, at customer demand, on either subscription or perpetual terms. Since the add-ons are only usable in connection with the existing license, the run time equals the remaining lifetime of the base license.

If updates for existing perpetual add-on components were provided, the new revenue is again proportioned for the next three years, but also the remaining revenue from the previous perpetual add-on component purchase will be deferred over a new three-year timeframe.

OEM's – Depending on the type of licence as described above, revenue from OEM transactions is recognised in the period earned based on periodic reports provided to the Group by OEMs upon sales of their product within which the Group's software is embedded. When sales are made through OEM transactions, revenue is recognised on a "sell-through" basis. On a monthly or quarterly basis each OEM partner provides a report detailing the number of subscriptions sold. Based on this detail, the Group bills the partner for the percentage of partner sales owed by the partners to the Group and concurrently records revenue deferred over the subscription term.

(c) Cost of sales

Cost of sales consists of direct personnel and overhead costs for technical support, royalty costs, merchant fees, data centre and router charges, charges for third party contractors, hardware, third party software and amortisation of acquired customer relationship as well as acquired software and patents.

Royalty costs – Royalty costs are recognised on an accrual basis in accordance with the substance of the relevant agreements. Any royalties paid in advance, to the extent recoverable from future sales, are included as part of prepayments and other receivables within other current or non-current assets accordingly. These prepayments are recognised over the term described in the relevant agreements, as the benefits are conveyed to the customers.

(d) Employee benefits

Short-term employee benefits – Short-term employee benefits are expensed as the related service is provided by the employee. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans – A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Share-based compensation accounted for as equity-settled share-based payment transaction - Key executives of the Group receive remuneration from the Company's shareholder (TLO) in the form of share-based cash payments. The Group accounts for these awards as equity-settled share-based payment transactions because it has no obligation to settle the share-based payment transaction. The cash payments are solely borne by TLO.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made, using an appropriate valuation model, further details of which are given in Note 7.

That cost is recognised as an employee benefits expense (*Note 7 Personnel expense*), together with a corresponding increase in equity (capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market vesting conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. For more detailed description of the non-market vesting conditions see *Note 7 Personnel expense*. Market conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

(e) Finance income and finance costs

The Group's finance income and finance cost include:

- interest income;
- interest expense;
- financing expense; and
- the foreign currency gain or loss on financial assets and liabilities.

Interest income or expense is recognised using the effective interest method.

(f) Income tax

Income tax expense comprises current and deferred taxes. It is recognised in accordance with IAS 12 in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or in OCI.

Current tax – Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to this in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax – Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

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

Deferred tax assets are recognised for unused tax losses, unused interest carry forwards, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(g) Property, plant and equipment

In line with IAS 16, items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. For property, plant and equipment acquired through a business combination, the cost is taken to be the allocated fair value as per the respective purchase price allocation.

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

Depreciation – Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in profit or loss. Estate is not depreciated.

The estimated useful lives for property, plant and equipment are unchanged from prior years and are as follows:

	Years
Motor vehicles	6
Office equipment	3-23
Computer equipment	3-8
Improvements in premises	2-20

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

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(h) Intangible assets and goodwill

Goodwill – Goodwill arising from the acquisition of businesses is measured at cost less accumulated impairment losses in line with IFRS 3.

Research and development – Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure would only be capitalised if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets – Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses according to IAS 38. Other intangible assets that are acquired by the Group and have infinite useful lives are measured at cost and are tested for impairment annually according to IAS 36.

Amortisation – Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives for intangible assets are unchanged from prior years and as follows:

	Years
Goodwill	indefinite
Trademark “TeamViewer”	indefinite
Domain names	indefinite
Customer relationships	10
Computer software	2-7

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks, cash in hand and short-term deposits with an original maturity of three months or less. Cash and cash equivalents are defined as cash in hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For cash and cash equivalents a loss allowance for expected credit losses in line with IFRS 9 is recognised in 2018. For further details see Note 14 - *Cash and cash equivalents*.

(j) Share capital

Ordinary shares – Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(k) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. The amortisation is included in finance costs in the consolidated statement of profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as an extinguishment of the original liability and the recognition of a new liability and the difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

(l) Provisions

According to IAS 37, provisions are recognised if a present legal or constructive obligation to third parties has arisen as a result of a past event, if payment is probable and if the amount of the payment can be estimated reliably. They are measured using a best estimate of the expenditure required to settle the present obligation considering past experience. They are recognised at full cost, in the amount of the most probable outcome of the liability. The amount of the provision is regularly adjusted if new information becomes available or if circumstances change. Long-term provisions are formed as of the end of the reporting period at the present value of expected settlement amounts, taking estimated increases in prices or costs into account as the case requires. Discount rates are regularly adjusted to prevailing market interest rates.

(m) Financial instruments

Following from the application of the exemption for subsidiaries that become first-time adopters later than their parents in IFRS 1, the Groups financial instruments are classified, recognised and measured in accordance with IAS 39 as of 01 January 2016, 31 December 2016 and 31 December 2017. Related information as of these dates is disclosed in accordance with IFRS 7 before it was revised by IFRS 9.

Accordingly, non-derivative financial assets were classified into the category loans and receivables.

The Group had no financial assets available-for-sale, held-to-maturity or designated as financial assets at fair value through profit or loss.

Non-derivative financial liabilities were classified into the category other financial liabilities. This particularly includes loans and borrowings, as well as other financial liabilities, including trade accounts payable. The Group had no financial liabilities designated as financial liabilities at fair value through profit or loss.

Starting from 01 January 2018, the Group classified, recognised and measured financial instruments retrospectively in accordance with IFRS 9 with the effect recorded in the retained earnings opening balance as of 01 January 2018. Since then related information is disclosed in accordance with IFRS 7 as it is revised by IFRS 9.

IFRS 9 bases the classification of financial assets on the contractual cash flow characteristics and the entity's business model for managing the financial asset rather than on specific definitions for each category, as per IAS 39.

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

The Group currently has no non-derivative financial assets classified as financial assets at fair value through profit or loss or other comprehensive income.

The Group classifies non-derivative financial liabilities as financial liabilities measured at amortised cost. This particularly includes loans and borrowings, as well as other financial liabilities, including trade accounts payable. The Group currently has no non-derivative financial liabilities designated as financial liabilities at fair value through profit or loss.

Non-derivative financial assets and liabilities – recognition and derecognition

The Group initially recognises financial assets and financial liabilities when the entity becomes party to the contractual provisions of the instrument. Purchases or sales of financial assets are recognised using trade date accounting.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all risks and rewards of ownership of the financial asset are transferred or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

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

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

Non-derivative financial assets and liabilities – measurement

Loans and receivables are initially recognised at fair value plus or minus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method.

Non-derivative financial liabilities are initially recognised at fair value minus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Derivative financial instruments

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

Those criteria include the conditions that the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract; that a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and that the hybrid (combined) instrument is not measured at fair value with changes in fair value recognised in profit or loss.

Derivatives that are not designated in an effective hedge relation are classified as fair value through profit or loss (2018) or as held for trading (2016 and 2017).

Derivatives are initially recognised at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are generally recognised immediately in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Derivatives may be related to forecast transactions as contractual agreements may include exercise dates or similar transaction related conditions.

Hedge Accounting

Following from the application of the exemption for subsidiaries that become first-time adopters later than their parents in IFRS 1, the Group's hedge accounting until 31 December 2017 meets the requirements of IAS 39.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative was recognised in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative was recognised immediately in profit or loss. Under IFRS 9 since 01 January 2018 changes in fair value of the time value of an option that hedges a time-period related hedged item are recognised in a separate component of OCI and amortised at a rational and systematic basis. The amount accumulating in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss.

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

(n) Impairment

Non-financial assets

In accordance with IAS 36, an entity must review non-financial assets with a finite useful life for impairment if there are indications that those assets may be impaired. Moreover, intangible assets with an indefinite useful life, intangible assets not yet ready for use and goodwill must be tested for impairment annually.

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

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

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

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

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

Financial assets – IAS 39:

For 2016 and 2017 the Company reports impairments of financial assets according to IAS 39.

According to IAS 39 financial assets not classified as at fair value through profit or loss were assessed at each reporting date to determine whether there is objective evidence of impairment.

- Objective evidence that financial assets are impaired includes:
- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

Financial assets measured at amortised cost – Evidence of impairment for these assets was considered on an individual basis as well as on a collective level. All individually significant assets were separately assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that has been incurred but not yet identified on a single basis. Collective assessment was carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, historical information on the timing of recoveries and the amount of loss incurred was used. An adjustment was made if current economic and credit conditions were such, that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses were recognised in profit or loss and reflected in an allowance account. When there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss was reversed through profit or loss.

Financial assets – IFRS 9

Starting from 01 January 2018, the Company reports impairments of financial assets in accordance with IFRS 9. IFRS 9 requires the application of the expected credit losses model.

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). For further information see Note 21 – *Financial instruments*.

For trade receivables and contract assets, included within other current assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For further information see Note 12 – *Trade receivables*.

(o) Leases

Lease payments – Expenses under operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Starting 2019 the Group will account for leases according to IFRS 16 “Leases”. The effects of the first time adoption are stated in paragraph t) of this note.

(p) Foreign currency

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

Foreign currency transactions – Transactions in foreign currencies are translated to the respective functional currencies of Group companies at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency with the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency with the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on the historical exchange rate at their time of addition.

Foreign operations – The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated from the functional currencies of Group companies into Euro at exchange rates at the reporting date since this is the presentation currency of the parent.

Functional currencies of subsidiaries comprise Euro, Japanese Yen, Indian Rupee and Singapore Dollar. For reasons of simplification, the income and expenses of foreign operations are translated into Euro at the average exchange rate of the year in which the respective transaction occurred.

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

The following significant exchange rates have been applied at the year-ends:

Spot exchange rate

Currency	ISO Code	31 December 2018	31 December 2017 / 2016	01.01.2016
Japanese Yen	JPY	125.8500	N/A	N/A
Indian Rupee	INR	79.7298	N/A	N/A
Singapore Dollar	SGD	1.5591	N/A	N/A

The following table shows the yearly average exchange rates for the most significant currencies, which are used for the translation of income and expenses of foreign operations into the reporting currency:

Average exchange rate

Currency	ISO Code	Yearly average rate 2018	Yearly average rate 2016 / 2017
Japanese Yen	JPY	130.4100	N/A
Indian Rupee	INR	80.7277	N/A
Singapore Dollar	SGD	1.5928	N/A

The Group did not have foreign operations at 31 December 2016 and 31 December 2017.

(q) Contingent liabilities

As defined in IAS 37, contingent liabilities are liabilities that may be incurred by the Group depending on the outcome of an uncertain future event. A contingent liability is disclosed unless the possibility of an outflow of economic resources is remote.

(r) Segment

The Group is managed as a single segment company with only the product as reporting unit. The Group defines the “chief operating decision maker” to be the Chief Executive Officer and the Chief Financial Officer. They allocate the resources and assess the financial performance based upon the discrete financial information at consolidated level.

(s) Transition to IFRS 9 & IFRS 15

As a result of the application of the exemption for subsidiaries that become first-time adopters later than their parents, the Group reports effects from the transition to IFRS 9 and IFRS 15 on 01 January 2018.

The main effect was a switch to a loss allowance under the expected credit loss model for trade receivables instead of a revenue reduction for expected payment defaults on new billings.

Equity effect IFRS 9 & IFRS 15 as of 01 January 2018	
In thousands of EUR	**Increase/(Decrease)**
Balance sheet positions IAS 39 & IAS 18	
Deferred revenue	9,093
Trade receivables	14,431
Other liabilities	(190)
Balance sheet positions IFRS 9 & IFRS 15	
Costs to obtain a contract	1,301
Deferred revenue	(9,144)
Trade receivables	(9,144)
Valuation allowance on trade receivables, cash & contract assets	(12,780)
Deferred tax liabilities	(1,714)
Total change of equity as of 01 January 2018:	**(4,237)**

For further details and effects see Note 5 *Revenue*, Note 21 – *Financial instruments* and Note 12 – *Trade receivables*.

(t) Standards, interpretations and amendments to published standards issued but not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 01 January 2019.

The following amended standards are not expected to have a significant impact on the Company's consolidated financial statements:

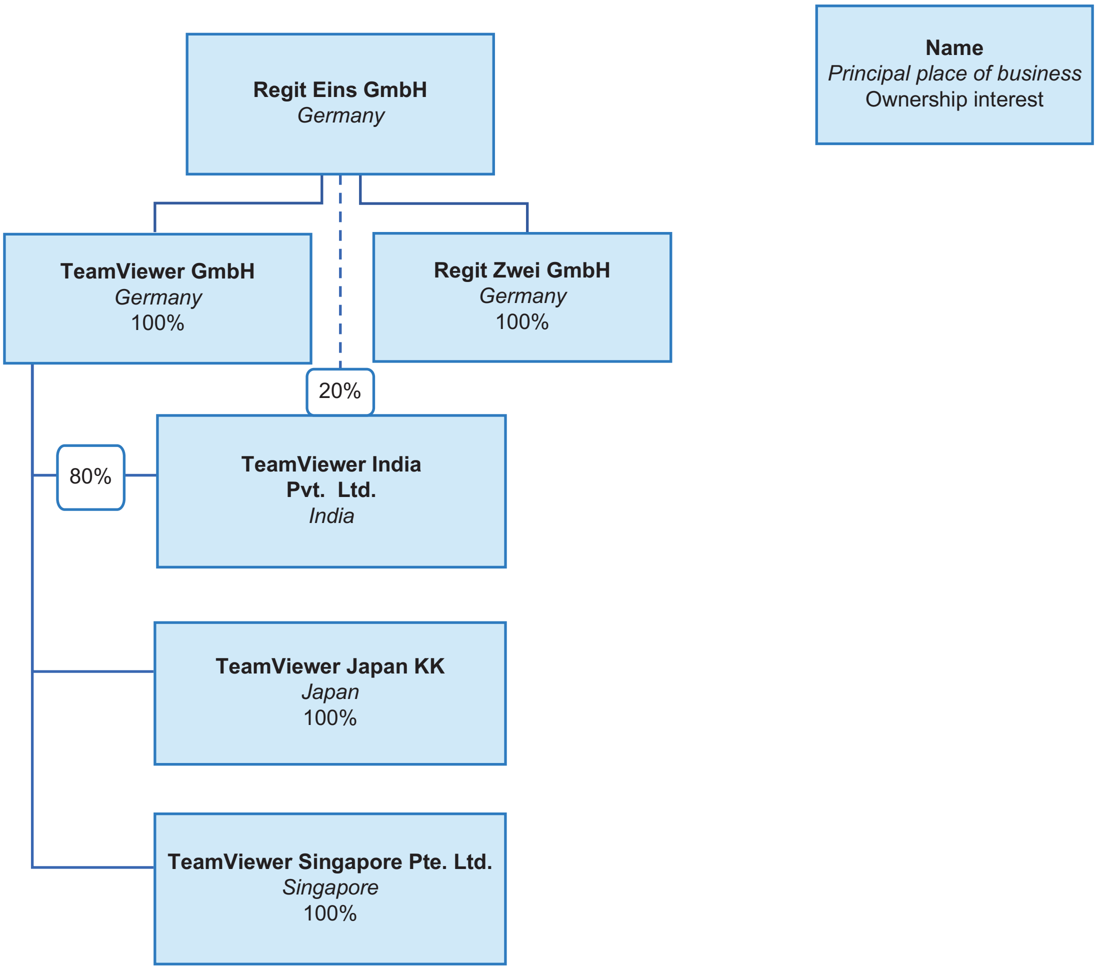
- Amendments to IAS 1 & IAS 8 Definition of Material
- Amendments to IAS 28 Long-term interests in associates and joint ventures
- Amendments to IFRS 9 Prepayment Features with Negative Compensation
- Amendments to IAS 19 Plan Amendment, Curtailment or Settlement
- IFRS 17 Insurance Contracts
- Annual Improvements to IFRSs 2015-2017 Cycle
- IFRIC 23 Uncertainty over Income Tax Treatments
- Amendments to IFRS 3 Business Combinations
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

IFRS 16 Leases – IFRS 16, published in January 2016, eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. The amendment is effective for annual reporting periods beginning on or after 01 January 2019. The Company analysed the developments relating to IFRS 16. Most of the current operating leases have to be recognised on-balance. The Company intends to use the option of IFRS 16 so that the right to use asset will be initially measured at the same amount that the lease liability is measured. The Company expects an effect on the balance sheet of around EUR 7 million for 2019. The Company expects a decrease in operational expenses by approximately EUR 3.2 million and an increase in depreciation and interest expenses of approximately the same amount in 2019.

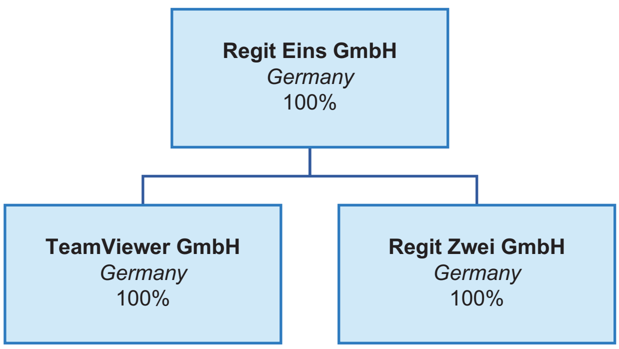
The current obligations from operating leasing agreements are shown in Note 22 – *Operating Leases*.

4 List of subsidiaries

Set out below is the structure of the Group as of 31 December 2018. The TeamViewer Japan KK, TeamViewer Singapore Pte. Ltd. and the TeamViewer India Pvt. Ltd. have been formed in 2018 to support sales and marketing activities in local markets.



Below is the structure of the Group as of 31 December 2017, 2016 and 01 January 2016.



5 REVENUE

Revenue

In thousands of euro	2018	2017	2016
Billings	229,844	184,568	177,408
Change in deferred revenue p/l effective[1]	28,313	(46,101)	(85,738)
Revenue	**258,157**	**138,467**	**91,670**

For 2016 and 2017 the recognition of revenue by the Group corresponds with IAS 18 – Revenue.

Revenue is mainly derived from the sales of perpetual software license arrangements and subscription-based software with post-contract support or maintenance in a single bundled transaction through direct sales to end users and indirect sales through resellers, distributors and through original equipment manufacturers (“OEMs”). Only a very small part of the billings comes out of other services that the Group offers, as support for the implementation of the software at the client’s site.

Regarding the sale of licences, each arrangement is treated as a single unit of accounting for revenue recognition purposes, since the components of the arrangements are not individually distinct or separable. Ratable recognition on a straight-line basis over the term of the arrangement is the most appropriate attribution methodology. Background to this is the responsibility of the Company to provide the services over the entirety of the contract.

The recognition period for the sale of perpetual licences was deemed to be four years until the launch of TeamViewer 12 in 2016. Starting with the release of TeamViewer 12 the recognition period of the newly sold licences was changed to three years. This change was based on an analysis that indicated a decrease in average time of use for a single licence version before updating to newer version decreased. As the change occurred in Q4 2016 the main part of the billings in 2016 was still deferred over a four-year period leading to such a high change in deferred revenue.

Revenue in 2017 was influenced by two effects. Change in deferred revenue p/l effective decreased significantly compared to 2016 (EUR 39,637 thousand) due to the reduction of the revenue recognition period for perpetual licences as described above and the increase in sale of subscription licences which are recognised over a shorter period, as the licence term for these licences is mainly one year or one month.

On the one hand the change in the revenue recognition period starting with the release of TeamViewer 12 as described above, leading to a faster revenue recognition and on the other hand by the switch to offering subscription licences in more markets across the world. The switch to subscription licences lowers the revenue as the selling price was significantly lower than the full price for a comparable perpetual invoice.

The transition to the recognition of revenue in accordance with IFRS 15 did not have major effects on the revenue recognition.

In 2018 the billings increased by EUR 45,276 thousand. Growth should be evaluated with consideration for the aforementioned transition of the business model from a perpetual license model towards a subscription model. The transformation of the business model has started in 2016 and was successfully completed in 2018. From July 2018 onwards, the vast majority of sold licenses were subscription based. This leads to an increase in change in deferred revenue p/l effective of EUR

[1] Change in deferred revenue p/l effective for the fiscal year ended 31 December 2018 does not reconcile to the difference on the balance sheet as of 31 December 2017 and 31 December 2018 due to the application of IFRS 15 “Revenue from Contracts with Customers” using the modified retrospective method and IFRS 9 “Financial Instruments” for the first time in the fiscal year ended 31 December 2018. Refer to Note 3 (s) Transition to IFRS 9 & IFRS 15 for further information. Change in deferred revenue p/l effective for the fiscal years ended 31 December 2017 and 31 December 2016 do not reconcile to the difference on the balance sheet as of 31 December 2016 and 31 December 2017 and to the difference on the balance sheet as of 01 January 2016 and 31 December 2016 respectively due to bad debt allowances accounted for directly in the balance sheet item deferred revenue, recognised as p/l effective revenue reduction in future periods.

74,414 thousand compared to 2017 resulting in an increased revenue position. Furthermore, the increase in revenue was supported by the expiry of the deferred revenue reductions resulting out of the PPA in connection with the acquisition of the TeamViewer Business in 2014.

Income reductions mainly consist of tax components rendered through the sale of licences in different countries and performance incentives towards resellers. These programs increased significantly in 2017 and 2018.

The transformation of the business model is visible and reflected in the change in deferred revenue. In general, licences are paid upfront, therefore, the deferred revenue position in the balance sheet is showing the amount of revenue not yet realised as the services were not yet rendered to the customer (contract liability towards the customer as defined in IFRS 15). The amount of revenue to be deferred is decreasing due to the change in licence type sold from perpetual towards subscription, whereas, the deferred revenue from prior periods is still to be recognised until the revenue recognition period for these existing perpetual licences is fully elapsed.

The Group expects to recover the amount shown as deferred revenue as of 31 December 2018 within the next three years, the main part, EUR 233,410 thousand (2017: EUR 160,123 thousand), is expected to be recovered within 12 months and the rest of the position, EUR 47,226 thousand (2017: EUR 148,660 thousand) to be recovered within the time period of one to three years. This estimation can vary depending on future updates of perpetual licences to higher versions as, with the update the remaining deferred revenue of this licence will be deferred over a new period of three years. As the Group has moved towards subscription licences, the effect of these prolongations is expected to be minimal, as in case of a migration to a subscription licence the remaining deferred revenue of the perpetual licence is not extended but rather over the subscription period but will be released according to the original calculation whereas the perpetual licence remains in the possession of the customer.

The release of the deferred revenue position as of 01 January 2018 increased the revenue of the Group by EUR 161,019 thousand. In 2017 the effect of release of deferred revenue on the revenue of the Group was EUR 94,181 thousand.

Revenue was generated in following regions:

Revenue per region

In thousands of euro	2018	2017	2016
EMEA	151,204	84,556	58,004
Americas	77,485	37,371	23,012
APAC	29,468	16,541	10,654
Revenue	**258,157**	**138,467**	**91,670**

Starting from 01 January 2018, revenue is recognised according to IFRS 15 rather than IAS 18. The transition results from the application of the exemption for subsidiaries that become first-time adopters later than their parents in paragraph D16(a) of IFRS 1. According to this exemption, the Company has adopted TLO's accounting for the Group's transactions (with the exception of some consolidation adjustments). TLO however chose to apply IFRS 15 retrospectively with the cumulative effect of initially applying this standard as an adjustment to the opening balance of retained earnings as of 01 January 2018. Adopting TLO's accounting for the Group's transactions also implies that IFRS 15 is only applied on contracts that were not completed on 01 January 2018 since TLO applied this practical expedient in IFRS 15.

The major impact of the transition to IFRS 15 is, that receivables are not recognised to the full extent as long as the Group has no unconditional right to receive the consideration and the consideration is not due. The effect of this change was a decrease in deferred revenue (contractual liability) of EUR 9,144 thousand as of 01 January 2018. A corresponding contract asset amounting to EUR 226 thousand was recognized, containing the part of the trade receivables that was not unconditional.

A further effect is that costs relating to the obtaining of a contract are no longer expensed but must be capitalised and recovered over the term of the contract. In accordance with IFRS 15 the Group chose to exclude all sales compensations and commissions that were paid for contracts with a term of one year or less. Due to the initial capitalisation of the cost to obtain a contract the non-current assets increased by EUR 815 thousand and the current assets by EUR 486 thousand. The release of the position is done over the estimated period of the licence. If a licence is updated the remaining cost to obtain a contract for this licence is also deferred over the adjusted revenue recognition period. Due to the capitalisation of newly accrued cost to obtain a contract and the release of the already capitalised assets the sales costs for 2018 increased by EUR 113 thousand and the costs of goods sold increased by EUR 51 thousand. This effect is due to the switch from the sale of perpetual licences towards subscription licences as described above. As already described above the Group chose not to capitalise the costs of obtaining contracts with an original term of 12 months or less. Therefore, the release of initially recorded costs to obtain a contract was higher than the recognition of newly rendered costs to obtain a contract.

If the Group in 2018 would still have recognised revenue in accordance with IAS 18, as used in 2017, the revenue would have been lower by EUR 5,492 thousand, as revenue would have been lowered by the valuation of deferred impairments on billings. On the other hand, the total operational expenses in 2018 would have been lower by EUR 8,280 thousand and the other income would be lower by EUR 17 thousand due to the same reason. Overall effect on the profit for the year would have been an increase of EUR 2,771 thousand, the retained earnings would have increased accordingly. The difference between the revenue effect and the effect on operational expenses and the other income is due to the loss from derecognition of trade receivables which are now realised in profit and loss but would have been realised in revenue over the following years through reduction of the release of the deferred revenue position.

In general, licences and the connectivity services are paid upfront. With regard to OEM contracts and services offered for either supporting the installation and implementation of licences or the training of key users there is the possibility that they are paid after the services were provided. In 2018, only billings of EUR 5,401 thousand (2017: EUR 3,051 thousand) were paid after the services and licences were provided.

In general, the Group offers a payment term of 14 days after purchase date, which is usually also the invoicing date. The sales representatives are also allowed to prolong this payment term. The invoices paid in 2018 were open for an average of 30 days (2017: 24 days).

6 Expenses by nature

Expenses by nature

In thousands of euro	2018	2017	2016
Employee benefit expenses	39,974	34,145	28,647
Depreciation and amortisation	30,106	27,708	26,368
Facility rent and other facility expenses	2,375	2,130	1,465
Marketing expenses (excluding employee benefit expenses)	9,751	6,881	5,753
Contract labor/professional services	25,110	16,717	15,005
Master server and router cost	11,094	8,484	6,386
Legal and consultancy fees	12,548	8,056	8,034
Other transaction costs	56	65	41
Travel expenses	1,551	1,298	1,133
Payment Fees	3,241	2,270	2,421
Royalties / licences / concessions	2,113	1,989	2,021
Internet costs	2,692	1,367	994
Bad debt expenses	8,280	-	-
Other expenses	3,726	3,815	2,229
Total expenses	**152,617**	**114,926**	**100,497**

The position "Bad debt expenses" contains the effect from the valuation allowance on trade receivables. Prior to 01 January 2018, the expected losses were deducted from revenue and deferred revenue directly. Pursuant to IFRS 9 the loss allowance is shown under expenses. Therefore, the process was changed to meet the requirements. For further details please see Note 12 – Trade receivables.

Other expenses mainly comprise of the following costs: Communication costs of EUR 865 thousand in 2018, EUR 724 thousand in 2017 and EUR 632 thousand in 2016. Recruiting cost of EUR 599 thousand in 2018, EUR 223 thousand in 2017 and EUR 184 thousand in 2016. Training costs of EUR 328 thousand in 2018, EUR 488 thousand in 2017 and EUR 361 thousand in 2016. Debt collection costs EUR 361 thousand in 2018, EUR 260 thousand in 2017 and EUR 113 thousand in 2016. Insurance costs of EUR 211 thousand in 2018, EUR 204 thousand in 2017 and EUR 173 thousand in 2016. Maintenance and repairs of EUR 208 thousand in 2018, EUR 617 thousand in 2017 and EUR 52 thousand in 2016.

Presented in the consolidated statement of profit or loss as follows

In thousands of euro	2018	2017	2016
Cost of sales	46,610	41,370	39,700
Research and development	23,039	16,542	13,020
Sales	30,458	22,421	21,621
Marketing	17,974	13,020	10,443
General and administrative	26,089	21,004	15,688
Bad debt expenses	8,280	-	-
Other expense	166	568	26
Total expenses	**152,617**	**114,926**	**100,497**

7 Personnel expenses

The personnel expenses included in cost of sales, R&D, sales, marketing and administrative expenses comprise:

Personnel expenses

In thousands of euro	2018	2017	2016
Salaries and wages	32,455	29,219	24,295
Social contribution costs	5,719	4,926	4,352
Share-based compensation	1,800	-	-
Total personnel expenses	**39,974**	**34,145**	**28,647**

Expenses for statutory pension insurance totalled EUR 1,801 thousand in 2016, EUR 2,023 thousand in 2017 and EUR 2,316 thousand in 2018.

Share-based compensation

In the financial year ended 31 December 2018 the Group accounted for the following awards as equity-settled share-based payment transactions:

On 24 January 2018 the shareholder of the Company (TLO) established a share appreciation right (SAR) programme for certain key executives. The SAR program entitles those key executives to participate in the future value creation. The key component for the value creation calculation is essentially the increase in the enterprise value of the Group. If successful, the value creation results in a cash payment, if one of the following events occurs:

- the sale of all or substantially all assets of the Group; or.
- a sale of a stake of more than 50% in the Group; or

- an IPO of any shares in any Group entity, which is a holding entity of all or substantially all assets of the Group.

Each of the beneficiaries is entitled to a cash settlement based upon continuing employment with the Group when the exit event occurs. If the beneficiary ends the employment relationship before an exit event occurs, the claim only lapses if he is a bad leaver as specified in the contract, e.g termination of the contract by the beneficiaries without cause.

This bonus is based on the value created since joining the company. The calculation is based on sale/ IPO proceeds calculated for 100% of the shares of the Group less:

- the repayment of financial debt including shareholder financing agreements, such as loans, notes, PECs, preferred shares or similar arrangements (if any);
- repayment by the shareholder of any share premium;
- transaction costs;
- any bonuses paid by the shareholder to the employees of the Group;
- a contractually agreed base amount.

Applied on a (TLO-)share-based-view, 91.8 million share-appreciation rights (or 3.6% of the share capital of the shareholder) have been granted and are unchanged as of 31 December 2018. The estimated vesting period is two years. In case that an exit does not result in a transfer of 100 % of the Group, the cash payment is limited pro rata with the selling shareholder.

Even though TLO as Regit Eins' shareholder is obliged to settle the share-based payment transaction, Regit Eins GmbH as the entity receiving the services rendered by the key executives has to account for the share-based payment transaction as an equity-settled share-based payment transaction. This is because the share appreciation right (SAR) programme will neither lead to any cash outflows in Regit Eins Group nor to the settlement with equity of Regit Eins GmbH in future periods.

In the period ended 31 December 2018 general and administrative expenses included EUR 1.8 million for the above mention group share scheme (2017: EUR 0 million, 2016: EUR 0 million).

Fair Value measurement the share-based compensation

The fair value of the SAR programme for the Group on 24 January 2018 at the grant date was measured using the Black-Scholes formula. Non-market vesting conditions attached to the arrangements were not taken into account in measuring fair value.

Since employee service up to the exit event is required for the SAR programmes, the exit condition is a non-market vesting condition. As of 31 December 2018 expectations about the estimated date of an exit event are unchanged to the grant date.

The determination of the expected volatility is based on a historical volatility of a group of benchmark companies, measured at estimated grant date over a period which corresponds to the expected remaining maturity at this point of time.

Value of the SAR programme and information about the Fair Value measurement at grant date

	2018
Option pricing model used	Black-Scholes-Model
Intrinsic Value (in EUR)	(0.01)
Time Value (in EUR)	0.05
Fair Value (in EUR)	0.04
Expected term (years)	2
Expected exit-probability (in %)	100%
Risk-free interest rate (in %)	0%
Expected volatility (in %)	30.6%
Expected dividend yield (in %)	0%
Weighted average remaining maturity of awards outstanding as at 31 December 2018 (in years)	1

8 FINANCE INCOME AND FINANCE COSTS

Exchange fluctuation

In thousands of euro	2018	2017	2016
Realised exchange gains / (losses)	(162)	(1,772)	(1,252)
Unrealised exchange gains / (losses)	(20,791)	58,747	(11,638)
Total exchange fluctuations	**(20,953)**	**56,975**	**(12,890)**

Exchange fluctuations may arise from financing or operating activities. Realised exchange gains from operating activities totalled EUR 1,487 thousand in 2018, EUR 698 thousand in 2017 and EUR 937 thousand in 2016. Losses totalled EUR 2,189 thousand in 2018, EUR 1,790 thousand in 2017 and EUR 1,463 thousand in 2016. Realised exchange gains related to financing activities totalled EUR 3,190 thousand in 2018, EUR 3,188 thousand in 2017 and EUR 4,088 thousand in 2016 whereas losses amounting EUR 2,649 thousand have been realised in 2018, EUR 3,868 thousand in 2017 and EUR 4,814 thousand in 2016.

Unrealised exchange gains and losses from financing activities amounted to losses of EUR 20,749 thousand in 2018, EUR 58,926 thousand gains in 2017 and EUR 11,480 thousand losses in 2016. Unrealised exchange result from operating activities amounted to losses of EUR 42 thousand in 2018, EUR 179 thousand in 2017 and EUR 158 thousand in 2016.

Finance income and finance costs

In thousands of euro	2018	2017	2016
Finance income	12,311	7,094	26,766
Finance costs	(93,988)	(160,466)	(74,822)
Interest on bank loans	*(49,699)*	*(45,055)*	*(34,615)*
Interest on loans from related parties	*(11,002)*	*(12,909)*	*(27,180)*
Other finance costs	*(33,287)*	*(102,502)*	*(13,027)*
Net finance costs	**(81,677)**	**(153,372)**	**(48,057)**

Finance income substantially comprises gains in the fair value of derivative financial instruments in 2018, 2017 and 2016.

Interest on loans from related parties mainly comprises a fixed rate loan from TigerLuxOne S.à r.l. and minor other liabilities towards related parties in 2018, 2017 and 2016.

Other finance costs in general consist of losses in the fair value of derivative financial instruments, the amortisation of transaction costs of the bank loans, the amortisation of the difference between nominal value and fair value of the loans from third parties and in 2018 the impairment on cash and cash equivalents. For further details see Note 21 – *Financial instruments.*

9 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment

In thousands of euro	Gross carrying amount 01 January 2018	Additions	Reclassi-fications	Disposals	Effect of move-ments in exchange rates	Gross carrying amount 31 Dec. 2018	Accu-mulated depreci-ation as at 01 January 2018	Additions	Reclassi-fications	Disposals	Effect of move-ments in exchange rates	Accu-mulated depreci-ation and impair-ment 31 Dec. 2018	Net book value 31 Dec. 2018	Net book value 01 January 2018
Motor vehicles	6	-	-	-	-	6	(6)	-	-	-	-	(6)	-	-
Furniture and office equipment	1,224	32	-	(21)	-	1,235	(316)	(142)	-	21	-	(436)	798	908
Computer equipment	3,753	784	-	(317)	-	4,220	(1,954)	(1,278)	-	317	-	(2,916)	1,305	1,799
Construct. in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Improvem. in premises	364	-	-	-	-	364	(152)	(76)	-	-	-	(228)	136	212
Total property, plant and equipment	**5,347**	**816**	**-**	**(338)**	**-**	**5,825**	**(2,428)**	**(1,496)**	**-**	**338**	**-**	**(3,586)**	**2,239**	**2,919**

At 31 December 2018 there are no material contractual commitments for purchases of property, plant and equipment.

Property, plant and equipment

In thousands of euro	Gross carrying amount 01 January 2017	Additions	Reclassi-fications	Disposals	Effect of move-ments in exchange rates	Gross carrying amount 31 Dec. 2017	Accu-mulated depreci-ation as at 01 January 2017	Additions	Reclassi-fications	Disposals	Effect of move-ments in exchange rates	Accu-mulated depreci-ation and impair-ment 31 Dec. 2017	Net book value 31 December 2017	Net book value 01 January 2017
Motor vehicles	6	-	-	-	-	6	(6)	-	-	-	-	(6)	-	-
Furniture and office equipment	1,175	91	-	(42)	-	1,224	(196)	(162)	-	42	-	(316)	908	979
Computer equipment	2,591	1,237	-	(75)	-	3,753	(1,053)	(976)	-	75	-	(1,954)	1,799	1,538
Construct. in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Improvem. in premises	343	21	-	-	-	364	(78)	(74)	-	-	-	(152)	212	265
Total property, plant and equipment	**4,115**	**1,349**	**-**	**(117)**	**-**	**5,347**	**(1,333)**	**(1,212)**	**-**	**117**	**-**	**(2,428)**	**2,919**	**2,782**

At 31 December 2017 there are no material contractual commitments for purchases of property, plant and equipment.

Property, plant and equipment

In thousands of euro	Gross carrying amount 01 January 2016	Additions	Reclassi-fications	Disposals	Effect of move-ments in exchange rates	Gross carrying amount 31 Dec. 2016	Accu-mulated depreci-ation as at 01 January 2016	Additions	Reclassi-fications	Disposals	Effect of move-ments in exchange rates	Accu-mulated depreci-ation and impair-ment 31 Dec. 2016	Net book value 31 December 2016	Net book value 01 January 2016
Motor vehicles	6	-	-	-	-	6	(6)	-	-	-	-	(6)	-	-
Furniture and office equipment	762	376	183	(146)	-	1,175	(93)	(246)	(3)	146	-	(196)	979	669
Computer equipment	1,538	1,094	74	(115)	-	2,591	(505)	(666)	3	115	-	(1,053)	1,538	1,033
Construct. in progress	231	64	(289)	(6)	-	-	-	-	-	-	-	-	-	231
Improvem. in premises	223	88	32	-	-	343	(39)	(39)	-	-	-	(78)	265	184
Total property, plant and equipment	**2,760**	**1,622**	**-**	**(267)**	**-**	**4,115**	**(643)**	**(951)**	**-**	**261**	**-**	**(1,333)**	**2,782**	**2,117**

At 31 December 2016 there are no material contractual commitments for purchases of property, plant and equipment.

Depreciation expenses on property, plant and equipment are included in cost of sales, research and development expenses, sales and marketing expenses and general and administrative expenses, depending on the use of the asset.

10 GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and intangible assets

In thousands of euro	Gross carrying amount 01 January 2018	Additions	Reclassi-fications	Dispo-sals	Effect of move-ments in exchange rates	Gross carrying amount 31 Dec. 2018	Accumulated amortisation and impairment 01 January 2018	Additions	Reclassi-fications	Disposals	Effect of move-ments in exchange rates	Accumulated amortisation and impairment 31 December 2018	Net book value 31 December 2018	Net book value 01 January 2018
Computer software	6,028	7,056	9,053	-	-	**22,137**	(2,078)	(3,611)	-	-	-	**(5,689)**	**16,448**	3,950
Construction in progress	5,440	3,612	(9,053)	-	-	**-**	-	-	-	-	-	**-**	**-**	5,440
Goodwill	584,312	-	-	-	-	**584,312**	-	-	-	-	-	**-**	**584,312**	584,312
Trademark	105,100	-	-	-	-	**105,100**	-	-	-	-	-	**-**	**105,100**	105,100
Customer relationship	235,800	-	-	-	-	**235,800**	(81,953)	(23,580)	-	-	-	**(105,533)**	**130,267**	153,847
Software "TeamViewer"	7,100	-	-	-	-	**7,100**	(4,935)	(1,420)	-	-	-	**(6,355)**	**745**	2,165
Domain names	3	-	-	-	-	**3**	-	-	-	-	-	**-**	**3**	3
Total intangible assets and goodwill	**943,783**	**10,669**	**-**	**-**	**-**	**954,452**	**(88,966)**	**(28,611)**	**-**	**-**	**-**	**(117,577)**	**836,875**	**854,817**

Goodwill and intangible assets

In thousands of euro	Gross carrying amount 01 January 2017	Additions	Reclassi-fications	Dispo-sals	Effect of move-ments in exchange rates	Gross carrying amount 31 Dec. 2017	Accumulated amortisation and impairment 01 January 2017	Additions	Reclassi-fications	Disposals	Effect of move-ments in exchange rates	Accumulated amortisation and impairment 31 December 2017	Net book value 31 December 2017	Net book value 01 January 2017
Computer software	4,230	918	880	-	-	**6,028**	(582)	(1,496)	-	-	-	**(2,078)**	**3,950**	3,648
Construction in progress	737	5,583	(880)	-	-	**5,440**	-	-	-	-	-	**-**	**5,440**	737
Goodwill	584,312	-	-	-	-	**584,312**	-	-	-	-	-	**-**	**584,312**	584,312
Trademark	105,100	-	-	-	-	**105,100**	-	-	-	-	-	**-**	**105,100**	105,100
Customer relationship	235,800	-	-	-	-	**235,800**	(58,373)	(23,580)	-	-	-	**(81,953)**	**153,847**	177,427
Software "TeamViewer"	7,100	-	-	-	-	**7,100**	(3,515)	(1,420)	-	-	-	**(4,935)**	**2,165**	3,585
Domain names	3	-	-	-	-	**3**	-	-	-	-	-	**-**	**3**	3
Total intangible assets and goodwill	**937,282**	**6,501**	**-**	**-**	**-**	**943,783**	**(62,470)**	**(26,496)**	**-**	**-**	**-**	**(88,966)**	**854,817**	**874,813**

Goodwill and intangible assets

In thousands of euro	Gross carrying amount 01 January 2016	Additions	Reclassi-fications	Dispo-sals	Effect of move-ments in exchange rates	Gross carrying amount 31 Dec. 2016	Accumulated amortisation and impairment 01 January 2016	Additions	Reclassi-fications	Disposals	Effect of move-ments in exchange rates	Accumulated amortisation and impairment 31 December 2016	Net book value 31 December 2016	Net book value 01 January 2016
Computer software	912	535	2,794	(11)	-	**4,230**	(176)	(417)	-	11	-	**(582)**	**3,648**	736
Construction in progress	196	3,254	(2,697)	(16)	-	**737**	-	-	-	-	-	**-**	**737**	196
Goodwill	584,312	-	-	-	-	**584,312**	-	-	-	-	-	**-**	**584,312**	584,312
Trademark	105,100	-	-	-	-	**105,100**	-	-	-	-	-	**-**	**105,100**	105,100
Customer relationship	235,800	-	-	-	-	**235,800**	(34,793)	(23,580)	-	-	-	**(58,373)**	**177,427**	201,007
Software “TeamViewer”	7,100	-	-	-	-	**7,100**	(2,095)	(1,420)	-	-	-	**(3,515)**	**3,585**	5,005
Domain names	3	97	(97)	-	-	**3**	-	-	-	-	-	**-**	**3**	3
Total intangible assets and goodwill	**933,423**	**3,886**	**-**	**(27)**	**-**	**937,282**	**(37,064)**	**(25,417)**	**-**	**11**	**-**	**(62,470)**	**874,813**	**896,359**

In connection with the acquisition of the TeamViewer Business in 2014, three intangible assets were identified. The following table shows the intangible assets acquired and the respective useful life of each asset. All assets with a definite useful life will be amortised on a straight-line basis.

Intangibles

In thousands of euro	Fair value as of the acquisition date	Useful life
Trademark	105,100	indefinite
Customer relationship	235,800	10 years
Software "TeamViewer"	7,100	5 years
Total intangibles	**348,000**	

Amortisation – The amortisation of Customer relationship and Software "TeamViewer" is included in the income statement under "Cost of sales".

The useful life of the trademark is determined as indefinite, because the use of the trademark does not depend on the product lifecycle of the software as it can be used independently from the technology in place as a product trademark. The determination of the indefinite useful life of the trademark was based on the following significant factors in accordance with IAS 38.90:

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

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

Impairment Test – For the purpose of impairment testing, the whole goodwill from the business combination, originally, had been allocated to TeamViewer.

"TeamViewer" – The recoverable amount was derived based on its value in use, which is determined by discounting expected future cash flows to be generated from the continuing use.

The recoverable amount was determined to be higher than its carrying amount. Consequently, no impairment of goodwill or intangible assets was required.

In accordance with IAS 36 five years of projected cash flows were included in the discounted cash flow model. A terminal value growth rate of 2% per annum has been determined for all years 2016 – 2018 as it represents the expected future long-term inflation related industry growth based on management expectations.

The business plans used for the impairment test were prepared by TeamViewer management and represented the most current planning available as of the respective valuation date. In all years adjusted budgeted EBIT was based on expectations of future outcomes taking into account past experience, adjusted for the anticipated billings growth.

In 2016 this forecast indicated a solid development of billings as well as a change in the billing split. While the growth rate of new licenses and add-ons is assumed to be moderate, major growth was expected to arise from updates as the customer base is growing from year to year as well as from positive impact of the subscription countries. For budgeting purposes EBIT margin was adjusted for depreciation and amortisation of intangibles identified within the purchase price allocation as well as the change in deferred revenue. The establishment of an active key account management led to higher billings in 2016 and was expected to contribute even stronger in the next periods, including the efforts to enter the mid-enterprise market segment. Furthermore, a more intensive business development pushing the OEM contacts was expected to drive the development of the billings and to increase customer awareness. As the user base of the product “TeamViewer” was expected to grow, an increasing amount of billings is driven by updates and add-ons. For the upcoming years beyond 2016, a slight increase of margins is expected due to scaling effects. Furthermore, the company expected higher billings from the additional products as ITBrain, Blizz and IoT solutions.

The discount rate was calculated using a pre-tax weighted average cost of capital (WACC), which includes cost of debt with a credit spread of 1.1% to consider borrowing costs from a market participant’s view and the cost of equity. The cost of equity is derived from market data on the basis of a peer group of companies, which is made up of companies that are comparable to the Group’s risk profile with respect to their business model, size and geographic distribution of sales.

Major components used in determining the cost of equity are the market risk premium of 6.5%, the risk-free rate of 1.0% and an unlevered beta of 1.0 which incorporates the five-year average of the Group’s peer group.

In 2017 Revenue growth was projected taking into account the forecast of the Group’s billings which is the main factor for generating revenue. This forecast indicates a strong growth of billings. Main cause for this was the conversion of the license model from perpetual to subscription licenses, which leads, on the basis of experienced low termination rates, to annually recurring and therefore strong growing billings. In addition, the forecast included growth of new customers, especially in regions where TeamViewer was previously underrepresented (e.g. North and South America and Asia). For the years 2021-2022, sales growth was expected to continue, assuming that further products would be marketed, whose development was plant in the next years.

The discount rate was calculated using a pre-tax weighted average cost of capital (WACC), which includes cost of debt with a credit spread of 1.2% to consider borrowing costs from a market participant’s view and the cost of equity. The cost of equity is derived from market data on the basis of a peer group of companies, which is made up of companies that are comparable to the Group’s risk profile with respect to their business model, size and geographic distribution of sales.

Major components used in determining the cost of equity are the market risk premium of 6.5%, the risk-free rate of 1.3% and an unlevered beta of 1.0 which incorporates the five-year average of the Group’s peer group.

In 2018 this forecast indicated a strong growth of billings. Main cause for this was the transition of the license model from perpetual to subscription licenses, which leads, on the basis of experienced low termination rates, to annually recurring and therefore strong growing billings. In addition, the forecast included growth of new customers, especially in the APAC region where the Group founded new subsidiaries. For the years 2021-2023, sales growth continues, including the effect of introducing new TeamViewer use cases like IoT and Tensor, the Enterprise product developed out of the original product.

The discount rate was calculated using a pre-tax weighted average cost of capital (WACC), which includes cost of debt with a credit spread of 1.6% to consider borrowing costs from a market participant’s view and the cost of equity. The cost of equity is derived from market data on the basis of a peer group of companies, which is made up of companies that are comparable to the Group’s risk profile with respect to their business model, size and geographic distribution of sales.

Major components used in determining the cost of equity are the market risk premium of 7.0%, the risk-free rate of 1.09% and an unlevered beta of 1.15 which incorporates the five-year average of the Group’s peer group. Additionally, a weighted Country risk premium was taken into account with 0.8% to reflect geographical risks the Company is exposed to. The weighting was based on the ratio of billings per country.

Key assumptions used in the calculation of value in use were discount rate, billings growth rate, terminal value growth rate and budgeted adjusted EBITDA margin (terminal value). These assumptions were as follows:

TeamViewer

In percent	2018	2017	2016
Discount rate	12.7%	9.9%	9.9%
Billings growth rate	27.3%	35.3%	13.9%
Terminal value growth rate	2.0%	2.0%	2.0%
Budgeted adjusted EBITDA margin (terminal value)	66.9%	64.4%	58.8%

The impairment test performed as of 31 December 2016, 2017 and 2018 did not result in the impairment of goodwill. Even changes in key parameters, which management deemed to be possible, would not result in impairment.

11 TAX INCOME / TAX EXPENSE

The tax income / tax expense consists of the following:

Tax (expense)/income

In thousands of euro	2018	2017	2016
Current tax income / (expense), net	(3,351)	274	(17,327)
Deferred tax income / (expense), net	(13,561)	778	26,723
Tax (expense)/income	**(16,912)**	**1,052**	**9,396**

EUR 574 thousand current tax expense (2017: EUR 197 thousand current tax income; 2016: EUR 1,727 thousand current tax expense) and EUR 1,454 thousand deferred tax income (2017: EUR 46 thousand deferred tax expense; 2016: EUR 308 thousand deferred tax income) refer to prior periods.

The Company is domiciled in Germany which is subject to an average tax rate of 28.8% in 2018 (2017: 28.8%; 2016: 28.8%).

Deferred tax assets and liabilities are computed using enacted or substantively enacted tax rates which are expected to apply in the relevant national jurisdiction when the amounts are recovered.

The reconciliation of expected tax income / tax expense to actual tax income / tax expense is as follows:

Actual tax income / (expense)

In thousands of euro	2018	2017	2016
(Loss) /profit before tax	**4,499**	**(70,205)**	**(68,218)**
Expected tax income / (expense)	(1,296)	20,219	19,647
Increase (decrease) in taxes resulting from			
Non-recognition of deferred tax assets	(15,024)	(19,295)	(10,480)
Non-deductible share-based compensations	(518)	-	-
Permanent differences, trade tax add back and non-deductible expenses	(975)	(157)	(1,190)
Current and deferred taxes, previous years	880	277	1,419
Other, net	21	7	-
Tax (expense)/income	**(16,912)**	**1,052**	**9,396**

"Non-recognition of deferred tax assets" mainly refers to deferred tax assets not recognised for interest carry forwards.

Deferred income tax assets and liabilities on a gross basis are summarised as follows. Deferred tax assets and deferred tax liabilities are offset if the deferred tax asset and liabilities relate to income taxes levied by the same tax authority and if there is the right to set off current tax assets against current tax liabilities.

Total tax loss carry forwards as of December 31, 2018 amount to EUR 31,216 thousand, thereof EUR 31,194 thousand are recognized. In 2017 total tax loss carry forward as of December 31 amounts to EUR 46,739 thousand, thereof EUR 46,725 thousand are recognized. In 2016 total tax loss carry forward as of December 31 amounts to EUR 7 thousand, thereof EUR 0 thousand are recognized.

Total interest carry forwards as of 31 December 2018 amount to EUR 193,547 thousand, therefore EUR 0 thousand are recognized. In 2017 total interest carry forwards as of 31 December amount to EUR 143,066 thousand, thereof EUR 0 thousand are recognized; In 2016 total interest carry forwards as of 31 December amount to EUR 77,142 thousand, thereof EUR 0 thousand are recognized.

Deferred tax assets

In thousands of euro	31 December 2018	31 December 2017	31 December 2016	01 January 2016
Deferred revenue	50,060	76,443	73,190	52,019
Loans and borrowings			1,954	3,443
Provisions	250	-	-	-
Trade receivable	403	866	595	476
Tax loss carry forward	8,984	13,458	-	-
Other	-	2	-	19
Total deferred tax assets	**59,698**	**90,769**	**75,739**	**55,957**
Netting against deferred tax liabilities	(59,698)	(90,769)	(75,739)	(55,957)
Net deferred tax assets	**-**	**-**	**-**	**-**

Deferred tax liabilities

In thousands of euro	31 December 2018	31 December 2017	31 December 2016	01 January 2016
Intangibles with amortisation	(37,731)	(44,931)	(52,131)	(59,331)
Intangibles non amortisation	(30,269)	(30,269)	(30,269)	(30,269)
Loans and borrowings	(9,859)	(21,281)	-	-
Provisions	-	(649)	(763)	(590)
PPE	(444)	(404)	(113)	(34)
Other	(9)	-	(6)	-
Total deferred tax liabilities	**(78,312)**	**(97,535)**	**(83,283)**	**(90,224)**
Netting against deferred tax assets	59,698	90,769	75,739	55,957
Net deferred tax liabilities	**(18,614)**	**(6,766)**	**(7,544)**	**(34,267)**

As stated in Note 16 – *Loans and borrowings*, deferred tax liabilities in the amount of EUR 20,068 thousand as of 31 December 2018 (2017: EUR 20,068 thousand; 2016: EUR 20,068 thousand) were recognised directly in the other components of equity in connection with the initial recognition of the shareholder loan.

In 2018 additional deferred tax income in the amount of EUR 1,714 thousand (2017: EUR 0 thousand; 2016: EUR 0 thousand) have been recorded to the equity as underlying amounts of EUR 5,951 thousand related to the change of IFRS 15 and IFRS 9 and recorded in equity.

At 31 December 2018 no deferred taxes are recognised for the following amounts:

Deferred taxes not recognised

In thousands of euro	Year ended 31 December 2018 Base amount of interest and tax loss carry-forwards	Year ended 31 December 2018 DTA not recognised for interest and tax loss carry forwards	Year ended 31 December 2017 Base amount of interest and tax loss carry forwards	Year ended 31 December 2017 DTA not recognised for interest and tax loss carry forwards	Year ended 31 December 2016 Base amount of interest and tax loss carry forwards	Year ended 31 December 2016 DTA not recognised for interest and tax loss carry forwards	01 January 2016 Base amount of interest and tax loss carry forwards	01 January 2016 DTA not recognised for interest and tax loss carry forwards
Interest carry forwards	193,547	55,742	143,066	41,203	77,142	22,217	40,760	11,739
Tax loss carry forwards	22	6	14	4	7	2	-	-

Recognised deferred taxes refer to Germany without restriction for tax loss carry forwards into future years.

The retained earnings are intended to be reinvested in those operations.

Taxable temporary differences on outside basis differences amount to EUR 26,971 thousand as of 31 December 2018 (2017: EUR 24,238 thousand; 2016: EUR 25,411 thousand, 01.01.2016: EUR 28,907 thousand).

No deferred tax liabilities were recognized on these taxable temporary differences as the time of the release of temporary differences is under control of the company and a reversal of the temporary differences is assessed not to be probable over a foreseeable period of time.

When acquiring the TeamViewer business, the Company recognised contingent liabilities related to tax positions in accordance with IFRS 3.22, which might be challenged by respective tax authorities and will have an effect on the current tax expense determined by the Company in the future.

At the date of the acquisition these contingent liabilities amounted to EUR 1,610 thousand (2017: EUR 1,610 thousand; 2016: EUR 1,610 thousand; 01.01.2016: EUR 1,610 thousand) and were not increased, used or reversed until the end of the reporting period. Expected reimbursements have been considered when determining this amount of contingent liabilities.

For periods after the acquisition date, contingent liabilities related to taxes in a lower one million digital range exist. In addition, the Company estimates that the possibility of an outflow of economic resources concerning these tax positions is not probable, therefore no accruals were recorded for periods after the acquisition date.

12 TRADE RECEIVABLES

There are only current trade receivables, no long-term receivables have been recognised as of 31 December in the years 2018, 2017, 2016 and 01 January 2016. Starting 2018 and in line with IFRS 15 the Group does not recognise trade receivables if it has no unconditional rights to consideration. Therefore, issued invoices that are not due are no longer presented as trade receivables. Customers have the right to return purchased licenses within seven days after purchase. During this period the Group has no unconditional right to consideration and only the service already delivered is presented separately pro rata as a contract asset (see Note 13—*Other current assets*). Current trade receivables on a gross basis including receivables older than 120 days are as follows:

Trade receivables aging, as at

In thousands of euro	**31 December 2018**	**01 January 2018 (Excluding conditional receivables)**	**31 December 2017**	**31 December 2016**	**01 January 2016**
Neither past due nor impaired	334	457	9,836	7,238	6,425
Past due and impaired					
Past due 1-30 days	*10,275*	*6,970*	*6,970*	*7,353*	*8,405*
Past due 31-60 days	*3,048*	*850*	*850*	*1,645*	*1,976*
Past due 61-90 days	*1,090*	*513*	*513*	*648*	*826*
Past due 91-120 days	*1,002*	*426*	*426*	*459*	*390*
Past due over 120 days	*17,250*	*14,927*	*14,927*	*14,955*	*11,659*
Total trade receivables, gross	**32,999**	**24,144**	**33,522**	**32,298**	**29,680**

The total trade receivables gross includes also trade receivables from related parties (31 December 2018: EUR 4,876 thousand, 31 December 2017: EUR 4,349 thousand, 31 December 2016: EUR 4,486 thousand, 01.01.2016: EUR 3,630 thousand).

As a result of adopting an accounting that is consistent with new IFRS 9 and an in-depth analysis, the aging structure was revised as at 01 January 2018. The loss allowance on the Group's current trade receivables is recognised in line with IFRS 9 using the expected credit loss model for the first time. The simplified approach is used calculating the lifetime expected credit losses. Due to the large diversified customer base the trade receivables net of consumption tax is clustered into a provision matrix showing specific expected credit losses for major countries and an average expected credit loss for minor countries. The Group uses the historical credit loss experience over the past year to calculate the loss allowances for different age bands. Management evaluates on a regular basis if reasonable and supportable information is available to adjust the historical default rates using forward looking information including probability-weighted risks with low probability of occurrence. Trade receivables older than 120 days are impaired 100%. Due to the short time period and the low interest rate environment the time value of money does not have any material effect on the allowance. The trade receivables include no material finance component.

Till 2017 the Group reduced the revenue at recognition using weighted historical default rates as measurement. This led to an increase of deferred revenue in the balance sheet of EUR 9,093 thousand as well as an increase of the trade receivable balance sheet position of EUR 14,431 thousand and a decrease of minor other liabilities of EUR 190 thousand as of 31 December 2017. The new valuation allowance for the trade receivables was recognised 01 January 2018 with EUR 12,672 thousand. The foreign currency allowance of EUR 520 thousand remained unchanged. The derecognition of the balance sheet positions related to the reduction of revenue based on billings from prior periods and the initial recognition of the new valuation allowance on trade receivables in line with IFRS 9 had a net effect of EUR 7,144 thousand that was recognised in equity at transition date.

Trade receivables – Equity effect IFRS 9 as of 01 January 2018, net of tax

In thousands of EUR	
Reversal of deferred revenue reduction	9,093
Reversal of trade receivable reduction	(14,431)
Reversal of minor others	(190)
New valuation allowance on trade receivables	12,672
Total reduction of equity as of 01 January 2018:	**7,144**

The loss allowance for trade receivables increased to EUR 17,557 thousand as of 31 December 2018 (01 January 2018 EUR 13,192 thousand / 31 December 2017 EUR 14,951 thousand / 31 December 2016 EUR 13,532 thousand, 01 January 2016 EUR 11,277 thousand) mainly due to increased receivables and a higher expected credit loss. All trade receivables are still subject to enforcement activities. After three years trade receivables and the applicable loss allowance are derecognised. This led to the derecognition of trade receivables of EUR 3,925 thousand (2017: EUR 3,840 thousand / 2016: EUR 2,218 thousand):

Valuation allowance (trade receivables)

In thousands of euro	Year ended 31 December 2018	Year ended 31 December 2017	Year ended 31 December 2016
Valuation allowance as of beginning of fiscal year	(14,951)	(13,532)	(11,277)
Change in accounting policies	1,759	-	-
Addition	(8,293)	(5,260)	(4,473)
Utilisation	3,925	3,840	2,218
Reversals	3	1	-
Foreign exchange translation differences (GL)	-	-	-
Total valuation allowance as of fiscal year end	**(17,557)**	**(14,951)**	**(13,532)**

Information about the Group's exposure to credit and market risks for trade receivables is included in Note 21 – *Financial instruments – Fair values and risk management*.

Lifetime expected credit loss allowance (trade receivables) as at 31 December 2018

In thousands of euro	1-30 days	31-60 days	61-90 days	91-120 days	>120 days	Total allowance	Gross amount receivables net of tax
USA	(272)	(378)	(213)	(121)	(489)	**(1,474)**	3,918
Germany	(191)	(186)	(37)	(23)	(12)	**(449)**	1,548
UK	(136)	(127)	(50)	(204)	(106)	**(623)**	4,949
Netherlands	(66)	(61)	(44)	(33)	(178)	**(382)**	1,271
France	(25)	(56)	(15)	(11)	(8)	**(115)**	678
Switzerland	(21)	(23)	(1)	(5)	(5)	**(56)**	582
Total other countries	(932)	(755)	(351)	(245)	(814)	**(3,097)**	8,439
Global >120 days	-	-	-	-	(10,813)	**(10,813)**	10,813
FX valuation	-	-	-	-	-	**(548)**	-
Total valuation allowance	**(1,643)**	**(1,586)**	**(711)**	**(643)**	**(12,426)**	**(17,557)**	**32,198**
Estimated default rates 3rd party receivables	**17.0%**	**53.0%**	**65.0%**	**75.0%**	**100.0%**		

Lifetime expected credit loss allowance (trade receivables) as at 01 January 2018

In thousands of euro	1-30 days	31-60 days	61-90 days	91-120 days	>120 days	Total allowance	Gross amount receivables net of tax
USA	(95)	(86)	(85)	(39)	(61)	**(365)**	1,454
Germany	(61)	(12)	(11)	(3)	(5)	**(91)**	1,104
UK	(56)	(39)	(23)	(12)	(6)	**(136)**	4,448
Netherlands	(30)	(13)	(6)	(7)	(3)	**(59)**	561
France	(22)	(6)	(2)	(2)	(3)	**(36)**	588
Switzerland	(6)	(1)	(1)	0	(16)	**(24)**	302
Total other countries	(543)	(182)	(226)	(79)	(58)	**(1,088)**	3,988
Global >120 days	-	-	-	-	(10,873)	**(10,873)**	10,873
FX valuation	-	-	-	-	-	**(520)**	-
Total valuation allowance	**(812)**	**(340)**	**(354)**	**(142)**	**(11,024)**	**(13,192)**	**23,319**
Estimated default rates	**13.0%**	**41.0%**	**71.0%**	**77.0%**	**100.0%**		

13 OTHER ASSETS, CURRENT

Other current assets as of 31 December 2016 to 2018 and 01 January 2016 comprise of the following categories:

Other assets, current

In thousands of euro	31 December 2018	31 December 2017	31 December 2016	01 January 2016
Prepayments	1,442	1,842	1,085	857
Value added tax receivables	34	6	136	-
Other receivables	1,071	854	719	717
Total other assets, current	**2,548**	**2,702**	**1,939**	**1,574**

As of the 01.01.2016 other receivables mainly consist of receivables from recharge expenses (EUR 222 thousand), repayment claims against the Chamber of Industry and Commerce (EUR 127 thousand) and receivables against a payment provider (EUR 109 thousand).

In 2016 the other receivable mainly consisted of receivable from Withholding tax reclaims (EUR 296 thousand) and receivable from payments to service provider (EUR 225 thousand). Also included were cash in transfer from payment service providers (EUR 185 thousand).

In 2017 other receivables mainly consist of withholding tax reclaims (EUR 258 thousand), receivables from payment service provider (EUR 176 thousand), deposit payments (EUR 185 thousand) and a security deposit due to Swiss VAT regulations (EUR 157 thousand). Furthermore, there exist claims against German health insurance system (EUR 51 thousand) and against the chamber of commerce (EUR 22 thousand).

In 2018 other receivables mainly consist of the contract assets in line with IFRS 15 (EUR 329 thousand), receivables from payment service provider (EUR 217 thousand), deposit payments (EUR 198 thousand) and a security deposit due to Swiss VAT regulations (EUR 157 thousand). Furthermore, there were claims against own employees amounting to EUR 106 thousand due to taken vacation in excess of the days outstanding.

The contract asset as defined in IFRS 15 started on 01 January 2018 with an amount of EUR 226 thousand (gross amount of EUR 234 thousand and an allowance of EUR 8 thousand). In 2018

EUR 107 thousand were added to the contract asset and the allowance was adjusted by EUR 4 thousand. Therefore, as of 31 December 2018 the positions were as follows:

Contract assets according to IFRS 15

In thousands of euro	31 December 2018	01 January 2018
Gross contract assets	341	234
Valuation allowance	(12)	(8)
Net contract assets	**329**	**226**

14 Cash and cash equivalents

Cash and cash equivalents, as at

In thousands of euro	31 December 2018	01 January 2018	31 December 2017	31 December 2016	01 January 2016
Current bank accounts	80,686	34,800	34,800	85,990	53,997
Short term deposits	5	159	159	164	-
Cash in hand	-	-	-	1	2
Other cash equivalents	264	194	194	720	687
Total cash and cash equivalents	**80,955**	**35,154**	**35,154**	**86,876**	**54,687**
Impairment on cash and cash equivalents	(1,016)	(100)	-	-	-
Total cash and cash equivalents after impairment	**79,939**	**35,054**	**35,154**	**86,876**	**54,687**

Other cash equivalents in 2018, 2017 and 2016 mainly comprise PayPal accounts.

The increase of cash and cash equivalents during 2018 mainly results from collected trade receivables. In 2017 cash was significantly lower due to a repayment of the loan to TigerLuxOne S.à r.l. in February 2017. As of 01 January 2018, the Group recognised a loss allowance in line with IFRS 9 using the expected credit loss model for the first time. A loss allowance of EUR 99.6 thousand was recorded against equity at initial application. Later changes are recognised in profit or loss. The Group used credit default swaps with risk structures similar to our risk exposure to estimate the 12-month expected credit loss. The Group monitors the risk on a regular basis to determine if a significant deterioration of credit risk occurred. The Group determines a significant deterioration of credit risk if the credit rating of a bank is downgraded from investment grade. The Group determines a default if the S&P credit rating of a bank is downgraded below C. There have been no significant increases since initial recognition in 2018. All impairments on cash and cash equivalents are calculated using the 12-month expected credit loss as of 31 December 2018.

As of 31 December 2018 the loss allowance increased to EUR 1,016 thousand (01 January 2018: EUR 100 thousand). The increase is due to increased cash holdings and due to an increased probability of default of some individual banks.

Cash and cash equivalents valuation allowance measured at 12-month ECL

In thousands of euro	2018	2017	2016
As of 01 January	(100)	-	-
Additions	(916)	-	-
As of 31 December	(1,016)	-	-

15 EQUITY

Equity

In thousands of euro	31 December 2018	31 December 2017	31 December 2016	01 January 2016
Issued capital	25	25	25	25
(Accumulated losses)/retained earnings	(332,876)	(316,226)	(247,073)	(188,251)
Hedge reserve	(14)	-	-	-
Foreign currency translation reserve	4	-	-	-
Capital reserve	116,312	114,512	114,512	114,512
Total equity	**(216,548)**	**(201,689)**	**(132,536)**	**(73,713)**

(a) Nature and purpose of reserves

Issued capital comprises the subscribed capital of Regit Eins GmbH. The Company was incorporated with a subscribed capital of EUR 25 thousand.

Total equity amounting to minus EUR 132.5 million in 2016, to minus EUR 201.7 million in 2017 and to minus EUR 216.5 million in 2018, also includes the loss for the respective periods of EUR 58.8 million in 2016, EUR 69.2 million in 2017 and EUR 12.4 million in 2018.

Accumulated losses comprise the loss of the Group since the fiscal year 2014. Also included is the effect of the transition to an accounting that is consistent with IFRS 9 and IFRS 15 as of 01 January 2018. The total effect on equity as of 01 January 2018 was EUR 4,237 thousand.

Foreign currency translation reserve comprises foreign exchange differences arising from foreign operations of the Group, starting only in 2018 when the subsidiaries in Japan, Singapore and India were founded. Also included in the OCI is the hedging position. The position consists of the effects of an interest cap. For further details see Note 21 – *Financial instruments*. No tax effects were related to the change in OCI.

The capital reserve as of 01 January 2016 and 31 December 2016, 2017 and 2018 consists of the difference between the fair value and the nominal value of a loan from TigerLuxOne S.á r.l issued in 2014 totalling EUR 69.7 million less related deferred taxes of EUR 20.1 million. Furthermore, the shareholder contributed EUR 64.9 million in 2014 to the free capital reserve.

As of 31 December 2018 the capital reserve also includes the expensed share-based payment awards with an amount of EUR 1.8 million, which are accounted for as a shareholder contribution under the group share scheme (Note 7).

The negative equity as of 01 January 2016 EUR -73.7 million and as of 31 December 2016, 2017 and 2018 (EUR -132.5 million in 2016, EUR -201.7 million in 2017 and EUR -216.5 million respectively) has to be seen alongside with the high positive cash flow from operating activities of EUR 112.6 million in 2018, of EUR 97.6 million in 2017 and of EUR 78.0 million in 2016. On the basis of the expected billing growth this cash flow will even further increase. Therefore, repayment of the loans will be possible in the future and the going concern basis is appropriate.

For 2019 the management expects, assuming stable f/x rates, a positive income due to the finished switch to sale of subscription licences and the expansion to new markets especially in the APAC region, where the Group founded new subsidiaries to get a better market standing.

(b) Capital management

The Group’s policy is to enhance growth of business in order to safeguard its going concern, to maintain investor, creditor and market confidence as well as to sustain future developments. For this purpose, the management actively manages and monitors the net debt position – defined as interest-bearing liabilities minus cash and cash equivalents – in the amount of EUR 751.1 million in 2016, EUR 769.5 million in 2017 and EUR 753.7 million in 2018.

16 LOANS AND BORROWINGS

Non-current liabilities

In thousands of euro	31 December 2018	31 December 2017	31 December 2016	01 January 2016
Interest-bearing loans and borrowings	678,771	664,328	488,189	475,742
Provisions (non-current)	143	24	24	20
Deferred revenue	47,226	148,660	173,593	123,371
Deferred tax liabilities	18,614	6,766	7,544	34,267
Financial liabilities	2,928	731	1,325	7,728
Total non-current liabilities	**747,682**	**820,509**	**670,675**	**641,128**

Current liabilities

In thousands of euro	31 December 2018	31 December 2017	31 December 2016	01 January 2016
Interest-bearing loans and borrowings	154,818	140,369	349,773	316,503
Trade payables	6,695	4,535	3,952	2,392
Deferred revenue	233,410	160,123	94,181	62,992
Accrued expenses and other payables	13,846	9,623	7,100	4,818
Current tax liabilities	466	-	-	4,178
Provisions	1,205	1,490	1,581	2,082
Financial liabilities	6,640	5,413	13,702	12,808
Total current liabilities	**417,080**	**321,553**	**470,289**	**405,774**

Non-current financial liabilities with a carrying amount of EUR 2,928 thousand in 2018, EUR 731 thousand in 2017, EUR 1,325 thousand in 2016 and EUR 7,728 thousand as of 01 January 2016 comprise the fair value of derivatives. The swap is classified as current liability in 2018 with EUR 131 thousand, as non-current liability in 2017 (EUR 255 thousand), 2016 (EUR 333 thousand) and 01.01.2016 (EUR 216 thousand). There are EUR 0 thousand liabilities for the cap as of 2018, EUR 436 thousand in 2017, EUR 992 thousand in 2016 and EUR 1,440 thousand as of 01.01.2016.

(a) Terms and repayment structure

The following table shows the terms, conditions and the carrying amounts of the Group's interest-bearing liabilities:

Interest-bearing liabilities

In thousands of euro	Currency	Nominal interest rate	Year of maturity	31 December 2018 Principal amount (EUR)	31 December 2018 Carrying amount (EUR)
TigerLuxOne S.à. r.l.	EUR	7.00%	2024	162,515	149,720
Regit Loan First Lien	USD	7.55%	2024	278,876	282,984
Regit Loan First Lien	EUR	5.50%	2024	222,045	224,927
Regit Loan Second Lien	USD	11.05%	2025	174,673	176,219
Regit revolver loan	various	NA[2]	2022	-	(260)
Total interest-bearing liabilities				**838,109**	**833,589**

Interest-bearing liabilities

In thousands of euro	Currency	Nominal interest rate 2017	Year of maturity 2017	31 December 2017 Principal amount (EUR)	31 December 2017 Carrying amount (EUR)
TigerLuxOne S.à. r.l.	EUR	7.00%	2024	151,883	135,399
Regit Loan First Lien	USD	6.44%	2024	268,959	273,549
Regit Loan First Lien	EUR	5.50%	2024	224,305	227,681
Regit Loan Second Lien	USD	9.94%	2025	166,764	168,411
Regit revolver loan	various	NA[2]	2022	-	(343)
Total interest-bearing liabilities				**811,911**	**804,697**

Interest-bearing liabilities

In thousands of euro	Currency	Nominal interest rate	Year of maturity	31 December 2016 Principal amount (EUR)	31 December 2016 Carrying amount (EUR)
TigerLuxOne S.à. r.l.	EUR	7.00%	2024	400,786	345,737
Regit Loan First Lien	USD	6.00%	2021	293,183	286,959
Regit Loan First Lien	EUR	6.25%	2021	94,749	94,252
Regit Loan Second Lien	USD	9.50%	2021	110,939	111,478
Regit revolver loan	various	NA[2]	2019	-	(464)
Total interest-bearing liabilities				**899,657**	**837,962**

[2] NA as the revolver loan is not used as of 31 December 2018, 2017 nor 2016. Interest would be between 3.25-3.75%.

Interest-bearing liabilities

In thousands of euro	Currency	Nominal interest rate	Year of maturity	01 January 2016 Principal amount (EUR)	Carrying amount (EUR)
TigerLuxOne S.à. r.l.	EUR	7.00%	2024	374,500	312,564
Regit Loan First Lien	USD	6.00%	2021	283,384	278,843
Regit Loan First Lien	EUR	6.25%	2021	94,749	94,515
Regit Loan Second Lien	USD	9.50%	2021	107,196	106,904
Regit revolver loan	various	NA[2]	2019	-	(580)
Total interest-bearing liabilities				**859,829**	**792,246**

The revolver loan has an interest rate that is variable plus an applicable margin rate and therefore no nominal interest rate is presented in the tables above. The interest on the first and second lien loans contain a variable component (3M USD LIBOR / 3M EUR LIBOR). The nominal interest presented includes the current rates at reporting date and the floor.

Derivatives that are embedded in the loans affect the fair value of those loans. The Company owns the right of redemption of the loans and thereby cancelling them. An additional floor agreement guarantees a minimum interest rate of 1%.

The floor and cancellation option embedded in the loan are accounted for separately from the host contract.

Financing costs are included in the carrying amounts of the respective loans in the tables above. This results in a negative carrying amount for the Regit revolver loan.

The revolving credit facility is not drawn in 2018, 2017 nor 2016 but could be drawn up to an amount of USD 35 million in different currencies in the future.

The payment structure of the loans is as follows, assuming a yearly interest capitalisation for the TigerLuxOne S.à. r.l. loan and a repayment in 2021:

Future payments as of 31 December 2018

In thousands of euro	Payable within 3 months	Payable within 3 to 12 months	Payable in 1 to 3 years	Payable in 3 to 5 years	Payable in more than 5 years	Total amount outstanding
TigerLuxOne	-	-	199,159	-	-	199,159
Regit Loan First Lien (USD)	6,034	18,137	47,631	46,703	267,627	386,132
Regit Loan First Lien (EUR)	3,652	10,976	28,845	28,307	212,451	284,231
Regit Loan Second Lien	3,218	16,411	39,203	39,149	197,143	295,124
Total future payments	**12,904**	**45,524**	**314,838**	**114,159**	**677,221**	**1,164,646**

2 NA as the revolver loan is not used as of 31 December 2018, 2017 nor 2016. Interest would be between 3.25-3.75%.

Future payments as of 31 December 2017

In thousands of euro	Payable within 3 months	Payable within 3 to 12 months	Payable in 1 to 3 years	Payable in 3 to 5 years	Payable in more than 5 years	Total amount outstanding
TigerLuxOne	-	-	-	199,159	-	199,159
Regit Loan First Lien (USD)	5,010	15,204	39,944	39,188	274,425	373,771
Regit Loan First Lien (EUR)	3,649	11,071	29,097	28,559	226,542	298,918
Regit Loan Second Lien	4,145	12,667	33,671	33,625	202,876	286,983
Total future payments	**12,804**	**38,942**	**102,712**	**300,531**	**703,843**	**1,158,832**

Future payments as of 31 December 2016

In thousands of euro	Payable within 3 months	Payable within 3 to 12 months	Payable in 1 to 3 years	Payable in 3 to 5 years	Payable in more than 5 years	Total amount outstanding
TigerLuxOne	-	-	-	562,326	-	562,326
Regit Loan First Lien (USD)	5,210	15,808	41,482	305,495	-	367,994
Regit Loan First Lien (EUR)	1,777	5,393	14,151	100,877	-	122,198
Regit Loan Second Lien	2,817	8,606	22,844	135,952	-	170,219
Total future payments	**9,804**	**29,807**	**78,477**	**1,104,650**	**-**	**1,222,737**

Future payments as of 01 January 2016

In thousands of euro	Payable within 3 months	Payable within 3 to 12 months	Payable in 1 to 3 years	Payable in 3 to 5 years	Payable in more than 5 years	Total amount outstanding
TigerLuxOne S.à. r.l.	-	-	-	-	562,326	562,326
Regit Loan First Lien (USD)	5,137	15,440	40,521	39,853	275,925	376,877
Regit Loan First Lien (EUR)	1,810	5,441	14,277	14,040	93,880	129,449
Regit Loan Second Lien	2,757	8,332	22,118	22,148	120,542	175,897
Total future payments	**9,704**	**29,213**	**76,916**	**76,041**	**1,052,673**	**1,244,548**

For further details on risk management with regards to interest rate and liquidity risk see Note 21 - *Financial Instruments.*

(b) Syndicated loans

On 08 July 2014, Regit Eins GmbH entered into two credit agreements with seven-year maturities (the “2014 Credit Agreements”) with various lenders and Bank of America, N.A., acting as administrative agent. With transaction date 22 February 2017, the Group has restructured its debt. Overall and converted with the exchange rate as of 31 March 2017 this led to an increase of the loans granted to the borrowers of EUR 209.8 million. Legally, the refinancing was considered as an amendment to the original agreement. Due to IAS 39 and the effects of the amendments, the changes were presented in the financial statements as loan disposal and the inclusion of new loans in 2017. This is despite of the fact that the loan terms have largely remained unchanged.

The revolving credit facility has an original term of five years and may be drawn on a variable basis. During 2018, 2017 and 2016 the revolving credit facility has not been drawn.

There is a co-borrower agreement that states that all subsidiaries of Regit Eins GmbH and other subsidiaries of TigerLuxOne S.à r.l. are guarantors of the loans included in the first and second credit agreement.

Regular repayments of the syndicate loans totalled EUR 5,016 thousand in 2018, EUR 3,771 thousand in 2017 and EUR 3,914 thousand in 2016. For effects from refinancing in 2017 see paragraph (e) “Financial effects of the refinancing in 2017”.

(c) Loan from TigerLuxOne S.à r.l.

The loan from TigerLuxOne S.à r.l. was initially recognised at fair values at the issuance date which was calculated using the discounted cash flow method with applicable market interest rates, expected repayment date and a credit spread that is consistent with the secured bank loans taking into account that the loan is subordinated. The loan is subsequently measured at amortised cost using the effective interest rate method applying an effective rate of 10.44% at initial recognition.

Consequently, a portion of the loan amount has been accounted for as a shareholder contribution to equity.

The loan was issued on 07 July 2014, at a nominal amount of EUR 350 million. Fair value of the loan at the date of issuance was EUR 280 million. The difference between the fair value recognition of the loan and the nominal value at the issuance date amounted to EUR 50 million (net of deferred tax) which was accounted for as a shareholder contribution to equity and recognized in other components of equity. Accordingly, deferred tax liabilities of EUR 20 million have been recognized. As result of the refinancing in February 2017 the loan has been repaid partly. As of 31 December 2018, the carrying amounts of the loan including accrued interest amounted to EUR 155 million (2017: EUR 141 million, 2016: EUR 359 million, 01.01.2016: EUR 325 million).

The payments for the loan were presented in the future payment table assuming a repayment in 2021. The entity is not obligated to make repayments before maturity in 2024 or before any exit event such as the optional redemption or liquidation of the Company. Nevertheless, an earlier repayment date is expected for 2021 as of balance sheet date.

(d) Loan covenants

Under the terms of the 2014 Credit Agreements, the Group is required to comply with certain affirmative, negative covenants and only one financial covenant. The covenants include several events of default. The financial covenant comprises a leverage ratio that is only applicable in case the revolving loan is drawn at over 30% of its maximum amount. As the revolver was not drawn in 2018, 2017 nor 2016, no test was required.

As of 31 December 2018, 2017, 2016 and 01.01.2016 there were no breaches of loan covenants.

(e) Financial effects of the refinancing in 2017

The derecognition of the former loans has caused expenses of EUR 41.1 million, which can be broken down as follows:

Expenses caused by repayment of loans

In thousands of euro	
Amortised costs of the repaid loans	20,145
Fair value of the derecognized embedded derivatives	19,612
Call premium due to early repayment	1,185
Other	147
Total expenses	**41,089**

Unchanged to the former loan agreements there are derivatives embedded in the loans that affect the fair value of those loans. The Group owns the right of redemption of the loans and thereby the right to cancel them. An additional floor agreement guarantees a minimum interest rate of 1.00%. The floor and cancellation options embedded in the loans are accounted for separately from the host contract. The following table shows the fair values of these embedded derivatives at transaction date:

Fair Value of embedded derivatives at transaction date

In thousands of euro	
Regit Loan First Lien (USD)	11,592
Regit Loan First Lien (EUR)	8,144
Regit Loan Second Lien (USD)	10,145
Total fair value of embedded derivatives	**29,881**

Financing costs are included in the carrying amount of the respective loans. They include costs that are directly assignable to the new loans i.e. the fair values of embedded derivatives, transaction- and disagio costs. As the positive fair value of the embedded derivatives overcompensates the value of the remaining transactions costs, amortized costs are shown as additions to the nominal value of the loans. The only exception is the Regit Eins revolver loan. As there is no derivative embedded the transaction costs lead to a negative carrying amount.

In 2017 the Company repaid EUR 270 million of the loan from TigerLuxOne S.à r.l. Thereof EUR 259 million are due to the repayment of principal including capitalised interest and EUR 11 million are due to the repayment of accumulated interest. The repayment led to an accelerated recognition of amortised costs of EUR 35 million (gross of deferred tax effect).

17 DEFERRED REVENUE

Deferred revenue

In thousands of euro	31 December 2018	31 December 2017	31 December 2016	01 January 2016
Non-current	47,225	148,660	173,593	123,371
Current	233,410	160,123	94,181	62,992
Total deferred revenue	**280,635**	**308,783**	**267,774**	**186,363**

In 2016 the period of revenue recognition for perpetual licences was, for the first complete year reduced from four years to three years. Together with the switch to the sale of subscription licences this led to a decrease in non-current deferred revenue from 2016 to 2017. The overall increase in the position during this period was due to the higher overall billings.

In 2018 the switch to sell subscription licences was completed and only a minority of licences was still sold as perpetual. As most of the licences were sold with a term of one year or less, the non-current portion of the deferred revenue decreased substantially and mainly consist of revenue from prior periods yet to be realised. On the other hand, the increasing billings volume in 2018 led to an increase in the current portion of deferred revenue. The overall position decreased as the non-current portion of the perpetual licences sold in former periods was released and the deferred revenue of the newly sold subscription licences could not compensate for this fact.

The significant switch from non-current to current deferred revenue is driven by offering the subscription model as main license model in all markets in 2018. The billings for the perpetual license model decreased accordingly.

18 TRADE PAYABLES

Trade payables, aging category

In thousands of euro Due in	31 December 2018	31 December 2017	31 December 2016	01 January 2016
1-30 days	6,695	4,505	3,921	2,392
30-60 days	-	30	31	-
61-90 days	-	1	-	-
Over 90 days	-	-	-	-
Total trade payables	**6,695**	**4,535**	**3,952**	**2,392**

Aging as defined in this context means when the invoice is due rather than when the invoice was received.

19 ACCRUED EXPENSES AND OTHER PAYABLES

The Group expects that the following accrued expenses and other payables in the amount of EUR 13,084 thousand are to be settled within one year. There are non-current accrued expenses of EUR 762 thousand as of 31 December 2018, EUR 563 thousand as of 31 December 2017, EUR 200 thousand as of 31 December 2016 and none as of 01 January 2016.

Accrued expenses and other payables

In thousands of euro	31 December 2018	31 December 2017	31 December 2016	01 January 2016
Employee related accruals	6,367	2,996	2,806	1,961
Payroll related taxes and social security	672	1,120	645	357
Value added tax	1,515	2,154	1,915	1,668
Other	5,292	3,352	1,733	832
Accrued expenses and other payables	**13,846**	**9,623**	**7,100**	**4,818**

In 2018 the significant increase in the employee related accruals is due to a new compensation plan (bonus & sales compensation accruals increased by EUR 4,392 thousand in 2018). The decrease in the position “Payroll related taxes and social security” is due to high one time pay out to employees in December 2017. The decrease in the VAT payables is driven by decreased sales in Germany December 2018 vs December 2017. The position “other” primarily includes accruals for consulting fees and outstanding invoices for services received. The increase in other accruals compared to 2017 is mainly driven by unbilled supplier invoices.

In 2017 the increase in the position “Payroll related taxes and social security” is due a high one-time payment to employees in December 2017. The increase in the position “Other” is mainly driven by unbilled supplier invoices.

In 2016 the increase in the position “Employee related accruals” is due to higher bonus accruals and increased accruals for not taken vacation. The increase in “Other” accruals is driven by unbilled supplier invoices.

20 PROVISIONS

Provisions totaling EUR 1,349 thousand in 2018, EUR 1,514 thousand in 2017, EUR 1,605 thousand in 2016 and EUR 2,102 thousand beginning of 2016. The provisions mainly consist of provisions relating to audit, consultancy and tax fees (2016-2018) and Jubilee provisions (since 2018).

Provisions – total

In thousands of euro	2018	2017	2016
Balance as of 01 January	**1,514**	**1,605**	**2,102**
Additions	936	2,663	3,463
Usage	(996)	(2,314)	(3,679)
Reversals	(105)	(439)	(282)
Translation differences	-	-	-
Balance as of 31 December	**1,349**	**1,514**	**1,605**
Thereof non-current	*143*	*24*	*24*

21 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

(a) Accounting classifications and fair values

For 2016 and 2017 the Groups financial instruments were classified in accordance with IAS 39 (for further details see Note 3 – *Significant Accounting Policies*). In 2018 the Group classified financial instruments in line with IFRS 9 at initial application 01 January 2018. All financial assets previously classified as loans and receivables are non-derivative financial assets that are held to collect contractual cash flows that are solely payments of principal and interest and are therefore classified as amortised cost. All non-derivative financial liabilities previously classified as other financial liabilities are classified as amortised cost. Derivatives previously classified as held for trading are classified as fair value through profit and loss. Since there are no reclassifications or changes in measurement there are no changes to the carrying amount at the initial transition date except for trade receivables and cash and cash equivalents. No financial instruments previously designated as measured at fair value through profit and loss have been reclassified.

The Group applies the following fair value hierarchy to define and present its assets and liabilities measured at fair value:

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

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Carrying amount and fair value level

31 December 2018 In thousands of euro	Carrying amount				Fair value level	
Old classification IAS 39	**Held-for-trading**	**Loans and receivables**	**Other financial liabilities**			
New classification IFRS 9	**Fair value through profit and loss**	**Amortised cost**	**Amortised cost**	**Total**	**Fair Value**	**Level Nr.**
Financial assets - thereof derivatives	11	-	-	11	11	Level 2
Total financial assets measured at fair value	**11**	**-**	**-**	**11**		
Trade and other receivables	-	15,442	-	15,442	15,442	Level 2
Cash and cash equivalents	-	79,939	-	79,939	79,939	Level 2
Loan receivables	-	9,704	-	9,704	9,704	Level 2
Total financial assets not measured at fair value	**-**	**105,086**	**-**	**105,086**		
Financial liabilities - thereof derivatives	3,058	-	-	3,058	3,058	Level 2
Total financial liabilities measured at fair value	**3,058**	**-**	**-**	**3,058**		
Trade payables	-	-	6,695	6,695	6,695	Level 2
Loans	-	-	833,589	833,589	806,389	Level 2
Other financial liabilities	-	-	6,509	6,509	6,509	Level 2
Total financial liabilities not measured at fair value	**-**	**-**	**846,794**	**846,794**		

Carrying amount and fair value level

In thousands of euro	Carrying amount				Fair value level	
31 December 2017 Classified in line with IAS 39	**Held-for-trading**	**Loans and receivables**	**Other financial liabilities**			
01 January 2018 - Classified in line with IFRS 9	**Fair value through profit and loss**	**Amortised cost**	**Amortised cost**	**Total**	**Fair Value**	**Level Nr.**
Financial assets - thereof derivatives	14,747	-	-	14,747	14,747	Level 2
Total financial assets measured at fair value	**14,747**	**-**	**-**	**14,747**		
Trade and other receivables	-	18,571*	-	18,571	18,571	Level 2
Cash and cash equivalents	-	35,154	-	35,154	35,154	Level 2
Loan receivables	-	9,279	-	9,279	9,279	Level 2
Total financial assets not measured at fair value	**-**	**63,003**	**-**	**63,003**		
Financial liabilities - thereof derivatives	296	-	-	296	296	Level 2
Total financial liabilities measured at fair value	**296**	**-**	**-**	**296**		
Trade payables	-	-	4,535	4,535	4,535	Level 2
Loans	-	-	804,697	804,697	848,944	Level 2
Other financial liabilities	-	-	5,848	5,848	5,848	Level 2
Total financial liabilities not measured at fair value	**-**	**-**	**815,081**	**815,081**		

* The risk provision on trade receivables was reduced by EUR 1,759 thousand against equity on 01 January 2018 due to changes in accounting policies. For further details see Note 12 *Trade Receivables*.

Carrying amount and fair value level

31 December 2016 Classified in line with IAS 39 In thousands of euro	Carrying amount				Fair value level	
	Held-for-trading	Loans and receivables	Other financial liabilities	Total	Fair Value	Level Nr.
Financial assets - thereof derivatives	19,672	-	-	19,672	19,672	Level 2
Total financial assets measured at fair value	**19,672**	**-**	**-**	**19,672**		
In thousands of euro						
Trade and other receivables	-	18,766	-	18,766	18,766	Level 2
Cash and cash equivalents	-	86,876	-	86,876	86,876	Level 2
Loan receivables	-	1,379	-	1,379	1,379	Level 2
Total financial assets not measured at fair value	**-**	**107,021**	**-**	**107,021**		
In thousands of euro						
Financial liabilities - thereof derivatives	333	-	-	333	333	Level 2
Total financial liabilities measured at fair value	**333**	**-**	**-**	**333**		
In thousands of euro						
Trade payables	-	-	3,952	3,952	3,952	Level 2
Loans	-	-	837,962	837,962	846,089	Level 2
Other financial liabilities	-	-	14,694	14,694	14,694	Level 2
Total financial liabilities not measured at fair value	**-**	**-**	**856,607**	**856,607**		

Carrying amount and fair value level

01 January 2016 Classified in line with IAS 39 In thousands of euro	Carrying amount: Held-for-trading	Loans and receivables	Other financial liabilities	Total	Fair value level: Fair Value	Level Nr.
Financial assets - thereof derivatives	297	-	-	297	297	Level 2
Total financial assets measured at fair value	**297**	**-**	**-**	**297**		
In thousands of euro						
Trade and other receivables	-	17,841	-	17,841	17,841	Level 2
Cash and cash equivalents	-	54,687	-	54,687	54,687	Level 2
Total financial assets not measured at fair value	**-**	**72,528**	**-**	**72,528**		
In thousands of euro						
Financial liabilities - thereof derivatives	1,139	-	-	1,139	1,139	Level 2
Total financial liabilities measured at fair value	**1,139**	**-**	**-**	**1,139**		
In thousands of euro						
Trade payables	-	-	2,392	2,392	2,392	Level 2
Loans	-	-	792,245	792,245	733,359	Level 2
Other financial liabilities	-	-	14,248	14,248	14,248	Level 2
Total financial liabilities not measured at fair value	**-**	**-**	**808,886**	**808,886**		

(b) Measurement of fair values

Valuation techniques – The fair values are calculated using standard financial valuation models, based entirely on observable inputs.

Interest rate swaps are measured with the discounted-cash-flow method using applicable yield curves. Interest rate caps are measured using an option pricing model with current market volatilities.

The fair values for the embedded derivatives are calculated with an option pricing model in which the most relevant factors are current yield curves and credit default spreads for comparable companies.

The fair values of the debt instruments assigned to Level 2 are calculated as the present values of the payments associated with the debts, based on the applicable yield curve and the credit spread curve for comparable companies.

Trade receivables, receivables from affiliates, associates and other investments, as well as loan receivables, other assets and cash and cash equivalents generally all have short maturities. For this particular reason, their carrying amounts approximate their fair values on closing date.

Trade liabilities, payables and other non-financial liabilities also generally have short maturities. For this particular reason, their carrying amounts approximate their fair values on closing date.

There were no transfers between fair value levels in 2018, 2017 nor 2016.

Net gains & losses – Net gains and losses by category of financial instruments in accordance with IFRS 7.20 are as follows:

Net income (loss)

In millions of euro	Year ended 31 December 2018	Year ended 31 December 2017	Year ended 31 December 2016
Financial assets and liabilities measured at fair value through profit and loss	(17.7)	(34.9)	24.4
Financial assets measured at amortised cost	(8.6)	(2.7)	(0.8)
Financial liabilities measured at amortised cost	(84.6)	(59.7)	(84.9)
Total net income (loss)	**(110.9)**	**(97.3)**	**(61.3)**

As shown above, net gains and losses include interest, changes in fair value recognised in profit or loss, impairment losses and impairment reversals, as well as currency translation effects. Within financial assets measured at amortised cost losses of EUR -9.2 million were recognised that are related to the impairment of trade receivables and cash and cash equivalents (no losses recognized in 2017 and 2016, as IFRS was adopted first time as of 01.01.2018. In 2017 and 2016 impairment on trade receivables were directly deducted from revenue; for further information see also note 5—*Revenue*). In 2018 the net interest result for financial assets and liabilities that are measured at amortised cost was EUR -62.1 million and comprises interest on bank loans of EUR -48.4 million, interest on related party loans of EUR -14.7 million, interest gain from loan receivables from 3rd parties of EUR 0.7 million and interest gain from loan to related parties of EUR 0.2 million. In 2017 the net interest result for financial assets and liabilities that are measured at amortised cost was EUR -117.8 million and comprises interest on bank loans of EUR -66.7 million, interest on related party loans of EUR -51.5 million, interest gain from loan receivables from 3rd parties of EUR 0.2 million and interest gain from loan to related parties of EUR 0.2 million. In 2016 the net interest result for financial assets and liabilities that are measured at amortised cost was EUR -72.2 million and comprises interest on bank loans of EUR -38.4 million, interest on related party loans of EUR -34.1 million, interest gain from loan receivables from 3rd parties of EUR 0.1 million and interest gain from loan to related parties of EUR 0.2 million. The fee expense related to financial liabilities that are not measured at fair value amounted to EUR -0.5 million in 2018, EUR -2.3 million in 2017 and EUR -0.7 million in 2016. Foreign exchange results related to financial liabilities at amortised cost amounted to losses of EUR -20.9 million in 2018, gains of EUR 60.5 million in 2017 and losses of EUR -11.9 million in 2016. Foreign exchange losses related to financial assets at amortised cost amounted to EUR -0.4 million in 2018, EUR -2.2 million in 2017 and EUR -0.7 million in 2016. Foreign exchange results related to financial liabilities measured at fair value amounted to gains of EUR 0.4 million in 2018, losses of EUR -1.7 million in 2017 and losses of EUR -0.2 million in 2016. Net interest result and these foreign exchange losses are comprised within the net losses in the table above. Interest income and expense on financial assets and liabilities accounted for at amortised cost are included in interest income on financial assets and in interest expense on financial debt, respectively (see Note 8—*Finance income and finance costs*).

(c) Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Regarding assets, liabilities and forecast transactions, Regit Eins GmbH and its subsidiaries are exposed to risks resulting from changes in exchange rates and interest rates, among other things. Based on a risk appraisal, selected hedging instruments are used to limit these risks.

The Group enters into derivatives for hedging purposes only. The use of derivatives is constantly monitored by the Management Board. This includes the functional segregation of trading, handling and posting and the authorisation of just a few qualified employees.

Other disclosures on risk concentration and diversification of risks can be found in the risk and opportunities report of the management report.

Credit risk – Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group is exposed to a credit and counterparty risk from its financing and operating activities. The carrying amount of financial assets in the statement of the financial position reflects the maximum credit risk exposure.

Trade receivables – The Group's exposure to credit risk is mainly influenced by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Group seeks to minimize such risk by entering into transactions with counterparties that are believed to be creditworthy business partners or with financial institutions that meet high credit rating requirements. In addition, the portfolios of receivables are monitored on a continuous basis. Credit risk is limited to a specified amount with regard to individual receivables.

Software licenses and services are sold subject to payment, so that in the event of non-payment the Group may block the license. The Group does not require collateral in respect of trade and other receivables otherwise.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect to trade and other receivables (see Note 12—*Trade receivables*).

Management believes that the unimpaired amounts that are neither past due nor impaired are collectible in full, based on historical payment behaviour.

Cash and cash equivalents –The Group held cash and cash equivalents before impairment of EUR 80,955 thousand at the end of 2018, compared to EUR 35,154 thousand end of 2017, EUR 86,876 thousand end of 2016 and EUR 54,686 thousand as of 01 January 2016. For further information see Note 14—*Cash and cash equivalents*.

Derivatives – The derivatives are entered into with bank and financial institution counterparties, which have a good credit rating.

Liquidity risk – Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to manage liquidity is to ensure that it will, as far as possible, have sufficient liquidity to meet its liabilities when they are due, under both normal as well as stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) on a weekly basis. The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Group's credit agreements incorporate a USD 35 million revolving overdraft facility that is unsecured. Interest would be payable at a percentage per annum equal to the applicable fixed rate or base rate plus the adjustable applicable margin for revolving loans. There are no drawdowns on the revolving loan as of 31 December 2018, 2017, 2016 nor 01.01.2016 (see Note 16—*Loans and borrowings*).

Exposure to liquidity risk – The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross, undiscounted, include estimated interest payments and exclude the impact of netting agreements.

Exposure to Liquidity risk

31 December 2018		Contractual cash flows			
In thousands of euro	Carrying amount	Total	< 1 year	1–5 years	more than 5 years
Interest bearing loans and borrowings	833,589	1,164,646	58,428	428,997	677,221
Trade payables	6,695	6,695	6,695	-	-
Other financial liabilities*	6,510	993	993	-	-
Total non-derivative financial liabilities	**846,794**	**1,172,334**	**66,116**	**428,997**	**677,221**
In thousands of euro					
Interest rate swap	131	131	131	-	-
Total derivative financial liabilities	**131**	**131**	**131**	**-**	**-**

31 December 2017		Contractual cash flows			
In thousands of euro	Carrying amount	Total	< 1 year	1–5 years	more than 5 years
Interest bearing loans and borrowings	804,697	1,158,831	51,747	403,243	703,843
Trade payables	4,535	4,535	4,535	-	-
Other financial liabilities*	5,848	702	702	-	-
Total non-derivative financial liabilities	**815,081**	**1,164,068**	**56,984**	**403,243**	**703,843**
In thousands of euro					
Interest rate swap	255	263	132	131	-
Total derivative financial liabilities	**255**	**263**	**132**	**131**	**-**

Exposure to Liquidity risk

31 December 2016		Contractual cash flows			
In thousands of euro	Carrying amount	Total	< 1 year	1–5 years	more than 5 years
Interest bearing loans and borrowings	837,962	1,222,738	39,611	1,183,127	-
Trade payables	3,952	3,952	3,952	0	-
Other financial liabilities*	14,694	1,110	604	506	-
Total non-derivative financial liabilities	**856,607**	**1,227,800**	**44,167**	**1,183,633**	**-**
In thousands of euro					
Interest rate swap	333	390	131	259	-
Total derivative financial liabilities	**333**	**390**	**131**	**259**	**-**

Exposure to Liquidity risk

01 January 2016		**Contractual cash flows**			
In thousands of euro	**Carrying amount**	**Total**	**< 1 year**	**1–5 years**	**more than 5 years**
Interest bearing loans and borrowings	791,718	1,244,546	38,917	152,957	1,052,673
Trade payables	2,392	2,392	2,392	-	-
Other financial liabilities*	14,248	1,566	586	980	-
Total non-derivative financial liabilities	**808,358**	**1,248,504**	**41,895**	**153,937**	**1,052,673**
In thousands of euro					
Interest rate swap	216	523	133	390	-
Total derivative financial liabilities	**216**	**523**	**133**	**390**	**-**

** Other financial liabilities include the carrying amount of accrued interest on the loan from TigerLuxOne S.à. r.l. which is capitalised on a yearly basis and therefore not shown as cash outflow. The total repayment of the TigerLuxOne S.à. r.l. loan including capitalised interest is shown as cash outflow under interest bearing loans and borrowings.*

The gross outflows disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities that are held for risk management purposes and that are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

Amounts in foreign currency were each translated at the closing rate at the reporting date. The variable interest payments arising from the financial instruments were calculated using the last interest rates fixed at 31 December 2018, 2017 and 2016 respectively.

The interest payments on variable interest rate loans and overdrafts and the swap agreement in the table above reflect spot market interest rates at the reporting date. These amounts may change as market interest rates change. The future cash flows on derivative instruments may be different from the amount in the above table as interest rates and exchange rates change.

Market risk – Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group uses derivatives to manage market risks. Generally, the Group seeks to apply hedge accounting to manage volatility in profit or loss.

Currency risk – By currency risks, the Group refers to the danger of losses resulting from changes in foreign exchange rates.

The Group is exposed to currency risk to the extent that currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of Group companies may differ from each other. Currency risks exist in USD and several other currencies. Only the exposure to USD is significant and disclosed in detail, as other currencies do not comprise more than 3% of monetary assets and liabilities in total.

The net statement of financial position exposure is minus USD 512,547 thousand as of 31 December 2018, minus USD 507,580 thousand as of 31 December 2017, minus USD 413,817 as of 31 December 2016 and minus USD 437,520 thousand as of 01 January 2016 which results mainly from the USD debt, the corresponding embedded derivatives and the interest cap act as hedging instrument but only the cap was defined as cash flow hedge in the years 2016 and 2018. The Group receives cash inflows in USD from revenue in the United States. For this particular reason, there is a natural currency hedge of USD interest and redemption payments to a large extent and no financial hedge is in place.

Foreign currency exchange rate fluctuations may create adverse and unpredictable earnings and cash flow volatility. The risk is mitigated because the Group entities mainly conduct business in the same currency area. In addition, the foreign currency transaction exposure is partly balanced by purchase of goods and services in the respective currencies as well as business activities and other contributions along the value chain in the local markets. This effect leads to future cash flows denominated in each entity's respective local currency.

Loans and accounts granted to or between related parties of Regit Eins GmbH do not significantly affect the Group's exposure to currency risk, as only small amounts are not denominated in EUR.

Exposure to currency risk – The quantitative data about the Group's exposure to currency risk as reported to the management is summarized as follows.

Exposure to currency risk

In thousands of USD	31 December 2018	31 December 2017	31 December 2016	01 January 2016
Cash	22,314	6,466	5,039	3,760
Trade receivables	3,234	3,036	3,269	4,455
Other receivables	155	-	-	-
Loans to related parties	-	-	984	-
Secured bank loans	(519,312)	(522,562)	(437,800)	(441,000)
Derivatives	(1,119)	9,919	16,076	(4,648)
Other financial liabilities	(257)	(226)	(85)	(86)
Trade payables	(2,891)	(1,759)	(1,300)	(2)
Other liabilities	(14,670)	(2,454)	-	-
Net statement of financial position exposure	**(512,547)**	**(507,580)**	**(413,817)**	**(437,520)**

Sensitivity analysis – A reasonably possible strengthening (weakening) of the EUR against USD would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. Other foreign currencies would not have caused significant effects on profit or equity. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases.

If the EUR had been 10% stronger (weaker) against the USD, the net income for the Group would have been EUR 44.8 million higher (lower) in 2018, EUR 42.3 million higher (lower) in 2017 and EUR 39.3 million higher (lower) in 2016 assuming that all other risk factors remained unchanged.

Interest rate risk – Interest rate risks are understood as the negative impact of fluctuating interest rates on the net profit of the Group. A distinction must be made between fixed-interest and floating-rate financial instruments. For fixed-interest financial instruments, a fixed market interest rate is agreed on for the full term of the financial instrument. The risk is that when market interest rates fluctuate, the market price of the financial instrument will change (fair value risk due to changes in interest rates). The market price is based on the present value of future payments (interest payments plus repayment of principal) discounted using the market interest rate prevailing at the end of the reporting period for the residual term of the respective payment. The fair value risk due to changes in interest rates will therefore lead to a gain or loss if the fixed-interest instrument is sold before maturity.

For floating-rate financial instruments the interest rate is adjusted in line with respective market interest rates. However, there is a risk that there may be fluctuations in interest rates leading to changes in the future interest payment (cash flow risk due to interest rates).

Interest swaps were used in the past fiscal year to hedge interest risks. An interest swap involves swapping the fixed or floating interest rate in the underlying transaction for a floating or fixed interest rate respectively for the entire term of the underlying instrument. The decision on whether to use derivative financial instruments is based on the projected interest rate risk and debt. The interest hedging strategy is reviewed regularly and new targets are defined.

Exposure to interest rate risk – The interest rate profile of the Group's interest-bearing financial instruments as reported to the management is as follows:

Fixed-rate instruments

In thousands of euro	31 December 2018	31 December 2017	31 December 2016	01 January 2016
Financial liabilities				
TigerLuxOne S.à. r.l.	149,720	135,399	345,737	312,564
Effect of interest rate swaps	95,750	96,750	97,750	98,750
Total fixed-rate instruments	**245,470**	**232,149**	**443,487**	**411,314**

Variable-rate instruments

In thousands of euro	31 December 2018	31 December 2017	31 December 2016	01 January 2016
Financial liabilities	683,869	669,298	492,225	479,681
Effect of interest rate swaps	(95,750)	(96,750)	(97,750)	(98,750)
Total variable-rate instruments	**588,119**	**572,548**	**394,475**	**380,931**

Sensitivity analysis for variable-rate instruments – The interest sensitivity analysis presented below shows the hypothetical effects that a change in the market interest rate at the end of the reporting period would have had on the pre-tax profit and on equity. It is assumed in this simplified analysis that the exposure at the end of the reporting period is representative of the year as a whole and that the assumed change in the market interest rate at the end of the reporting period was possible.

A shift in the yield curve of +50/-50 basis points would have no effect on the cash flows of the 1st lien EUR loan since the floor agreement is in the money. A shift in the yield curve of +50/-50 basis points would have a cash flow effect of EUR -2.3 million / +2.3 million in 2018, EUR -2.2 million / +2.2 million in 2017 and EUR -2.1 million / +0.0 million in 2016 related to the USD denominated loans over the next 12 months.

As the Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, the Group is only exposed to fair value changes regarding the hedging instruments and the embedded derivatives.

The sensitivity calculation assumes that all other variables, particularly exchange rates, remain constant.

If market interest rates had been 50 basis points higher (lower) the annual result and thus also equity would have changed by the amount of EUR 0.3 (-0.1) million in 2018, EUR -0.5 (0.3) million in 2017 and EUR -1.0 (1.3) million in 2016.

(d) Derivatives and hedge accounting

General information on the Group's derivatives – In 2014, the Group entered into an interest cap agreement and an interest swap agreement. The cap agreement expired 31.12.2018 and was renewed with trade date 28.12.2018 and effective date 01.01.2019 under new conditions. As of 31 December 2018, the cap (financial asset) has a carrying amount and fair value of EUR 11 thousand (2017: EUR 0 thousand, 2016: EUR 60 thousand, 01.01.2016: 297 thousand) whereas the swap (financial liability) has a carrying amount and fair value of EUR 131 thousand (2017: EUR 255 thousand, 2016: EUR 333 thousand, 01.01.2016: EUR 216 thousand).

The notional volume of the swap agreement is EUR 100 million and is amortising to a notional volume of EUR 95 million at the end of 2019. The interest cap hedged the interest on a notional volume of USD 222 million and was amortising to a notional volume of USD 216 million at the end of 2018. The cap expired 31 December 2018 and was renewed hedging the interest on a notional volume of USD 390 million amortising to a notional volume of USD 388 million at the end of 2019 with a new cap rate of 3.3% on the 3M-USD-LIBOR.

Derivatives designated as cash flow hedges – As of 31 December 2018, only the new cap agreement is designated as cashflow hedge under IFRS 9. There is an economic relationship between the hedged item (1st and 2nd lien USD loan principals of USD 519 million as of 31 December 2018) and the hedging instrument (cap) since both are inversely related to the 3M-USD-LIBOR rate with a constant 0.75 hedge ratio. As of 31 December 2017 there are no derivatives designated as cash flow hedge due to the refinancing. As of 31 December 2016 the intrinsic value of the cap was classified as cash flow hedge under IAS 39 to hedge variable interest payments of the USD loans. The intrinsic value was zero at year end 2016 and no amount was recognised in OCI.

(f) Changes from liabilities arising from financing activities

The following table illustrates the changes from liabilities arising from financing activities:

Changes from liabilities arising from financing activities

In thousands of euro	01 January 2018	Cash flows	Foreign exchange movements	Changes in fair values	Amortised costs	Other	31 December 2018
Non-current liabilities							
Interest-bearing loans and borrowings	664,328	(5,016)	20,723	-	(1,264)	-	678,771
Loans from third parties	*664,328*	*(5,016)*	*20,723*	-	*(1,264)*	-	*678,771*
Loans from related parties	-	-	-	-	-	-	-
Financial liabilities	731	(585)	(33)	2,804	142	(131)	2,928
Liabilities from third parties	*731*	*(585)*	*(33)*	*2,804*	*142*	*(131)*	*2,928*
Liabilities from related parties	-	-	-	-	-	-	-
Total non-current liabilities	**665,059**	**(5,601)**	**20,690**	**2,804**	**(1,122)**	**(131)**	**681,699**
Current liabilities							
Interest-bearing loans and borrowings	140,369	-	128	-	3,689	10,632	154,818
Loans from third parties	*4,970*	-	*128*	-	-	-	*5,098*
Loans from related parties	*135,399*	-	*0*	-	*3,689*	*10,632*	*149,720*
Financial liabilities	5,413	(49,874)	64	-	60,691	(9,654)	6,640
Liabilities from third parties	*257*	*(49,874)*	*64*	-	*49,699*	*978*	*1,124*
Liabilities from related parties	*5,156*	-	-	-	*10,993*	*(10,632)*	*5,517*
Total current liabilities	**145,782**	**(49,874)**	**192**	**-**	**64,380**	**978**	**161,458**

Changes from liabilities arising from financing activities

In thousands of euro	01 January 2017	Cash flows	Foreign exchange movements	Changes in fair values	Amortised costs	Other	31 December 2017
Non-current liabilities							
Interest-bearing loans and borrowings	488,189	180,136	(62,050)	-	49,673	8,380	664,328
Loans from third parties	*488,189*	*180,136*	*(62,050)*	-	*49,673*	*8,380*	*664,328*
Loans from related parties	-	-	-	-	-	-	-
Financial liabilities	1,325	(600)	190	(49)	-	(135)	731
Liabilities from third parties	*1,325*	*(600)*	*190*	*(49)*	-	*(135)*	*731*
Liabilities from related parties	-	-	-	-	-	-	-
Total non-current liabilities	**489,514**	**179,537**	**(61,860)**	**(49)**	**49,673**	**8,245**	**665,059**
Current liabilities							
Interest-bearing loans and borrowings	349,773	(258,793)	934	-	38,566	9,890	140,369
Loans from third parties	*4,036*	-	*934*	-	-	-	*4,970*
Loans from related parties	*345,737*	*(258,793)*	-	-	*38,566*	*9,890*	*135,399*
Financial liabilities	13,703	(52,881)	(3,480)	-	57,961	(9,890)	5,413
Liabilities from third parties	*98*	*(41,416)*	*(3,480)*	-	*45,055*	-	*257*
Liabilities from related parties	*13,605*	*(11,465)*	-	-	*12,906*	*(9,890)*	*5,156*
Total current liabilities	**363,476**	**(311,674)**	**(2,546)**	**-**	**96,527**	**-**	**145,782**

For details to movements in cash flows see Note 16 *Loans and borrowings*. The difference of cash flows compared to the cash flow statement (EUR 474 thousand) results from cash flows directly recognised as expense.

Changes from liabilities arising from financing activities

In thousands of euro	1 January 2016	Cash flows	Foreign exchange movements	Changes in fair values	Amortised costs	Other	31 December 2016
Non-current liabilities							
Interest-bearing loans and borrowings	475,742	(3,914)	12,573	-	3,789	-	488,189
Loans from third parties	*475,742*	*(3,914)*	*12,573*	-	*3,789*	-	*488,189*
Loans from related parties	-	-	-	-	-	-	-
Financial liabilities	7,728	(618)	(97)	(5,831)	145	-	1,325
Liabilities from third parties	*7,728*	*(618)*	*(97)*	*(5,831)*	*145*	-	*1,325*
Liabilities from related parties	-	-	-	-	-	-	-
Total non-current liabilities	**483,469**	**(4,533)**	**12,475**	**(5,831)**	**3,933**	**-**	**489,514**
Current liabilities							
Interest-bearing loans and borrowings	316,503	-	96	-	6,886	26,287	349,773
Loans from third parties	*3,939*	-	*96*	-	-	-	*4,036*
Loans from related parties	*312,564*	-	-	-	*6,886*	*26,287*	*345,737*
Financial liabilities	12,808	(35,000)	387	-	61,794	(26,287)	13,703
Liabilities from third parties	*96*	*(35,000)*	*387*	-	*34,615*	-	*98*
Liabilities from related parties	*12,712*	-	-	-	*27,179*	*(26,287)*	*13,605*
Total current liabilities	**329,312**	**(35,000)**	**483**	**-**	**68,680**	**-**	**363,475**

22 Operating Leases

Operating lease payments represent rentals payable by the Group for certain buildings, leased server and cars. The minimum lease payments under operating leases recognised as an expense for the year 2018 comprise EUR 4,737 thousand, for 2017 – EUR 2,985 thousand, for 2016 – EUR 879 thousand.

At the reporting dates, the Group had outstanding commitments under operating leases, which become due as follows:

Operating leases

In thousands of euro	31 December 2018	31 December 2017	31 December 2016
Within one year	3,606	2,684	1,140
Between one and five years	2,761	5,203	2,059
More than five years	-	-	-
Total operating leases	**6,367**	**7,887**	**3,198**

Starting 01 January 2019, the Group is obliged to adopt IFRS 16 “Leases”. There will be a major change in the way of recognising leases as most of the lease agreements for offices will then be capitalized. Only if the term of the lease contract is less than 12 months the Group will still disclose the payments as lease payments. All identifiable leased assets of not low value and with an initial lease term of more than 12 months will be capitalised and depreciated over the term of the lease contract. On the other hand, the Group will disclose a lease liability, that will be released over the term of the lease, taking into account the interest effect.

For the initial application of IFRS 16 there will be no effect on the equity as the Company chose to apply the option to value both components at the same amount.

23 Operating Segments

The Group was managed on a single segment base with the product as base for the segmentation. The decision for the segmentation was based on the internal organisation which is based on the product as single line of reporting. Reporting of the product is based on the different geographic locations as reporting units, naming “Europe, Middle East and Africa” (EMEA), “North and South America” (Americas), and the “Asian Pacific Region” (APAC).

As there is only one segment the “Consolidated Statements of Profit or Loss and other Comprehensive Income” already show the revenue and expenses of the segment as well as the “Consolidated Statements of Financial Position” shows the segment’s assets and liabilities. Therefore, no further breakdown is necessary. All revenue shown in the “Consolidated Statements of Profit or Loss and other Comprehensive Income” are against external customers.

The segment generates revenue from the following brands: TeamViewer®, ITBrain®, Monitis® and BLIZZ®. In 2018 there was the decision to rebrand the products to make a stronger emphasise on the TeamViewer brand. Therefore, ITBrain was renamed in TeamViewer Remote Management and BLIZZ will be rebranded to TeamViewer Meeting in 2019.

The most relevant key performance indicators based on which management decides about the allocation of resources are billings per region and Cash EBITDA.

Billings split per region

In thousands of euro	Year ended 31 December 2018	Year ended 31 December 2017	Year ended 31 December 2016
EMEA	129,531	112,851	104,081
Americas	69,211	49,929	52,499
APAC	31,102	21,788	20,827
Billings	**229,844**	**184,568**	**177,408**

Billings can be reconciled to revenue as follows:

Revenue

In thousands of euro	Year ended 31 December 2018	Year ended 31 December 2017	Year ended 31 December 2016
Billings	229,844	184,568	177,408
Change in deferred revenue p/l effective	28,313	(46,101)	(85,738)
Revenue	**258,157**	**138,467**	**91,670**

Cash EBITDA is calculated as follows:

In thousands of euro	Year ended 31 December 2018	Year ended 31 December 2017	Year ended 31 December 2016
Operating (loss)/profit	**107,129**	**26,192**	**(7,272)**
Depreciation and amortisation	30,106	27,708	26,368
EBITDA	**137,235**	**53,900**	**19,096**
Adjustments for specific non-recurring items	11,657	7,903	5,413
Change in deferred revenue p/l effective	(28,313)	46,101	85,738
Bad debt[3]	-	(4,845)	(3,422)
Cash EBITDA[4]	**120,579**	**103,059**	**106,825**

[3] Due to changes in accounting policies in accordance with the initial application of IFRS 9 and IFRS 15 in FY 2018, bad debt provisions are included in other operating expenses compared to (deferred) revenue as in FY 2017 and 2016. Please refer to Note 3 (s) for further information on the effects of initial application of IFRS 9 and IFRS 15.

[4] Due to the initial application of IFRS 9 and IFRS 15 in FY 2018, Cash EBITDA for the year 2018 reflects bad debt provision differently than Cash EBITDA for the years 2016 and 2017. If IAS 18 would also have been used in 2018, the Group would have had a higher Cash EBITDA of EUR 2,771 thousand. For further information, see Note 5 - *Revenue*

The adjustments for specific non-recurring items include the following items:

In thousands of euro	Year ended 31 December 2018	Year ended 31 December 2017	Year ended 31 December 2016
GDPR and IT Security projects	(5,311)	(1,083)	(370)
IT related projects	(159)	(527)	(990)
Re-Organisation	(3,224)	(3,039)	(2,514)
SaaS Transformation	(315)	(644)	(1,199)
Transaction related	(1,921)	(1,852)	(174)
Other	(727)	(759)	(166)
Total	**(11,657)**	**(7,903)**	**(5,413)**

GDPR and IT Security projects:

This category includes the expenses related to the external consulting cost for GDPR implementation (especially in 2018 with EUR 2,074 thousand). Furthermore, there were costs included regarding legal advice and analysis of the existing IT security environment as well as set-up costs for an improved IT security environment with EUR 345 thousand in 2016, EUR 474 thousand in 2017 and EUR 3,236 thousand in 2018.

IT related projects:

IT project related include cost for the new ERP/CRM system, the costs for the move of the datacentre to an external service provider and the project costs for an order to cash project to be able to extend the offerings of various payment methods and increase the automatization of the processes. In 2016 and 2017 cost related especially to the new ERP/CRM system set up costs and to the Order-to-Cash project. In 2018 there were several smaller projects included, especially for the move of the datacentre to a new location.

Re-Organisation:

The re-organisation costs include organisational changes such as head hunter costs and severance payments for leadership positions. In 2018 severance payments for several lower level employees in the G&A department were included due the re-organisation following the changes in the CFO position. For these severance payments, in 2016 EUR 1,832 thousand were included, in 2017 EUR 2,676 thousand and in 2018 EUR 1,306 thousand. Furthermore, in 2016 there were costs included for the set up and establishment of the new product BLIZZ (EUR 376 thousand). In 2017 additional costs for BLIZZ amounting for EUR 81 thousand were incurred. In 2018 the main part of costs incurred were related to external consulting support in the re-organisation of the US sales and marketing organisation. Also included there were minor other projects.

SaaS Transformation:

All costs incurred in this category are related to external support on transforming the business model of the group from sale of perpetual licences towards sale of subscription licences. The transformation was completed in 2018.

Transaction related:

The transaction related costs were mainly incurred in the re-financing project and for exit considerations of the current shareholder including share-based payments.

Other:

These adjustments include costs to create a kind of connectivity platform for IT problems (2018), but also VAT payments for prior periods (2017) after the initial VAT registration have been made and minor extraordinary projects.

The split of revenue by brand within the segment is as follows:

Segment revenue split by brand

In thousands of euro	Year ended 31 December 2018	Year ended 31 December 2017	Year ended 31 December 2016
TeamViewer	254,845	135,798	89,250
Other	3,312	2,670	2,419
Revenue	**258,157**	**138,467**	**91,670**

The geographical allocation of the revenue is as follows:

Geographical locations of revenue

In thousands of euro	Year ended 31 December 2018	Year ended 31 December 2017	Year ended 31 December 2016
USA	57,908	28,189	16,722
Germany	41,707	23,177	15,555
Great Britain	14,790	9,058	5,850
France	12,553	6,631	4,400
Australia	9,608	6,552	4,186
Switzerland	8,969	4,407	2,914
Canada	7,697	3,709	2,316
Italy	7,058	3,443	2,260
Japan	4,717	2,481	1,711
Brazil	4,528	3,072	2,121
Rest of EMEA	66,127	35,138	25,024
Rest of APAC	15,143	8,398	5,714
Rest of Americas	7,352	4,212	2,896
Revenue	**258,157**	**138,467**	**91,670**

The non-current assets, excluding the financial instruments and deferred tax assets, split to the countries as follows:

Geographical locations of non-current assets

In thousands of euro	31 December 2018	31 December 2017	31 December 2016
Germany	839,855	858,053	877,814
India	2	-	-
Japan	1	-	-
Non-current assets	**839,858**	**858,053**	**877,814**

The Group has a very diversified group of customers. Therefore, no single customer has a revenue share of more than 10%.

24 Related party disclosures

The shareholder of Regit Eins GmbH is TigerLuxOne S.à r.l., a company based in Luxembourg.

The shareholders of TigerLuxOne S.à r.l. are TigerLuxOne Holdco S.C.A, Luxembourg, with an interest of 94.27% (2017: 94.57%) and TigerLuxOne Management Beteiligungs S.à r.l. & Co. KG, Germany, with an interest of 4.35% (2017: 4.35%), TigerLuxOne Zweite Management Beteiligungs S.à r.l. & Co. KG, Germany, with an interest of 1.06% (2017: 1.06%) and TigerLuxOne Dritte Management Beteiligungs S.à r.l. & Co. KG, Germany, with an interest of 0.02% (2017: 0.02%) TigerLuxOne Vierte Management Beteiligungs S.à r.l. & Co. KG, Germany 0.30% (2017: 0.00%). The Group is majority owned by Funds advised by Permira, an international private equity firm registered in the United Kingdom. There is no senior parent of TigerLuxOne S.à r.l. which produces consolidated financial statements available for public use.

For the Group, related parties within the definition of IAS 24 are persons or entities who have control or a significant influence over the Group. Accordingly, the direct and indirect parent companies of TigerLuxOne S.à r.l. and the members of the TigerLuxOne S.à r.l. management are considered as related parties. Moreover, all portfolio companies held by Funds advised by Permira are considered related parties.

Apart from the transactions described in this note, no material revenue was generated from related party transactions in 2018, 2017 and 2016.

Related party transactions

In March 2017 Regit Eins GmbH granted a revolving credit to the TigerLuxOne Holdco S.C.A, Luxembourg with an interest rate of 5.73% per year for a duration of 2 years.

In September 2017 the subsidiary TeamViewer GmbH granted a loan to the TigerLuxOne Holdco S.C.A, Luxembourg with an interest rate of 7% per year.

In 2014, the direct shareholder TigerLuxOne S.à r.l. granted a loan to Regit Eins GmbH with the nominal value of EUR 350 million and with a contractual interest rate of 7%. Due to the different fair market interest rate, the shown liability and interest expense differs. For detailed information see note 16 – Loans and Borrowings. The Group provide management services to TigerLuxOne S.à r.l. based on the Management Service Agreement starting 01 January 2015. Also, as of 01 January 2015, the TigerLuxOne S.à r.l. entered into an Intercompany Financing Framework Agreement with the subsidiary TeamViewer GmbH as lead arranger. Any current account (receivable or payable) will yield interest. The effective interest rate is computed on the Euro Overnight Index Average (EONIA) rate plus spread.

In 2011, the subsidiary TeamViewer GmbH entered a Sales and Marketing agreement on cost plus base with TeamViewer Pty Ltd, Australia. Since 2011, the subsidiary TeamViewer GmbH granted a rolling credit facility to TeamViewer Pty Ltd, Australia, initially with EUR 150 thousand. In 2017, the loan receivable was offsetted against the trade payables. As of 01 January 2015, the TeamViewer Pty Ltd entered into an Intercompany Financing Framework Agreement with the subsidiary TeamViewer GmbH as lead arranger. Any current account (receivable or payable) will yield interest. The effective interest rate is computed on the 1-day-AUD-LIBOR rate plus spread.

In 2014, the subsidiary TeamViewer GmbH entered a Sales and Marketing agreement on cost plus base with TeamViewer US, LLC, USA. In 2016, The subsidiary TeamViewer GmbH granted a loan of EUR 873 thousand to TeamViewer US, LLC, USA with an interest rate of 3.95%. The loan receivable was repaid in 2017. As of 01 January 2015, the TeamViewer US, LLC entered into an Intercompany Financing Framework Agreement with the subsidiary TeamViewer GmbH as lead arranger. Any current account (receivable or payable) will yield interest. The effective interest rate is computed on the Effective Federal Fund Rate (EFFR) rate plus spread.

In 2014, The subsidiary TeamViewer GmbH entered a Sales and Marketing agreement with TeamViewer UK Ltd. on cost plus base. As of 01 January 2015, the TeamViewer UK Ltd. entered into an Intercompany Financing Framework Agreement with the subsidiary TeamViewer GmbH as lead arranger. Any current account (receivable or payable) will yield interest. The effective interest rate is computed on the Sterling Overnight Index Average (SONIA) rate plus spread. In 2017, The subsidiary TeamViewer GmbH granted a loan to TeamViewer UK Ltd., based on a credit agreement with effective date as of 01 January 2017. The interest rate under this agreement is 5.05%

As of 01 January 2015, Monitis US, LLC entered into an Intercompany Financing Framework Agreement with the subsidiary TeamViewer GmbH as lead arranger. Any current account (receivable or payable) will yield interest. The effective interest rate is computed on the Effective Federal Fund Rate (EFFR) rate plus spread. Monitis US LLC sells to the subsidiary TeamViewer GmbH software licenses on subscription base.

As of 01 January 2015, the subsidiary TeamViewer GmbH entered into a service agreement on cost plus base with Monitis CJSC (Armenia). Monitis CJSC provides mainly R&D services to the subsidiary TeamViewer GmbH. Also, as of 01 January 2015, Monitis CJSC entered into an Intercompany Financing Framework Agreement with the subsidiary TeamViewer GmbH as lead arranger. Any current account (receivable or payable) will yield interest. The effective interest rate is computed on the Euro Overnight Index Average (EONIA) rate plus spread. As of 30 January 2017, the subsidiary TeamViewer GmbH entered into a loan agreement with Monitis CJSC with an interest rate at 5.02%. A second loan agreement with an interest rate at 5.73% was entered into as of 18 September 2017.

The subsidiary TeamViewer GmbH has concluded an agreement concerning debt collection with GFKL, a company related to Funds advised by Permira in 2015. All debts were settled within the same period, so that no outstanding balance existed in the fiscal years ended 2016-2018.

In 2018 the Group entered into several service agreements with Tricor Group to support the business expansions in India, Singapore & Japan providing mainly accounting and HR services. Tricor is a company related to Funds advised by Permira. All outstanding balances with these related parties are to be settled in cash within two months of the reporting date. None of the balances is secured. No expense has been recognized in the current year for bad or doubtful debts in respect of amounts owed by related parties.

The subsidiary TeamViewer GmbH subscribed to software licenses from Magento, Inc., a company related to Funds advised by Permira. In total the Group paid EUR 23 thousand in 2018 and as of 31 December 2018 no accounts payable were outstanding. There were no activities with Magento in 2017. In 2016 the Group paid EUR 330 thousand and as of 31 December 2017 no accounts payable were outstanding.

Counterpart	Year	Sales to related parties	Purchases from related parties	Interest income from related parties	Interest expense from related parties	Current accounts owed by related parties	Current accounts owed to related parties	Loans & borrowings owed by related parties	Loans & borrowings owed to related parties
In thousands of euro									
TigerLuxOne HoldCo S.C.A.	31.12.2018	120	-	606	-	-	-	9,354	-
	31.12.2017	63	-	157	-	-	-	8,629	-
	31.12.2016	44	-	14	-	-	-	306	-
	01.01.2016	-	-	-	-	-	-	-	-
TigerLuxOne S.a.r.l.	31.12.2018	1,011	-	53	14,681	1,408	-	-	155,236
	31.12.2017	735	-	25	51,472	647	-	-	140,555
	31.12.2016	480	10	67	34,065	1,465	-	-	359,342
	01.01.2016	-	-	-	-	927	-	-	325,277
Teamviewer Pty Ltd	31.12.2018	-	4,004	-	3	-	403	-	-
	31.12.2017	17	3,533	3	1	-	351	-	-
	31.12.2016	17	3,437	6	1	-	352	140	-
	01.01.2016	-	-	-	-	-	106	140	-
Teamviewer US, LLC	31.12.2018	30	15,452	-	6	-	2,173	-	-
	31.12.2017	33	9,338	24	3	-	774	-	-
	31.12.2016	77	8,417	19	1	-	971	933	-
	01.01.2016	-	-	-	-	-	580	-	-
Teamviewer UK, Ltd	31.12.2018	196	695	163	-	2,993	-	-	-
	31.12.2017	293	911	154	-	3,250	-	-	-
	31.12.2016	255	939	124	-	2,673	-	-	-
	01.01.2016	-	-	-	-	2,043	-	-	-
Monitis US, LLC	31.12.2018	-	50	-	-	-	-	-	-
	31.12.2017	-	91	-	-	-	-	-	-
	31.12.2016	-	51	-	-	-	-	-	-
	01.01.2016	-	-	-	-	-	-	-	-
Monitis CJSC	31.12.2018	57	2,969	33	-	-	344	350	-
	31.12.2017	6	1,084	19	-	-	159	650	-
	31.12.2016	5	451	-	-	-	54	-	-
	01.01.2016	-	-	-	-	104	-	-	-
GFKL	31.12.2018	-	4	-	-	-	-	-	-
	31.12.2017	-	17	-	-	-	-	-	-
	31.12.2016	-	32	-	-	-	-	-	-
	01.01.2016	-	-	-	-	-	-	-	-
Magento	31.12.2018	-	23	-	-	-	-	-	-
	31.12.2017	-	3	-	-	-	-	-	-
	31.12.2016	-	329	-	-	-	-	-	-
	01.01.2016	-	-	-	-	-	-	-	-
Tricor	31.12.2018	-	67	-	-	-	16	-	-
	31.12.2017	-	-	-	-	-	-	-	-
	31.12.2016	-	-	-	-	-	-	-	-
	01.01.2016	-	-	-	-	-	-	-	-

Transactions with key management personnel – The remuneration paid to key management personnel of the Group companies comprised short-term employee benefits amounting to EUR 1,535.2 thousand in 2018, EUR 1,335.7 thousand in 2017 and EUR 1,776.8 thousand in 2016. Share appreciation rights were granted to key management personnel by the shareholder of Regit Eins. Please refer to *Note 7 Personnel expenses* for further details. Termination benefits amounting to EUR 0 thousand in 2018, EUR 2,156.5 thousand in 2017 and EUR 617.2 thousand in 2016.

In addition, certain managers and board members of the Group ("Managers") were given the opportunity to invest in four German limited partnerships, respectively TigerLuxOne Management Beteiligungs S.à r.l. & Co KG., TigerLuxOne Zweite Management Beteiligungs S.à r.l. & Co KG, TigerLuxOne Dritte Management Beteiligungs S.à r.l. & Co. KG and TigerLuxOne Vierte Management Beteiligungs S.à r.l. & Co which directly owns interests in the Group. The subscription price for the partnership interests subscribed by the Managers in the limited partnership corresponded to their fair value at grant date.

The acquisition qualifies as a Share Based Payment under IFRS 2, the manager's interests in the partnership are recognized as an equity-settled share-based payment arrangement in the financial statements of TigerLuxOne Group.

As the investments in the partnership were acquired at fair value, no expense will be recognized as a result of this transaction. The participation rights in form of partnership interest were acquired from an entity outside the Group and the Group has no obligation to make any payments on the partnership interests to the Managers. The share-based payment arrangements are fully vested at grant date. The governing bodies of TigerLuxOne S.à r.l. received no remuneration for their management activities from the Company.

The remuneration paid to the advisory board of Regit Eins GmbH comprised short-term benefits amounting to EUR 178 thousand in 2018, EUR 181 thousand in 2017 and EUR 178 thousand in 2016. Consultancy fees for services provided by a member of the advisory board to EUR 21 thousand in 2016 (2018: EUR 0 thousand; 2017: EUR 0 thousand) and accounts payables respectively accruals as of 31 December 2018 amounted to EUR 64 thousand, EUR 85 thousand in 2017 and EUR 124 thousand in 2016.

There were no other transactions with key management personnel during the reporting period 2018, 2017, and 2016, neither any balances outstanding to key management personnel as of 31 December 2018, 2017 or 2016.

25 SUBSEQUENT EVENTS

Following the reporting date as of 31 December 2018 there were several events.

In January 2019 the Group founded the TeamViewer Information Technology (Shanghai) Co., Ltd. based in Shanghai and in August 2019 the TeamViewer Greece EPE.

On 29 May 2019 the subsidiary TeamViewer GmbH purchased the IP rights for the Monitis product from TeamViewer UK Ltd. a related party. The transfer was made under the presumption that it was a transaction under common control as both entities have the TigerLuxOne S.á r.l. as ultimate shareholder.

In June 2019 the TigerLuxOne S.á r.l. contributed the shares of the TeamViewer Pty. Limited, TeamViewer UK Ltd., TeamViewer US Inc., and Monitis CJSC to the Regit Eins GmbH. Regit Eins GmbH directly contributed these shares to TeamViewer GmbH.

On 01 August 2019 TigerLuxOne S.à r.l. contributed their shares of the Company towards a new company named Regit Beteiligungs-GmbH.

The Company is currently considering an IPO. Under this scenario the 1st and 2nd lien loans might be repaid end of Q3 2019 which would lead to an additional accelerated recognition of amortised costs as well as derecognition of embedded derivatives. These considerations did not affect the financial information reported in these consolidated financial statements.

26 COMMITMENTS AND CONTINGENCIES

For the future minimum lease payments under non-cancellable operating leases please refer to Note 22 – *Operating leases*.

As of 31 December 2018, 2017 and 2016 commitments and contingencies exist as shown in the table below.

In thousands of euro	31 December 2018	31 December 2017	31 December 2016
Within one year	7,281	5,325	6,656
Between one and five years	3,104	5,072	11,920
More than five years	-	-	1,679
Total commitments and contingencies	**10,385**	**10,397**	**20,255**

The commitments and contingencies mainly consist of rental costs for server and router (31 December 2018: EUR 9,507 thousand, 31 December 2017: EUR 10,293 thousand, 31 December 2016: EUR 19,968 thousand).

The significant decrease in 2017 compared to 2016 results from server contracts, which are shown in *Note 22 – Operating Leases* for the first time.

Release date for publication

The consolidated financial statements were released for publication on 19 August 2019.

19 August 2019
The management

Mr. Oliver Steil

Mr. Stefan Gaiser

This is a convenience translation of the text of the original German-language report.

Independent auditor's report

To Regit Eins GmbH, Göppingen

Opinion

We have audited the consolidated financial statements of Regit Eins GmbH, Göppingen, and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at 31 December 2018, 31 December 2017 and 31 December 2016, and the consolidated statements of profit or loss and other comprehensive income, consolidated statements of cash flows and consolidated statements of changes in equity for the fiscal years from 1 January to 31 December 2018, 1 January to 31 December 2017 and 1 January to 31 December 2016 and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2018, 31 December 2017 and 31 December 2016 and of its financial performance for the fiscal years from 1 January to 31 December 2018, 1 January to 31 December 2017 and 1 January to 31 December 2016.

Pursuant to Sec. 322 (3) Sentence 1 HGB ("Handelsgesetzbuch": German Commercial Code), we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements.

Basis for the opinion

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Responsibilities of the executive directors for the consolidated financial statements

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of this system.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Stuttgart, August 19, 2019

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Koch	Maurer
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Interim Financial Statements

TeamViewer AG

(previous: Regit Beteiligungs-GmbH)

For the period 3 July 2019 to 31 July 2019

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Interim Statement of Profit or Loss and Other Comprehensive Income for the period 3 July 2019 to 31 July 2019

TeamViewer AG

In thousands of euro	For the period 3 July 2019 to 31 July 2019
General and administrative expenses	(2)
Loss for the period	**(2)**
Other comprehensive income for the period	-
Total comprehensive income for the period	**(2)**

Interim Statement of Financial Position as at 31 July 2019

TeamViewer AG

In thousands of euro	As at 31 July 2019	As at 3 July 2019	Note
Current assets			
Cash and cash equivalents	25	-	(4)
Receivables from TigerLuxOne S.à r.l.	-	25	(7)
Total assets	**25**	**25**	
Equity			
Issued capital	25	25	
(Accumulated losses)/retained earnings	(2)	-	
Total equity	**23**	**25**	(6)
Current liabilities			
Trade payables TeamViewer GmbH	2	-	(7)
Total equity and liabilities	**25**	**25**	

Interim Statement of Cash Flows for the period 3 July 2019 to 31 July 2019

TeamViewer AG

In thousands of euro	**3 July 2019 to 31 July 2019**
Net cash from operating activities	**-**
Net cash used in investing activities	**-**
Cash flows from financing activities	
Capital contribution by TigerLuxOne S.à r.l.	25
Net cash from financing activities	**25**
Net change in cash and cash equivalents	**25**
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	**25**

Interim Statement of Changes in Equity for the period 3 July 2019 to 31 July 2019

TeamViewer AG

In thousands of euro	Issued Capital	(Accumulated losses) / retained earnings	Total equity
Balance at 3 July 2019	**25**	**-**	**25**
Loss for the period	-	(2)	(2)
Other comprehensive income	-	-	-
Total comprehensive income	**-**	**(2)**	**(2)**
Balance at 31 July 2019	**25**	**(2)**	**23**

Notes to the interim financial statements

1 Company information

The interim financial statements of TeamViewer AG (previous: Regit Beteiligungs-GmbH) (the "Company"), Göppingen, Germany, were prepared for the period from 3 July 2019 to 31 July 2019. The "Company" was formed as a German limited liability company (Gesellschaft mit beschränkter Haftung) under the laws of Germany by articles of association dated 3 July 2019, with its registered office in Göppingen, Germany. The Company was registered in the commercial register (Handelsregister) of the local court (Amtsgericht) of Ulm, Germany, on 10 July 2019 under registration number HRB 738601. On August 19, 2019 the Company resolved to be transformed from a limited liability company ("Gesellschaft mit beschränkter Haftung") into a German stock corporation ("Aktiengesellschaft") and renamed from Regit Beteiligungs-GmbH into TeamViewer AG. The shareholder of TeamViewer AG is TigerLuxOne S.à r.l. (referred to as "TLO"), a company based in Luxembourg.

The Company's registered office is at Jahnstrasse 30, 73037 Göppingen, Germany.

The financial year is the calendar year. The first fiscal year is a short fiscal year which begins 3 July 2019 and ends 31 December 2019.

According to §4 of the Articles of Association the objective of the Company is the administration of its own assets as well as the acquisition, holding, administration and sale of investments in enterprises irrespective of their legal form. The Company is entitled to carry out all actions and take all business measures which appear directly or indirectly appropriate, necessary or useful to achieve the object of the Company.

The TeamViewer AG is planned to be the parent company of Regit Eins GmbH and its subsidiaries. The Regit Eins GmbH and its subsidiaries are engaged in the development and distribution of high-end remote connectivity solutions. For further details see Note 8 Subsequent events.

2 Basis of preparation of financial statements

Statement of compliance

These interim financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") of the International Accounting Standards Board (IASB) in force at the reporting date, as adopted by the European Union pursuant to EU Regulation No. 1606/2002 of the European Parliament and the Council concerning the use of International Accounting Standards. Additional disclosures required by § 315e of the German Commercial Code are not included. The term IFRS also includes the International Accounting Standards (IAS) that are still in effect. All binding interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC) mandatory for the financial year 2019 were also applied. These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The opening statements of financial position as of 3 July 2019 presents also the opening statements of financial position according to IFRS 1 First-time Adoption of International Financial Reporting Standards.

Basis of measurement and preparation

The interim financial statements are based on the principle of historical cost. The presentation in the statement of financial position distinguishes between current and non-current assets and liabilities. Assets and liabilities are classified as current when they are expected to be settled within one year.

Use of judgements and estimates

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities recognised in future periods.

3 Significant accounting policies

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

Income taxes

Tax positions under respective local tax laws and tax authorities' views can be complex and subject to different interpretations of tax payers and local tax authorities. Different interpretations of tax laws may result in additional tax payments for prior years and are taken into account based on management's considerations. Deferred tax assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date in the respective jurisdiction.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks.

Receivables TigerLuxOne S.à r.l.

Receivables from TigerLuxOne S.à r.l. are measured at amortized costs using the effective interest method.

Trade payables TeamViewer GmbH

Trade payables are initially recognised at fair value. Subsequent to initial recognition, trade payables are measured at amortised cost using the effective interest method.

4 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks of EUR 25 thousand from the initial capital contribution as of 31 July 2019.

5 Income tax

Since there are no identifiable future taxable profits as of 31 July 2019 no deferred tax assets are recognised as of 31 July 2019.

6 Equity

Share capital

The share capital of the Company amounts to EUR 25 thousand as well as retained earnings of EUR (2) thousand as of 31 July 2019. The share capital is divided into 25,000 shares in the nominal value of EUR 1.00 each. The share capital has been fully paid in.

Capital management

Capital management for the TeamViewer AG is currently performed by Regit Eins GmbH.

Earnings per share

Shares in thousands, earnings per share in euro	**3 to 31 July 2019**
Net loss	**(2)**
Weighted average shares outstanding—basis	25
Dilutive potential ordinary shares	-
Basic earnings per share	**(0.08)**
Diluted earnings per share	**(0.08)**

7 Related parties

Trade payables consist of EUR 2 thousand towards the related party TeamViewer GmbH which is held 100% by TigerLuxOne S.à r.l. as of 31 July 2019. The TeamViewer GmbH is engaged in the development and distribution of high-end remote connectivity solutions. In August 2019, TeamViewer GmbH as subsidiary of Regit Eins GmbH was contributed from the TigerLuxOne S.à r.l. to TeamViewer AG (see also Note 8 Subsequent events).

Receivables from TigerLuxOne S.à r.l. in an amount of €25 thousand as of July 3, 2019 are related to the capital contribution by TigerLuxOne S.à r.l.. In the course of the establishment of TeamViewer AG, TigerLuxOne S.à r.l. has contributed this capital contribution in an amount of €25 thousand to TeamViewer AG as of July 10, 2019.

8 Subsequent events

- Effective as of 05 August 2019 the share capital of the Company was increased to a total of EUR 200 million against contribution in kind of all shares in Regit Eins GmbH by TigerLuxOne, S.à r.l.. The new shares were issued at a nominal amount of EUR 1.00 each.
- In August 2019 several employees of the Regit Eins GmbH and its subsidiary TeamViewer GmbH were reallocated and transferred to TeamViewer AG.
- The Company is currently considering an IPO. For this purpose, the Company has resolved to be transformed from a limited liability company (“Gesellschaft mit beschränkter Haftung”) into a German stock corporation (“Aktiengesellschaft”) and renamed from Regit Beteiligungs-GmbH into TeamViewer AG on August 19, 2019.

Release date for publication

The financial statements were released for publication on 22 August 2019.

22 August 2019

The Management

Mr. Oliver Steil

Mr. Stefan Gaiser

This is a convenience translation of the text of the original German-language report.

Independent auditor's report

To TeamViewer AG (formerly Regit Beteiligungs-GmbH)

Opinion

We have audited the interim financial statements of TeamViewer AG (formerly Regit Beteiligungs-GmbH), Göppingen (the "Company"), which comprise the statement of comprehensive income for the period from 3 July 2019 to 31 July 2019, the statement of financial position as of 31 July 2019, the statement of cash flows and statement of changes in equity for the period from 3 July 2019 to 31 July 2019 and the notes to the interim financial statements, including a summary of significant accounting policies.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying interim financial statements comply, in all material respects, with International Financial Reporting Standards (IFRSs) as adopted by the EU and, in compliance with these requirements, give a true and fair view of the assets and liabilities and financial position of the Company as of 31 July 2019 and the financial performance for the period from 3 July 2019 to 31 July 2019.

Pursuant to Sec. 322 (3) Sentence 1 HGB ("Handelsgesetzbuch": German Commercial Code), we declare that our audit has not led to any reservations relating to the legal compliance of the interim financial statements.

Basis for the opinion

We conducted our audit of the interim financial statements in accordance with Sec. 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the interim financial statements" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the interim financial statements.

Responsibilities of the executive directors for the interim financial statements

The executive directors are responsible for the preparation of the interim financial statements that comply, in all material respects, with IFRSs as adopted by the EU and that the interim financial statements, in compliance with these requirements, give a true and fair view of the assets and liabilities and financial position and financial performance of the Company. In addition, the executive directors are responsible for such internal controls as they have determined necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the interim financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Company or to cease operations, or there is no realistic alternative but to do so.

Auditor's responsibilities for the audit of the interim financial statements

Our objectives are to obtain reasonable assurance about whether the interim financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the interim financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the IDW will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these interim financial statements.

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

- Identify and assess the risks of material misstatement of the interim financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the interim financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the interim financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the interim financial statements, including the disclosures, and whether the interim financial statements present the underlying transactions and events in a manner that the interim financial statements give a true and fair view of the assets and liabilities, financial position and financial performance of the Company in compliance with IFRSs as adopted by the EU.

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

Stuttgart, 22 August 2019

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Koch	Maurer
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

23 GLOSSARY

AktG .... The German Stock Corporation Act (*Aktiengesetz*).

Americas .... North and South America regions.

APAC .... Asia Pacific regions.

Annual recurring billings .... The value of invoiced subscription billings from existing subscribers, excluding billings generated from resellers.

Articles of Association .... The Company's articles of association.

Audited Consolidated Financial Statements of Regit Eins .... Regit Eins GmbH's audited consolidated financial statements prepared in accordance with IFRS as of and for the fiscal years ended 31 December 2016, 2017 and 2018.

Audited Interim Financial Statements of the Company ... The audited unconsolidated interim financial statements of the Company as of 31 July 2019 and for the period from 3 July 2019 to 31 July 2019.

AWS .... Amazon Web Service.

BaFin .... The German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*).

Billings .... revenue adjusted for change in deferred revenue p/l effective.

CAGR .... Compound annual growth rate.

Cash conversion rate .... The ratio of free cash flow (pre-tax) to Cash EBITDA, represented as a percentage of Cash EBITDA.

Cash EBITDA .... EBITDA adjusted for specific non-recurring items, change in deferred revenue p/l effective and, in fiscal years 2016 and 2017, for bad debt included in deferred revenue.

Cash EBITDA Margin .... Cash EBITDA expressed as a percentage of billings.

Change in net working capital .... Changes in working capital as adjusted for increase/(decrease) in deferred revenue each based on the corresponding statement of cash flows line items.

Clearstream .... Clearstream Banking Aktiengesellschaft, Frankfurt am Main, Germany.

Company or Issuer .... TeamViewer AG.

CRM .... Customer Relationship Management.

Customer .... paying user of TeamViewer's software, including perpetual licence customers as well as subscribers.

Customer acquisition cost .... The average cost to acquire a customer and is defined as the ratio of direct sales and marketing costs to the number of new customers (comprising both subscribers and perpetual licence holders) where direct sales and marketing costs refers to sales and marketing expenses excluding depreciation and amortisation, specific non-recurring items as adjusted in Cash EBITDA and reclassification of IT and facility costs.

Customer lifetime value .... For a given period means the average expected billings from a customer acquired in each period and is calculated as the ratio of the product of annual recurring billings per subscriber and gross margin to gross value churn.

D&O	Directors and Officers.
DST	Digital services tax.
EBITDA	Operating (loss)/profit before depreciation and amortisation.
EEA	European Economic Area.
EMEA	Europe, the Middle East and Africa.
ERP	Enterprise Resource Planning.
EU	European Union.
EURIBOR	Euro Interbank Offered Rate.
Existing Second Lien Facilities Agreement	The New York law governed second lien credit and guaranty agreement dated 8 July 2014 (as amended and restated by an amendment and restatement agreement dated 22 February 2017) with, among others, Selling Shareholder, as holdings, certain companies of the TeamViewer Group as borrowers and guarantors, Bank of America, N.A. as administrative agent and collateral agent and Bank of America, N.A. as lender.
Existing Senior Facilities Agreement	The New York law governed first lien credit and guaranty agreement dated 8 July 2014 (as amended and restated by an amendment and restatement agreement dated 22 February 2017) with, among others, Selling Shareholder, as holdings, certain companies of the TeamViewer Group as borrowers and guarantors, Bank of America, N.A. as administrative agent and collateral agent and certain financial institutions as lenders.
Free cash flow (pre-tax)	Cash EBITDA less capital expenditure and adjusted for change in net working capital.
FTT	Financial Transaction Tax.
GDPR	General Data Protection Regulation.
General Shareholders' Meeting	The Company's general shareholders' meeting.
German GAAP	German Commercial Code (*Handelsgesetzbuch*) and German generally accepted accounting principles.
Gross margin	Cost of sales (excluding specific non-recurring items and depreciation and amortisation) divided by billings.
Gross value churn	Billings lost from subscribers that had invoices in the prior period but not in the period under review.
Group	Regit Eins GmbH together with its subsidiaries.
HGB	*Handelsgesetzbuch*, the German Commercial Code.
IAS	International Accounting Standard: IAS are accounting standards promulgated by the IASB.
IASB	International Accounting Standard Board.
ICSMS	The Information and Communication System on Market Surveillance is an IT platform to facilitate communication between market surveillance bodies in the EU and in EFTA countries.
IED	Directive 2010/75/EU of the European Parliament and of the Council on industrial emissions.
IFRS	International Financial Reporting Standards as adopted by the European Union.
IoT	The Internet of things.

ISIN	International Securities Identification Number.
LIBOR	London Interbank Offered Rate.
LTIP Key Employees	The intended long-term incentive programme for members of the wider management team and key employees.
Management Board	The Company's management board (*Vorstand*).
MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.
MENA	Middle East and North-Africa.
Net Retention Rate	Annual recurring billings in the period considered less gross value churn plus billings from upselling and cross-selling, including foreign exchange effects and expiring discounts, as a percentage of annual recurring billings in the previous the period considered.
Net working capital	Trade working capital plus other assets, current plus cost to obtain a contract, current, less accrued expenses, each based on the corresponding statement of financial position line items.
New Senior Facilities Agreement	the Company (prior to its conversion into a stock corporation (*Aktiengesellschaft*)) as the parent and guarantor, Regit Eins GmbH and TeamViewer Germany GmbH as borrowers and guarantors, Goldman Sachs International, Morgan Stanley Bank International Limited, Bank Of America Merrill Lynch International Designated Activity Company, Barclays Bank PLC, Commerzbank Aktiengesellschaft, Landesbank Baden-Württemberg, ING Bank, a branch of ING-DiBa AG, Royal Bank Of Canada and Deutsche Bank AG Filiale Deutschlandgeschäft as mandated lead arrangers, certain financial institutions as lenders and Commerzbank Finance & Covered Bond S.A. as agent and as security agent, entered into on 22 August 2019.
Non-consolidated Entities	TV Borrower US, LLC, TeamViewer UK Limited, TeamViewer Pty. Ltd., TV Holding US, Inc. (and its subsidiaries TV US LLC and Monitis US LLC) and Monitis CJSC (now TeamViewer Armenia CJS).
OECD BEPS	Base erosion and profit shifting.
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as amended.
Prospectus Regulation	Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended.
R&D	Research and development.
Regulation (EU) 2017/1129	Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017.
SaaS	Software as a service.
Securities Act	The United States Securities Act of 1933.
Shareholder Loan	The loan from the Selling Shareholder issued on 7 July 2014.

Supervisory Board	The Company's supervisory board (*Aufsichtsrat*).
TeamViewer Group	The Company and its subsidiaries.
TeamViewer	The Company and its subsidiaries; with respect to all financial and operational data included in this Prospectus for historic periods prior to the completion of the IPO Reorganisation, other than where otherwise indicated, references to TeamViewer in this Prospectus are to Regit Eins GmbH and its subsidiaries.
Trade working capital	Trade receivables less trade payables, each based on the corresponding statement of financial position line items.
UmwG	The German Transformation Act (*Unwandlungsgesetz*).
Unaudited Interim Consolidated Financial Statements of Regit Eins	Regit Eins GmbH's unaudited interim condensed consolidated financial statements prepared in accordance with IFRS as of and for the six-month period ended 30 June 2019.
United Kingdom / UK	The United Kingdom of Great Britain and Northern Ireland.
United States / US / USA........	The United States of America.
Use case	Interactions between end users and TeamViewer's platform to attain particular goals.
Users	Free users of TeamViewer's software.
VAT	Value-Added Tax (*Mehrwertsteuer*).
VoIP	Voice over Internet Protocol, a methodology and group of technologies for the delivery of voice communications and multimedia sessions over Internet Protocol networks.
VPN	Virtual Private Network.
WpHG	*Wertpapierhandelsgesetz*, the German Securities Trading Act.
WpPG	*Wertpapierprospektgesetz*, the German Securities Prospectus Act.
WpÜG	*Wertpapiererwerbs- und Übernahmegesetz*, the German Securities Acquisition and Takeover.

24 RECENT DEVELOPMENTS AND OUTLOOK

24.1 Recent developments

24.1.1 Formation of the Company and share capital increase

The Company was formed as a German limited liability company (*Gesellschaft mit beschränkter Haftung*) under the laws of Germany by articles of association dated 3 July 2019 with a share capital of EUR 25,000.00. Its legal name was Regit Beteiligungs-GmbH.

On 1 August 2019, the shareholders meeting of the Company resolved to increase the Company's share capital from EUR 25,000.00 by EUR 199,975,000.00 to EUR 200,000,000.00 against contribution in kind of all shares in Regit Eins GmbH to the Company.

On 19 August 2019, the extraordinary shareholders' meeting resolved to change the Company's legal form to a German stock corporation (*Aktiengesellschaft*) under the legal name TeamViewer AG. The changes in legal form and name were registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Ulm, Germany on 3 September 2019 under registration number HRB 738852.

24.1.2 IPO Reorganisation

The IPO Reorganisation was completed as described in "*15.5 Group structure*". As part of the IPO Reorganisation, the receivable under the Shareholder Loan granted by the Selling Shareholder to Regit Eins GmbH was contributed into the free capital reserve of the Company on 9 September 2019, increasing the Company's equity, and was subsequently contributed and directly transferred to Regit Eins GmbH on the same day. Following its transfer to Regit Eins GmbH, the Shareholder Loan ceased to exist by operation of law.

24.1.3 New Senior Facilities Agreement

On 22 August 2019, a new English law governed facilities agreement was signed between, among others, the Company (prior to its conversion into a stock corporation (*Aktiengesellschaft*)) as the parent and guarantor, Regit Eins GmbH and TeamViewer Germany GmbH as borrowers and guarantors, Goldman Sachs International, Morgan Stanley Bank International Limited, Bank Of America Merrill Lynch International Designated Activity Company, Barclays Bank PLC, Commerzbank Aktiengesellschaft, Landesbank Baden-Württemberg, ING Bank, a branch of ING-DiBa AG, Royal Bank Of Canada and Deutsche Bank AG Filiale Deutschlandgeschäft as mandated lead arrangers, certain financial institutions as lenders and Commerzbank Finance & Covered Bond S.A. as agent and as security agent (the ***New Senior Facilities Agreement***). The New Senior Facilities Agreement will be made available in an aggregate nominal amount of up to EUR 160 million, the USD 450 million and the GBP equivalent of EUR 75 million which is split into (i) a euro term loan facility in an amount of up to EUR 125 million (***Facility A1***), (ii) a USD term loan facility in an amount of up to USD 450 million (***Facility A2***), (iii) a GBP term loan facility in an amount of up to the GBP equivalent of EUR 75 million (***Facility A3***, and together with Facility A1 and Facility A2 (***Facility A***)) and (iv) a multicurrency revolving credit facility in an amount of up to EUR 35 million (the ***New Revolving Facility***). Facility A3 will be redenominated into GBP one business day prior to delivery of the utilisation request for a loan under that facility. Proceeds from borrowings under the New Senior Facilities Agreement, together with cash on the balance sheet, will be used to refinance amounts outstanding under the Existing Senior Facilities Agreement and Existing Second Lien Facility Agreement. See "*13.20.1 Financing agreements—New Senior Facilities Agreement*".

24.1.4 Current trading

The TeamViewer Group's strong operating momentum has continued since 30 June 2019, with key operating performance metrics significantly ahead of the corresponding prior year period. As of 31 August 2019, the number of subscribers reached over 400,000, reflecting growth of 102% since 31 August 2018[38].

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38 Growth in subscriber numbers as of 31 August 2019 also reflects an improvement in TeamViewer's data on resellers.

Billings from new customers continued to develop strongly in July 2019 and August 2019 and net retention rates remained above 100% in line with net retention rates for the six months ended 30 June 2019. Billings growth in the eight months ended August 2019 accelerated, in line with TeamViewer´s expectations for the full year and the profit forecast provided for 2019. TeamViewer expects billings and Cash EBITDA in the year ending 31 December 2019 to continue to reflect the existing seasonality of its business, with the majority of billings and Cash EBITDA for the second half of 2019 to be realized in the fourth quarter (which it expects will benefit from a substantially higher renewal base).

Except as described above, between 30 June 2019 and the date of this prospectus, there have been no material changes to the Issuer's or the TeamViewer Group's financial position, financial performance or cash flows, or in the Issuer's or the TeamViewer Group's trading position.

24.2 Outlook

24.2.1 Billings

In the medium term, the Company expects billings growth to initially be in line with expected growth in fiscal year 2019, at between 35% to 39% year-on-year growth, and then converge to expected market growth levels for its total addressable market. Billings growth in the EMEA region in the medium term is expected to be in line with overall billings growth for the TeamViewer Group. Billings growth in the Americas region in the medium term is expected to converge to market growth levels in that region, which are expected to be slightly higher than growth rates in EMEA. In the APAC region, the Company expects billings growth in the medium term to accelerate initially and then converge to an annual growth rate (expressed as a percentage) in the low 30s.

The Company expects net retention rates in the mid-term to remain marginally above 100% in line with historical performance, driven by low churn and strong cross and upsell based on its new products. Billings from migration of existing perpetual customers are expected to gradually phase out entirely in the mid-term.

24.2.2 Revenue

The impact of the release of deferred revenue p/l effective recognised in connection with perpetual licences sold in prior years is expected to phase out after fiscal year 2019 and revenue is expected to be approximately equal to billings in 2020. From 2021 and thereafter, revenue is expected to be approximately 90% of billings.

24.2.3 Costs[39]

In the medium term, the Company expects cost of sales as a percentage of billings to initially slightly decrease and then remain broadly stable. Sales expenses as a percentage of billings are expected to slightly decrease in the medium term. Marketing expenses are expected to remain at approximately 7% to 8% of billings in the medium term, driven by further local marketing initiatives and the release of new products. The Company expects to nearly double its absolute research and development expenses in the medium term but expects research and development expenses as a percentage of billings to remain broadly stable as compared to expected levels in fiscal year 2019. General and administrative expenses expressed as a percentage of billings are expected to decrease to a low to mid-single digit percentage in the medium term. Other costs, including other expenses and bad debt expenses, are expected to remain stable as a percentage of billings in the medium term as compared to fiscal year 2019. In the medium term, depreciation and amortisation (including purchase price allocation) is expected to remain broadly stable in the mid-EUR 30 million range.

[39] Refers to costs excluding depreciation and amortisation and specific non-recurring items. See "*13.17.3 Employee Incentive Programmes*" and "*18.2.3 Remuneration and other benefits of the members of the Management Board*" for a discussion of post-IPO incentive programmes.

24.2.4 Cash EBITDA margin

As a result of the foregoing, the Company aims to reach a target Cash EBITDA margin of over 60% in the medium term.

24.2.5 Other outlook

The Company expects to incur capital expenditures of approximately EUR 10 million to EUR 15 million in each of fiscal years 2019 and 2020, including additional costs associated with the process of transitioning to the new internal application landscape in 2019 and a mid-single digit euro million amount in connection with a move to new headquarters in Göppingen in 2020. In the medium term, from 2020 onwards, the Company expects capital expenditures of mid-to-high single digit euro million per annum.

The Company expects change in net working capital to remain broadly neutral in fiscal year 2019 and in the medium term.

24.2.6 Leverage

The Company expects its net leverage, which it defines as the ratio of net debt (sum of interest-bearing loans and borrowings, current and non-current, less cash and cash equivalents) to Cash EBITDA, to be approximately 3.1:1.0 as of the end of fiscal year 2019. The Company aims to further decrease its leverage to below 2.0:1.0 in fiscal year 2020.

24.2.7 Taxes

In the medium term, the Company expects an effective tax rate of approximately 25% of Cash EBIT (which it defines as Cash EBITDA less depreciation and amortisation) as compared to a statutory tax rate of 28.8% as a result of differences between billings, on which Cash EBIT is based, and revenue. Billings do not include the impact of changes in deferred revenue p/l effective. See "*24.2.2 Outlook—Revenue*" for discussion of the expected development of changes in deferred revenue p/l effective. In addition, the Company expects to use TeamViewer's existing tax loss carryforwards of EUR 31.2 million as of 31 December 2018 in fiscal year 2019, resulting in deferred tax expenses of EUR 9 million in 2019, and it also expects to use TeamViewer's existing interest carryforwards of EUR 193.5 million as of 31 December 2018 over the course of the following three to four years, with expected deferred tax income of EUR 55 million in 2019 and subsequent deferred tax expenses expected to be recognised between 2020 and 2022. As a result, the Company expects an effective cash tax rate in the mid-to-high teens as a percentage of Cash EBIT in 2019, with the impact of the expected use of tax loss carryforwards and interest carryforwards offset by the impact of expected foreign exchange gains in connection with the refinancing of TeamViewer's debt (with the refinancing resulting in a total impact of approximately EUR 7 million), and an effective cash tax rate of approximately 20% until TeamViewer's existing interest carryforwards are phased out.

The company expects tax expenses as recognised on the Company's statement of profit or loss to differ from cash taxes paid as a result of changes in deferred taxes mainly in connection with purchase price allocation (resulting in recognition of annual deferred tax income of approximately EUR 7 million), unrealised foreign exchange gains or losses and fair market valuation which are considered under IFRS (which the Company uses to prepare its accounts) but not under German GAAP (which forms the basis for tax calculations). Further deviations between tax expenses as recognised on the Company's statement of profit or loss and cash taxes paid are expected to result from the recognition or non-recognition of tax loss carryforwards and interest carryforwards. In 2019, additional deviations between tax expenses as recognised on the Company's statement of profit or loss and cash taxes paid are expected to result from release of deferred revenue from past sales of perpetual licences as deferred revenue was recognised over three years (previously four years) under the perpetual licence model under IFRS but was recognised with immediate full revenue recognition under German GAAP (which forms the basis for calculating revenues for tax purposes). The release of deferred revenue is also expected to have a minor impact on tax expenses as recognised on the Company's statement of profit or loss in 2020.

The net impact of change in deferred taxes is currently expected to amount to a positive impact of approximately EUR 20 million in fiscal year 2019 as a result of the expected first time use of interest carryforwards, and is based on the assumption that there are no deferred tax amounts related to unrealised foreign exchange gains or losses or changes in fair market valuations. The actual net impact of change in deferred taxes is subject to change, including as a result of foreign exchange fluctuations and changes in fair market valuations.

Going forward, on the basis of the assumptions set out above, the impact of change in deferred taxes is expected to be a negative impact in the mid to high teens EUR million range until the impact of interest carryforwards and purchase price allocation phase out in the medium term. As a result, tax expenses as recognised on the Company's statement of profit or loss are expected to be approximately 25% of Cash EBIT from 2020 onwards.

In preparing its targets described above, the Company has generally assumed that there will be no significant changes in existing political, legal, fiscal, market or economic conditions, including the expected development of its addressable markets, or in applicable legislation, regulations or rules that the TeamViewer Group will not become party to any litigation or administrative proceeding or proceedings that might have a material impact on the TeamViewer Group of which it is not currently aware.

Certain statements in this section, including, in particular the targets described above, constitute forward-looking statements. These forward-looking statements are not guarantees of future financial performance, and the TeamViewer Group's actual results could differ materially from those expressed or implied by these forward-looking statements as a result of many factors, including but not limited to those described under "*2.3 Forward-looking statements*" and "*1 Risk Factors*". Investors are urged not to place undue reliance on any of the statements set forth above.