

INTERIM REPORT

January-September 2022

truecaller

The interim report refers to the group for which Truecaller AB (publ) (559278-2774) is the parent company, called Truecaller in the report.

Truecaller Interim Report

July-September 2022 (Q3)

Comparative figures refer to July-September 2021.

- **Revenues** increased by 44 percent compared to the same quarter in 2021 and amounted to SEK 450.1m (312.6).
- **Adjusted EBITDA** amounted to SEK 181.5m (117.7), corresponding to an adjusted EBITDA margin of 40.3 (37.6) percent. Excluding the costs of incentive programs, Adjusted EBITDA would have been SEK 191.5m (118.3), equivalent to an EBITDA margin of 42.5 (37.9) percent.
- **Profit after tax** amounted to SEK 143.3m (2.3).
- **Basic earnings per share** were SEK 0.38 (0.01) and diluted earnings per share were SEK 0.38 (0.01).
- **Profit for the quarter was not** affected by items affecting comparability, but Q3 2021 was affected by SEK -77.2m. The items affecting comparability in 2021 were attributable to preparations for the IPO of SEK -15.2m and synthetic options of SEK -62.0m.
- **The average number of monthly active users** (MAU) increased by 14 percent to around 330.9 million (291.1*).
- **Sales growth** was 56 percent in India, 9 percent in the Middle East and Africa and 29 percent in the rest of the world.

January-September 2022

Comparative figures refer to January-September 2021.

- **Revenues** increased by 80 percent compared to the same period in 2021 and amounted to SEK 1,328.8m (736.7).
- **Adjusted EBITDA** amounted to SEK 581.3m (276.3), corresponding to an Adjusted EBITDA margin of 43.7 (37.5) percent. Excluding the costs of incentive programs, Adjusted EBITDA would have been SEK 601.6m (277.0), equivalent to an EBITDA margin of 45.3 (37.6) percent.
- **Profit after tax** amounted to SEK 449.7m (120.0).
- **Basic earnings per share** were SEK 1.20 (0.55) and diluted earnings per share were SEK 1.20 (0.34).
- **Profit for the period was not affected** by items affecting comparability, but such items reduced profit for the same period in 2021 by SEK -106.6m. The items affecting comparability in 2021 were attributable to preparations for the IPO of SEK -30.0m and synthetic options of SEK -76.6m.
- **Sales growth** was 100 percent in India, 36 percent in the Middle East and Africa and 39 percent in the rest of the world.

FINANCIAL KEY FIGURES

Group, SEKm (unless otherwise stated)	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Net sales	450.1	312.6	1,328.8	736.7	1,128.9
Gross profit	336.8	239.0	1,022.2	550.4	856.1
Gross margin (%)	74.8%	76.5%	76.9%	74.7%	75.8%
Adjusted EBITDA	181.5	117.7	581.3	276.3	472.5
Adjusted EBITDA margin (%)	40.3%	37.6%	43.7%	37.5%	41.9%
EBIT (operating profit)	173.4	36.2	561.8	157.3	328.2
EBIT margin (%)	38.5%	11.6%	42.3%	21.4%	29.1%
Adjusted EBIT	173.4	113.5	561.8	263.9	455.7
Adjusted EBIT margin (%)	38.5%	36.3%	42.3%	35.8%	40.4%
Profit or loss after net financial income or expense	186.2	10.9	578.4	128.5	299.7
Equity	1,885.2	289.9	1,885.2	289.9	1,411.4
Total assets	2,354.1	552.6	2,354.1	552.6	1,692.9
Equity to assets ratio (%)	80.1%	52.5%	80.1%	52.5%	83.4%
Employees at the end of the period	374	297	374	297	306

* Historical comparison figures were restated in the interim report for January-March 2022 after minor adjustments of definitions and calculation methods. MAU and DAU now refer to the quarterly average, in which all days in the quarter are included in the calculation (previously calculated based on the last 7 days of each month). Free ads (for charitable purposes, for example) have now been excluded from CPM. ARPU is calculated as average revenue per recurring premium user. See page 32 for further information.

Significant events during the quarter

Product development

Truecaller continued to invest in product development by launching new products and introducing enhancements to further improve the user experience.


- **Vastly improved Truecaller experience on iPhone** A new version of the iOS app (for iPhone) was launched for users globally in late August. Since the launch of the new iPhone, Truecaller has already begun to see significant improvements in metrics. Key performance indicators including retention, daily installs, and average DAU on iPhone have increased notably, with average DAU increasing by over 30% since the launch of the new app. The app was rewritten from the ground up to offer a fundamentally better user experience from end-to-end. The new version is much faster, takes up less storage space, enable continuous updates and, most importantly, offer significantly better caller ID and identification of spam, scam calls and business calls compared to the earlier versions of the app for iOS. The new app offers up to 10X improved spam and business number identification.
- **Launch of AI-powered assistant to filter out scam calls.** After the acquisition of CallHero earlier in the year, Truecaller launched an Assistant, an AI-powered digital assistant and spam detector, in late September. The service was launched as part of Truecaller's Premium offering for iPhone and Android users in US as the first market. Truecaller Assistant uses machine learning to answer calls, screen calls, filter spam and show the user who is calling and why.
- **New and extended features for business customers.** Truecaller for Business (TfB) restructured its engagement model to introduce value-based pricing tiers (India only) as well as longer-term engagement models (globally). Initiatives from TfB's Early Access Program matured into fully commercialized products, including Video Caller ID and Call Me Back. Truecaller also invested in its operational capabilities to better serve enterprises. A significantly improved analytics experience for business customers was introduced, and several technical enhancements implemented in the third quarter enabled a smoother, faster onboarding process.

Other significant events

- **The board of directors of Truecaller decided on 23 September to initiate a buyback program for Class B shares** in accordance with the authorization granted by the 2022 AGM. The Class B share buyback is limited to the number of shares equivalent to a maximum of five percent of the total number of shares in the company as of the date of the 2022 AGM. The buyback program, whose primary purpose is to adjust Truecaller's capital structure to the company's capital need, began on 23 September 2022 and will end no later than the date of the Truecaller AGM 2023. As of 30 September, Truecaller held 486,205 Class B treasury shares. The total number of shares in Truecaller (A- B- and C-shares), including treasury shares, was 379,059,710 and the number of outstanding shares, excluding treasury shares, was 373,473,505. See Note 7 for further information.
- **The board of directors of Truecaller exercised the authorization from the AGM to issue and buy back Class C shares** to secure the company's commitments to the 2022 share ownership program (as part of the incentive program LTIP 2022). The Class C shares will be converted to Class B common shares when Class B common shares must be delivered in accordance with the 2022 share ownership program. Following the issue and buyback, the company holds 5,100,000 Class C treasury shares. See Note 7 for further information.

Events after the end of the period

- **In response to the allegations against the company** that was published on September 28, Truecaller published a press release on October 3, 2022 with the title "Update regarding enquiries from media and investors" which is available at corporate.truecaller.com.
- **In accordance with current regulations, the Truecaller buyback program was temporarily halted after 11 October** when Truecaller entered the silent period prior to the publication of the interim report for the third quarter. As of 11 October 2022, Truecaller held 1,429,016 Class B treasury shares. The total number of shares in Truecaller (A- B- and C-shares), including treasury shares, was 379,059,710 and the number of outstanding shares, excluding treasury shares, was 372,530,694. The shares were bought back at an average price per share of SEK 36.57. See Note 10 for further information.
- **Ben Zhang was appointed as Chief Business Officer (CBO).** As CBO Ben will immediately focus on and be responsible for global user growth. He will also have responsibilities on long-term revenue development initiatives and support strategic investment and partnership opportunities. As CBO, he will be part of the management team at Truecaller.



THIRD QUARTER 2022

Continued growth with good profitability and strong cash flow

Demand and need for our services continue to grow globally. The average number of monthly active users was 331 million during the quarter, an increase of 40 million compared to the preceding year. In relative terms, we are growing fastest in Africa and South America, but India, our largest market, is still showing the strongest growth in absolute numbers.

Our good financial performance continues. Net sales increased by 44 percent to SEK 450.1 million with an adjusted EBITDA margin of about 40 percent. All three revenue streams – Ads, Truecaller for Business, and Premium subscriptions – contributed to the revenue growth. The operational leverage in our model is high and EBITDA amounted to SEK 181.5 million for the quarter and operating cash flow to SEK 162 million. Accumulated operating cash flow is SEK 564.3 million for the year and we now have SEK 1.9 billion available in cash and short-term investments. The strong cash position is a major strength in uncertain times like these and creates scope for exciting potential opportunities like for example user- or company acquisitions.

During the quarter we launched our new app for iOS, which quickly increased our daily active users on the platform to new record levels. As Android phones are dominant in our most important markets, we have not historically focused on iOS. Creating better conditions for long-term growth in iPhone-dominated markets is a key component of our growth strategy. The app for iOS was rebuilt from the ground up to be faster, take up less space on the phone, enable continuous updates and, most importantly, offer significantly better caller ID and identification of spam, scam calls and business calls compared to the earlier versions of the app for iOS.

We integrated and launched our new AI-driven Assistant service during the quarter as part of the Premium offering for Android and iOS in the US. The service, made possible through the acquisition of CallHero, gives our users even better opportunities to filter out scam and marketing calls, but also gives everyone the opportunity to get their own digital assistant that can answer all of their calls. The service uses machine learning to answer and screen calls, filter out spammers and show recipients on their screens in real-time who is calling and why.

We also introduced new features in our Truecaller for Business offering, including Video Caller ID and Call Me Back. Business customers have responded enthusiastically and many of our business customers signed up for at least one of these value-added services during the quarter. Demand remains strong among business customers and the trend of entering into longer contracts persists. We now have active customers in 34 countries and seven of the most valuable brands in India are now Truecaller customers.

An effort is ongoing in India to modernize outdated laws surrounding telecommunications and data protection. We hope that a decision will be made in 2023. We are in favor of this development and welcome the initiative, which is aimed at providing a modern, full-spectrum framework focused on innovation and user security that manifests consumers' right to know who is calling them. Based on the draft amendments available, we see no material negative impact on Truecaller's business model or earnings capacity. A large majority of the incoming calls that Truecaller identifies are calls from other Truecaller users, businesses, sales calls, marketing calls, calls from potential scammers or harassments. The most important value we add for our users is to create a safe and secure communications experience. This cannot be achieved solely by linking a name to a phone number; it has to be connected to the entire communications product and the intelligence linked to it. Our data-driven models are based on call patterns from billions of calls every day, as well as continuous improvements to our intelligence based on user feedback. We have built on our capabilities in this area for more than a decade, allowing us to build accurate and predictive models. Our proprietary algorithms help users save time and money by, for example, identifying whether the call or message should be answered or not. Another advantage of our service is that the user never has to save numbers to their Contacts list, as Truecaller continuously adds the entire call log, message flow and virtual Contacts list in the app, which are always available to the individual user.

The uncertain macroeconomic climate, with rising inflation and interest rates and potential recession in some parts of the world, persisted during the quarter. However, the economic impact on India, and in many of Truecaller's other major markets, has been less significant than that experienced by many Western countries. The IMF published its GDP forecasts for 2023 during the quarter, which show projected GDP growth in India of 6-7 percent, while the corresponding projections are 0.5 percent for the EU and 1 percent for the US. That doesn't mean that the markets we operate in will remain unaffected by global economic fluctuations and during the quarter we noted somewhat higher uncertainty among advertisers, which likely resulted in the postponement of some planned investments. We have yet to see any material impact on demand for our services and we continue to strengthen our position as a leading digital ad platform. However, there are regional differences and in regions like the Middle East and Africa we observed a slowdown during the third quarter due to the macroeconomic situation. This had a negative impact on sales growth, although

the number of users continues to increase at a satisfactory rate. Although we cannot preclude that markets like India may also see a cooldown in digital marketing, in pace with the weakening of the global economy, thus far we can report that we continue to grow in line with our plan for the full year 2022.

“Our continued growth, combined with our strong financial profile, enables us to continue investing in future growth while using part of cash flows to optimize our capital structure through the share buyback program which began in late September. This while maintaining an EBITDA margin in line with our financial targets.”

Revenues increased by a total of 44 percent compared to the corresponding quarter last year and amounted to SEK 450.1 million (312.6). All three revenue streams contributed to the increase. Advertising revenue increased by 40 percent to SEK 373.1 million (265.7). The basis for increasing advertising revenue is more users and increased use of our app. In addition to that, the revenue increase continues to be driven by a number of different factors such as increased ad volume, improved prices, increased direct sales, more demand partners and an improved so-called “render rate (our ability to show an ad on time). This quarter we made several improvements to the ad product which helped us grow the income. We still have numerous opportunities to increase the engagement in our app and continue to improve our ad platform to display ads to our users more effectively. We will continue to make improvements that can help us to increase our revenues per user even when the external macro-environment is more challenging. Compared to Q3 2021, revenue was positively impacted by FX but negatively impacted by the fact that part of the Indian cricket season in 2021 was held in Q3 2021, but not in Q3 2022.

Revenue from premium subscriptions is growing steadily with an increase of 29 percent to SEK 45.1 M (35.0) and the growth is occurring in many markets and for both iOS and Android users. Our business offering continues to develop rapidly with revenue growth of 186 percent to SEK 28.6 M (10.0). Some of the major customers onboarded during the quarter in India include Indigo Airlines, LG Electronics, Aviva Life Insurance and HDFC to name a few. Outside India, notable brands such as Coca-Cola, African Bank and UNICEF were onboarded.

Our continued growth, combined with our strong financial profile, enables us to continue investing in future growth while using part of cash flows to optimize our capital structure through the share buyback program which began in late September. This while maintaining an EBITDA margin which is in line with our financial targets. Even in these more uncertain times, I remain highly optimistic about the future.

Alan Mamedi
Chief Executive Officer

Truecaller at a glance

Quarterly review, financial data

FINANCIAL KEY FIGURES

Group, SEKm (unless otherwise stated)	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Net sales	450.1	312.6	1,328.8	736.7	1,128.9
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Adjusted EBITDA	181.5	117.7	581.3	276.3	472.5
Adjusted EBITDA margin (%)	40.3%	37.6%	43.7%	37.5%	41.9%
EBIT (operating profit)	173.4	36.2	561.8	157.3	328.2
EBIT margin (%)	38.5%	11.6%	42.3%	21.4%	29.1%
Adjusted EBIT	173.4	113.5	561.8	263.9	455.7
Adjusted EBIT margin (%)	38.5%	36.3%	42.3%	35.8%	40.4%
Profit or loss after net financial income or expense	186.2	10.9	578.4	128.5	299.7
Equity	1,885.2	289.9	1,885.2	289.9	1,411.4
Total assets	2,354.1	552.6	2,354.1	552.6	1,692.9
Equity to assets ratio (%)	80.1%	52.5%	80.1%	52.5%	83.4%
Employees at the end of the period	374	297	374	297	306

OPERATIONAL KEY FIGURES

July-September 2022	Total	India	Middle East & Africa	Rest of the world
Monthly Active Users (MAU), quarterly average (millions)	330.9	241.6	65.5	23.7
Daily Active Users (DAU), quarterly average (millions)*	261.1	198.0	47.5	15.5
Cost per mille impressions (CPM) for ad sales (SEK)	1.29	1.17	1.68	3.91
Average revenue per user (ARPU) for premium subscriptions (SEK)	8.73	5.02	11.00	12.92

July-September 2021**	Total	India	Middle East & Africa	Rest of the world
Monthly Active Users (MAU), quarterly average (millions)	291.1	214.9	56.5	19.7
Daily Active Users (DAU), quarterly average (millions)	227.2	174.1	40.6	12.5
Cost per mille impressions (CPM) for ad sales (SEK)	1.18	1.02	1.65	3.35
Average revenue per user (ARPU) for premium subscriptions (SEK)	8.29	5.16	9.80	11.74

* During the quarter, Truecaller discovered a discrepancy in the reporting from Google regarding the number of users of the company's app. A closer analysis showed that an update to Google's Android operating system led to an underreporting of Truecaller's user activity, which affected the company's DAU numbers starting in April and increasing as more people upgraded their Android version. By the end of the quarter, Truecaller had developed a solution to this problem. This solution is currently being rolled out to all the company's users and is expected to have full impact during the fourth quarter. The reported DAU figure for the third quarter is estimated to be about 2 million too low because of this. During the fourth quarter, however, the company has begun to see a recovery in the reported user growth.

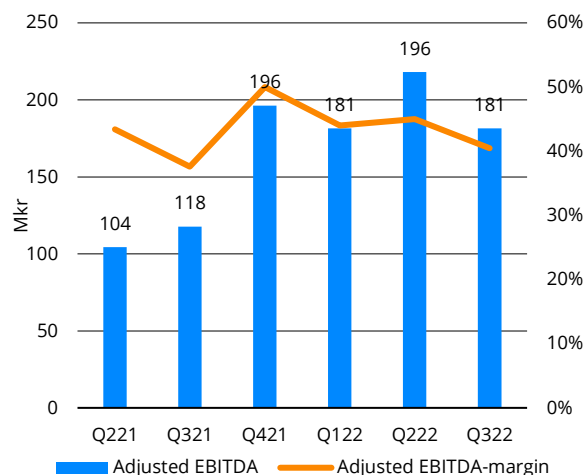
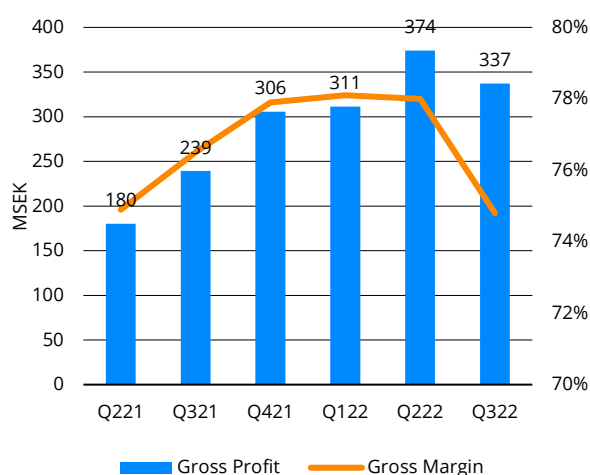
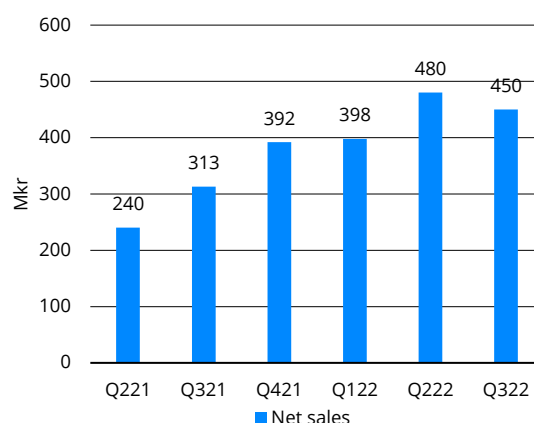
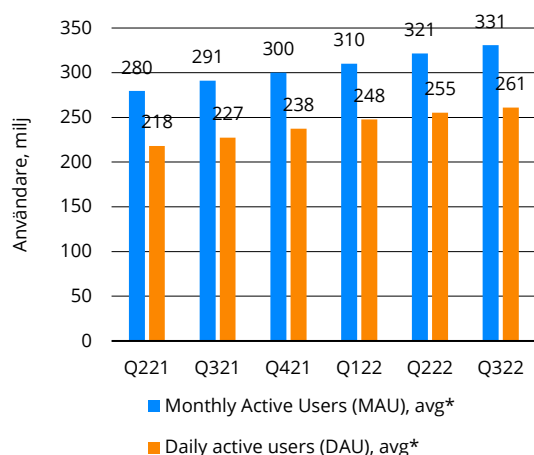
** Historical comparison figures were restated in the interim report for January-March 2022 after minor adjustments of definitions and calculation methods. MAU and DAU now refer to the quarterly average, in which all days in the quarter are included in the calculation (previously calculated based on the last 7 days of each month). Free ads (for charitable purposes, for example) have now been excluded from CPM. ARPU is calculated as average revenue per recurring premium user. See page 32 for further information.

January-September 2022

	Total	India	Middle East & Africa	Rest of the world
Monthly Active Users (MAU), period average (millions)	320.9	235.0	62.9	23.0
Daily Active Users (DAU), period average (millions)	254.8	194.0	45.9	14.9
Cost per mille impressions (CPM) for ad sales (SEK)	1.34	1.24	1.63	3.51
Average revenue per user (ARPU) for premium subscriptions (SEK)	8.50	4.89	10.57	12.43

January-September 2021

	Total	India	Middle East & Africa	Rest of the world
Monthly Active Users (MAU), period average (millions)	280.8	207.5	54.5	18.8
Daily Active Users (DAU), period average (millions)	218.8	167.9	39.0	11.9
Cost per mille impressions (CPM) for ad sales (SEK)	1.05	0.92	1.40	3.03
Average revenue per user (ARPU) for premium subscriptions (SEK)	7.73	4.49	9.88	12.16



* Historical comparison figures were restated in the interim report for January-March 2022 after minor adjustments of definitions and calculation methods. MAU and DAU now refer to the quarterly average, in which all days in the quarter are included in the calculation (previously calculated based on the last 7 days of each month). Free ads (for charitable purposes, for example) have now been excluded from CPM. ARPU is calculated as average revenue per recurring premium user. See page 32 for further information.

Financial performance

Third quarter (July–September 2022)

Revenues

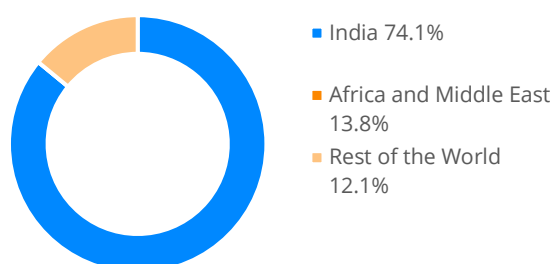
Net sales increased by 44 percent in Q3 to SEK 450.1 million (312.6). The revenue growth was mainly due to strong growth in advertising revenues, which is an effect of the sustained growth in user numbers in many different geographies, combined with continued growth in ad revenues per user. Currency effects also contributed to revenue growth during the quarter. See “Currency exposure” below.

The sustained growth in the number of monthly active users (MAU) is attributable to a general increase in the use of smartphones in many countries and more affordable prices for communication services in emerging countries. Rising smartphone penetration is driving a need to be able to communicate safely and efficiently, which benefits Truecaller. In markets where a sufficient share of smartphone users are also Truecaller users, the company delivers very high accuracy in identifying the people and businesses that contact users of the company's app. Normally, this also leads to strong organic growth in the user base, a so called network effect. In markets where the company does not yet have a sufficiently comprehensive database to offer this accuracy, Truecaller is investing in user acquisition on platforms including Google and Facebook. These user acquisitions help give Truecaller users a continuously improved experience of the company's services, and when the experience is good enough, organic growth takes off, as clearly evident in well-established markets like India.

Truecaller has closed agreements with several smartphone manufacturers on preinstallation of the company's app on a vast number of new phones in several different markets. Over time, these agreements are expected to have clearly positive effects on growth in user numbers as well as data quality, but these are multi-year agreements and thus far only a small number of phones with Truecaller preinstalled have reached end users.

Revenues distributed by region

Net sales in India grew 56 percent to SEK 333.6 million (213.5), in the Middle East & Africa by 9 percent to SEK 62.1 million (56.8), and in the rest of the world by 29 percent to SEK 54.4 million (42.3).



Revenues distributed by service

Ad revenues increased by 40 percent to SEK 373.1 million (265.7). We are continuously optimizing the balance between

prices (CPM) and usage of our ad space (the fill rate). There was a positive increase in the number of ad impressions during the quarter, while CPM rose by about 9 percent compared to the corresponding quarter last year. In comparison with the same quarter last year FX had a positive impact on income while the fact that the Indian cricket season (IPL) partly was held in Q3 last year had a negative impact.

CPM varies across quarters as an effect of seasonal changes in demand in different geographies, the mix of various types of ads and the mix between direct sales and sales via partners including Google and Facebook.

On the supply side, we continue to see user growth, which contributes to overall availability of ad opportunities. We are also working with continued optimization of ad space utilization aimed at increasing both the fill rate and prices. On the demand side, we are continuing to increase our advertiser base while making it easier for advertisers to use our services without intermediaries, which has a positive effect on our profitability while driving fill rates.

Revenues from premium subscriptions increased by 29 percent to SEK 45.1 million (35.0). This is primarily an effect of an increase in the number of premium subscribers. The growth in subscriber numbers and revenues is occurring in many different regions and for both Android and iOS users.

Revenues from Truecaller for Business amounted to SEK 28.6 million (10.0). Demand for these services remains very high in several of our established markets because many companies have a need to maintain a secure channel of communication with their customers. The number of onboarded customers is still showing strong growth in India and other markets and active Truecaller for Business customers are now found in 34 countries. The services are sold through direct sales, through partners and through a self-service portal.

Gross profit

Gross profit increased by 41 percent to SEK 336.8 million (239.0), which decreased the gross margin by 1.7 percentage points to 74.8 percent (76.5) compared to the same period in 2021. The gross margin is determined by fees to partners such as Google and Apple and the costs of verifying new users and for servers used for the company's services. Transparency from partners that previously did not specify ad brokerage costs improved during the quarter. The increased transparency had a negative effect on the gross margin in the quarter. Fees to partners are proportional to the number of ad impressions and the number of premium users. Truecaller also sells ads directly to end customers. Fee levels vary among advertising partners and the gross margin is consequently affected by the distribution of ad traffic between direct sales and different partners during various periods.

Verification costs are proportional to growth in the customer base but are also affected by how local telecoms operators price their messaging services. The cost of server hosting is relatively

independent of traffic volumes over the short and medium terms but rise when they reach new volume bands. New user and server verification costs increased during the quarter, which had a negative impact on the gross margin.

Operating profit

Operating profit before amortization, depreciation and impairments excluding items affecting comparability (Adjusted EBITDA) amounted to SEK 181.5 million (117.7), corresponding to an adjusted EBITDA margin of 40.3 percent (37.6).

EBIT rose to SEK 173.4 million (36.2), corresponding to an EBIT margin of 38.5 percent (11.6). EBIT excluding items affecting comparability (adjusted EBIT) amounted to SEK 173.4 million (113.5) with an adjusted EBIT margin of 38.5 percent (36.3).

The EBIT improvement is attributable to a persistently high revenue growth rate combined with a lower growth rate for operating costs. The company's business model accommodates significant revenue increases without corresponding increases in e.g., the costs of employees and premises.

Employee costs in the first quarter decreased to SEK 79.6 million (110.4). Employee costs increased excluding the cost of 62.0 million in Q3 2021 which was related to synthetic options in connection with the acquisition of Backwater Technologies Private Limited in 2019

Payroll costs rose as an effect of increases in the workforce combined with salary increases. The Group's long-term incentive programs (LTIP2021 and LTIP2022) entailed a payroll cost for the period of SEK 9.5 million (0.7) with a corresponding increase in equity and social insurance costs of SEK 0.4 million (-) recognized as a provision on the statement of financial position. Payroll costs are measured at fair value and accrued over the term of the program. Social insurance costs are affected by the share price at the end of each reporting period and could result in significantly higher amounts in the future and create volatility in the statement of profit or loss. Aimed at clarifying the distribution of employee costs between costs attributable to salaries and costs related to performance- or share price-related incentive programs, the company will clearly report the latter in future interim reports. Excluding the costs of incentive programs, the EBITDA margin during the quarter would have increased by 2.2 percentage points (0.2) and been 42.5 percent (37.9). See Note 6 for more information.

Employee costs have historically included the costs of synthetic options that arose in connection with the acquisition of Backwater Technologies Private Limited in 2019. The synthetic options had no impact on the quarter and no further costs for the options will be charged to profit in the future. Related costs of SEK 62.0 million were charged to employee costs and SEK 21.9 million to net financial income in the comparison period.

Other external costs decreased to SEK 76.6 million (88.4) compared to the same period in 2021. The decrease is due to costs affecting comparability of SEK 15.2 million in the comparison period related to preparations for stock exchange listing. Excluding costs related to the listing, other external costs increased by 4 percent. This is primarily an effect of increasing investments in user acquisition, marketing and costs related to becoming a listed company.

Investments in user acquisition and marketing are rising gradually as the company tests and evaluates various investment strategies. Return on investment is measured on an ongoing

basis and Truecaller is continuing to build skills and the organization so that the rate of investment can be accelerated as intended and in a manner that cost-effectively supports long-term organic growth in various geographies. Focus during the quarter was on further skills reinforcement in these areas and investments have in return increased at a somewhat lower rate than previously planned.

Items affecting comparability

There were no items affecting comparability in Q3, while Q3 2021 included items affecting comparability of SEK 77.2 million. The items are related to preparations for the IPO of SEK 15.2 million and synthetic options of SEK 62.0 million and are included in "Other external costs" and "Employee costs" on the statement of profit and loss.

Profit and earnings per share for the period

Profit before tax amounted to SEK 186.2 million (10.9). Profit after tax for the period was SEK 143.3 million (2.3). Net financial income amounted to SEK 12.8 million (-25.3) and comprises positive exchange rate differences of SEK 16.2 million (1.7), interest expenses of SEK -2.1 million (-5.0), remeasurement of synthetic options of SEK - million (-21.9) and other financial expenses of SEK -1.3 million (-0.1).

The total tax amounted to SEK 42.8 million (8.6) which corresponds to an effective tax rate of 23 (78.6) percent. The tax rate in India is higher than in Sweden, which is why the effective tax rate is higher than the Swedish corporate tax level of 20.6 percent.

The allocation of revenues between Sweden and India is controlled by group-internal agreements based on the value for Truecaller users and customers created in the respective countries. The distribution of taxable profits between Sweden and India is also affected by the Group's transfer pricing model, according to which Truecaller India pays royalties to Truecaller Sweden for use of the Truecaller brand, for example.

Basic earnings per share were SEK 0.38 (0.01) and diluted earnings per share were SEK 0.38 (0.01).

Cash flow and financial position

Net cash from operating activities amounted to SEK 161.9 million (74.9). Net cash from investing activities amounted to SEK -3.1 million (-1.1). Net cash used in financing activities was SEK -21.4 million (-157.8), broken down as follows: payments for participation in options programs of SEK 2.2 million (18.0), repayments of warrants of SEK -0.1 million (-), amortization of lease liabilities of SEK -3.7 (-3.8) and purchase of treasury shares, SEK -19.8 million (-). A payout of synthetic options in the amount of SEK -172.0 million was also made in the comparison period. Net cash for the period was SEK 137.4 million (-84.0). Truecaller had cash and cash equivalents of SEK 1,718.9 million (259.6) at the end of the quarter. The equity to assets ratio was 80.1 percent (52.5).

Consolidated total assets amounted to SEK 2,354.1 million (552.6) at 30 September 2022. The carrying amounts of financial assets and financial liabilities are estimated to coincide with fair value in all material respects.

Trade receivables for the Group amounted to SEK 48.7 million (19.1) and claims on advertising networks and platform owners amounted to SEK 124.2 million (93.6). The increase in trade receivables is attributable mainly to the increase in direct sales in the advertising business and growth in Truecaller for Business.

Payment terms for the company's customers are normally 30-60 days. A structured credit review process in combination with non-paying customers being quickly suspended from the company's services and proactive assurance that customers pay their invoices with minimal delay has resulted in very limited customer losses. Recognized but unrealized customer credit losses amounted to SEK 1.6 million (-) as of 30 September 2022. The increase in claims on advertising networks and platform owners is mainly linked to outstanding claims against Google and Facebook. For more information, see Truecaller's annual report for 2021.

Investments

The Group began capitalizing development costs in 2021 when certain initiated projects were assessed as meeting the criteria under IAS 38. Development costs for these projects have therefore been capitalized. SEK 1.4 million (0.4) was capitalized as internally generated intangible assets in Q3 2022.

Currency exposure

The majority of Truecaller's revenues are denominated in Swedish kronor (SEK) via partners including Google and Apple. Accordingly, there is little direct currency exposure. In turn, these partners bill users of Truecaller's services partly in local

currency, which entails indirect currency exposure. Truecaller does not, however, have complete information concerning currency exposure or how currency effects are managed by partners and thus cannot at present accurately quantify indirect currency exposure. A depreciation of SEK against currencies including USD and INR, however, has positive impact on the company's sales and profit, although it also increases the company's costs. The largest currency exposures are against INR and USD. The company estimates that currency movements contributed more than 10 percentage points to sales growth in Q3 2022 compared to the same quarter in 2021 and strengthened the operating margin by more than 1 percentage point in Q3 2022.

Parent company

Parent company income for the quarter amounted to SEK 2.0 million (-) which refers to billing of subsidiaries for services rendered. Truecaller AB is reporting a loss before tax of SEK -7.1 million (-1.6) and a loss after tax of SEK -5.6 million (-1.6). Cash and cash equivalents as of 30 September 2022 amounted to SEK 714.8 million (22.2). There were no significant investments in intangible assets or property, plant and equipment. The parent company had 2 (2) employees at the end of the reporting period.

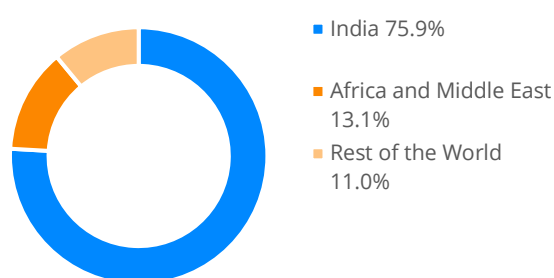
January – September 2022

Revenues

Net sales for the period of January-September increased by 80 percent compared to the same period last year, to SEK 1,328.8 million (736.7). The increase in revenues for the reporting period is attributable to the same factors described above regarding the quarter.

Revenues distributed by region

Net sales in India grew 100 percent during the period to SEK 1,009.0 million (503.4), in the Middle East & Africa by 36 percent to SEK 174.3 million (128.5), and in the rest of the world by 39 percent to SEK 145.5 million (104.8).



Revenues distributed by service

Ad revenues increased by 85 percent to SEK 1,126.3 million (610.0). Revenues from premium subscriptions increased by 21 percent to SEK 125.4 million (103.4). This is primarily an effect of an increase in the number of premium subscribers. Revenues from Truecaller for Business amounted to SEK 70.5 million (17.5).

Gross profit

Gross profit increased by 86 percent to SEK 1,022.2 million (550.4), which increased the gross margin by 2.2 percentage points to 76.9 percent (74.7). The gross margin is determined partly by fees to partners such as Google and Apple, and partly

by the costs of verifying new users and servers used for the company's services.

Fees to partners are proportional to the number of ad impressions and the number of premium users. Truecaller also sells ads directly to end customers. Fee levels vary among advertising partners and the gross margin is consequently affected by the distribution of ad traffic between direct sales and different partners during various periods. Direct sales and sales via partners with lower fees made up a larger share of total sales in Q3 than in the corresponding period in 2021. Google also lowered its charges for purchases via its app store in early 2022, which affected the gross margin for premium subscriptions to a certain extent. Increased verification costs for new users and servers had an adverse impact on the gross margin.

Operating profit

EBIT before amortization, depreciation and impairments excluding items affecting comparability (Adjusted EBITDA) amounted to SEK 581.3 million (276.3), corresponding to an adjusted EBITDA margin of 43.7 percent (37.5).

EBIT increased to SEK 561.8 million (157.3), corresponding to an EBIT margin of 42.3 percent (21.4). EBIT excluding items affecting comparability (adjusted EBIT) amounted to SEK 561.8 million (263.9) with an adjusted EBIT margin of 42.3 percent (35.8).

Employee costs amounted to SEK 216.9 million (213.9). Payroll costs increased as an effect of increases in the workforce combined with annual pay rises. The Group's long-term incentive programs (LTIP2021 and LTIP2022) entailed a payroll cost for the period of SEK 18.8 million (0.7) with a corresponding increase in equity and social insurance costs of SEK 1.5 million (-) recognized as a provision on the statement of financial position. Excluding the costs of incentive programs, the EBITDA margin during the quarter would have increased by 1.5 (0.1) percentage points and been 45.3 percent (37.6). See Note 6 for further information.

Employee costs have historically included the costs of synthetic options that arose in connection with the acquisition of Backwater Technologies Private Limited in 2019. The synthetic options had no impact on the period of January to September 2022 and no further costs will arise in the future. Related costs of SEK 76.6 million were charged to employee costs and costs of SEK 26.3 million were charged to net financial income in the comparison period.

Other external costs amounted to SEK 229.2 million (167.7). This is primarily an effect of increasing investments in user acquisition, marketing and costs related to becoming a listed company. The comparison period includes SEK 30.0 million in costs affecting comparability related to the preparations for stock exchange listing.

Investments in user acquisition and marketing are rising gradually as the company tests and evaluates various investment strategies. Return on investment is measured on an ongoing basis and Truecaller is continuing to build skills and the organization so that the rate of investment can be accelerated as intended and in a manner that cost-effectively supports long-term organic growth in various geographies. Focus during the period was on further skills reinforcement in these areas and investments have in return increased at a somewhat lower rate than previously planned.

Items affecting comparability

There were no items affecting comparability during the period, while the same period in the preceding year included items affecting comparability of SEK 106.6 million. The items are related to preparations for the IPO of SEK 30.0 million and synthetic options of SEK 76.6 million and are included in "Other external costs" and "Employee costs" on the statement of profit and loss.

Profit and earnings per share for the period

Profit before tax amounted to SEK 578.4 million (128.5). Profit after tax for the period was SEK 449.7 million (120.0). Net financial income amounted to SEK 16.6 million (-28.8) and comprises positive exchange rate differences of SEK 28.5 million (4.0), interest expenses of SEK -7.9 million (-6.4), remeasurement of synthetic options of SEK - million (-26.3) and other financial expenses of SEK -3.9 million (-0.1).

The total tax amounted to SEK 128.7 (8.5) million, which corresponds to an effective tax rate of 22.2 percent (6.6). The tax rate in India is higher than in Sweden, which is why the effective tax rate is higher than the Swedish corporate tax rate of 20.6 percent. In 2021, the tax rate was lower due to deficit deductions attributable to previous years.

Basic earnings per share were SEK 1.20 (0.55) and diluted earnings per share were SEK 1.20 (0.34).

Cash flow and financial position

Net cash from operating activities amounted to SEK 564.3 million (221.8). Net cash used in investing activities amounted to SEK -34.7 million (-1.1) and was affected primarily by the acquisition of CallHero and investments in internally generated intangible assets. Net cash used in financing activities was SEK -54.1 million (-157.5), broken down as follows: payments for participation in options programs of SEK 3.0 million (18.0), repayments of warrants of SEK -0.8 million (-), payments of synthetic options of SEK -23.1 million (-172.0), amortization of lease liabilities of

SEK -13.4 (-11.3) and purchase of treasury shares for SEK -19.8 million (-). A new issue was also carried out in the comparison period, which contributed SEK 7.8 million. Net cash for the period was SEK 475.4 million (63.2). Truecaller had cash and cash equivalents of SEK 1,718.9 million (259.6) at the end of the quarter. The equity to assets ratio was 80.1 percent (52.5).

Truecaller had a revolving credit facility of SEK 500 million (500). SEK 0 million (0) had been utilized as of the reporting date.

Consolidated total assets amounted to SEK 2,354.1 million (552.6) at 30 September 2022. The carrying amounts of financial assets and financial liabilities are estimated to coincide with fair value in all material respects.

Employees

There were 374 (297) employees at the end of the period. The average number of employees during the period of January-September was 343 (265). Truecaller is in a phase of strong growth and the company has identified a need to continue adding skills to the organization.

Investments

The Group began capitalizing development costs in 2021 when certain initiated projects were assessed as meeting the criteria under IAS 38. Development costs for these projects have therefore been capitalized. SEK 7.2 million (1.1) was capitalized as internally generated intangible assets during the period of January-September.

Currency exposure

The majority of Truecaller's revenues are denominated in Swedish kronor (SEK) via partners including Google and Apple. Accordingly, there is little direct currency exposure. In turn, these partners bill users of Truecaller's services partly in local currency, which entails indirect currency exposure. Truecaller does not, however, have complete information about currency exposure or how currency effects are managed by partners and thus cannot at present accurately quantify indirect currency exposure. A depreciation of SEK against currencies including USD and INR, however, has positive impact on the company's sales and profit, although it also increases the company's costs. The largest currency exposures are against INR and USD. The company estimates that currency movements contributed more than 10 percentage points to sales growth during the period compared to the same period in 2021 and strengthened the operating margin by more than 1 percentage point during the period.

Parent company

Truecaller AB became the parent company of the Group in the third quarter of 2021. Until that point, it was a dormant shelf company and comparative figures are not yet relevant due to the change in Truecaller AB's operations.

Parent company income for the period amounted to SEK 4.8 million (-) which refers to billing of subsidiaries for services rendered. Truecaller AB is reporting a loss before tax of SEK -19.6 million (-1.6) and a loss after tax of SEK -15.6 million (-1.6). Cash and cash equivalents as of 30 September 2022 amounted to SEK 714.8 million (22.2). There were no significant investments in intangible assets or property, plant and equipment. The parent company had 2 (2) employees at the end of the reporting period.

Product updates

Vastly improved Truecaller experience on iPhone

In the third quarter, Truecaller launched a brand-new version of the iPhone app for users globally. The iOS app has been completely re-written from the ground up, offering a fundamentally better user experience from end-to-end. The revamped version provides a much faster, smoother search experience and significantly better Caller ID functionality compared to previous versions of the app, with up to 10X improved spam and business number identification.

The changes to the iPhone experience are enabled by an all-new architecture that leverages Truecaller's state-of-the-art spam detection algorithms and takes full advantage of Apple's technology to deliver the optimal caller ID solution. The app seamlessly integrates with Apple's default phone app to show results from Truecaller directly in the user's incoming call screen or call log. Truecaller has developed the most accurate and comprehensive Caller ID and spam detection for every geography, made possible through automatic updates of identification intelligence in the background. It also includes a design refresh and new user experience flow that results in far shorter times for initial onboarding and quicker day-to-day navigation through the app.



Since the launch of the new iPhone app in late August 2022, Truecaller has already begun to see significant improvements in metrics from iOS users in comparison to the most recent version. Key performance indicators including retention, daily installs, and DAU have increased notably, with average DAU on iPhone increasing by over 30% since the launch of the new app. Such increased engagement, along with optimizations on the advertising side and the introduction of a new premium experience on iPhone, substantially improves Truecaller's ability to monetize on iOS.

Launch of AI-powered Assistant

The first version of our integration of Truecaller Assistant—a new offering enabled by the acquisition of CallHero earlier this year—was launched and made available to our premium subscribers on Android and iPhone users in the US in the third quarter. Truecaller Assistant is an enhanced call screening solution for Android and iPhone that automatically answers calls, filters spam and shows the user what the caller wants in real time. The introduction of a digital assistant enabled by cloud telephony takes call screening to the next level and is expected to drive a compelling case for Truecaller's premium offering.

Driven by machine learning, speech-to-text and natural language processing technology, Truecaller Assistant is a customizable, interactive digital receptionist. The Assistant responds to incoming calls and transcribes caller requests with >90% accuracy in real time, empowering users to decide whether they want to take over the call, mark it as spam, or ask the caller for more information with the tap of a button. Users have the ability to personalize their Assistant experience by choosing among a wide range of custom assistants according to their preference. Truecaller Assistant also offers a better spam detection experience based on the real-time transcription. Leveraging artificial intelligence, the Assistant can determine with over 90% accuracy whether the call is spam or not, making it easier than ever for users to decide whether to pick up the call or block a number. Because the Assistant is powered by cloud technology, users who take advantage of Truecaller Assistant can enjoy all of its benefits without compromising on device storage, processing power, or battery usage.

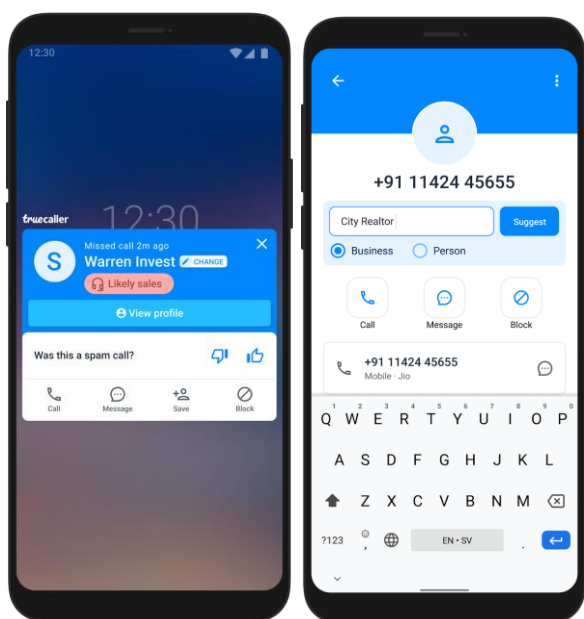


Truecaller commenced its rollout of the Assistant with the US due to the high volume of unwanted calls in the market, coupled with American consumers' familiarity with call screening and related services. The value of the Assistant offering is also being tested in other strategic markets in parallel ahead of further expansion. Preliminary data since the launch at the end of September suggests strong potential for the offering, with

promising indicators in terms of both retention and usage which will be important to us since this is a premium subscriptions service. Truecaller continues to focus on improving the Assistant experience within the Truecaller ecosystem, particularly on iOS before investing in user acquisition and marketing activities. As the first product delivered from Truecaller's cloud telephony platform, Assistant establishes Truecaller's commitment to building out its capabilities and innovating further by leveraging such technologies.

Initiatives to improve user experience across the core offering

Truecaller continues to develop its core offering in order to provide users with a smarter, safer, and more efficient experience across their communication needs. Investments in AI Identity—Truecaller's artificial intelligence and machine learning-powered caller identification and spam detection capabilities—resulted in significant improvements in data quality in strategic growth markets, including the US where we now show name results on 91% (45% last year) of searches, India, Indonesia, Nigeria, and Brazil, among others. Improvements to Truecaller's spam algorithm have also contributed to better data accuracy in its important markets. Thanks to investments in the AI Identity platform, a large majority of Truecaller's search results globally are now powered by Truecaller's proprietary AI algorithm in combination with user profiles, illustrating the notable impact of both machine learning and community engagement initiatives on improving Truecaller's data quality. Truecaller continues to work towards building even better data quality at a global scale through contextual information to deliver more value to users.



The introduction of community feedback engagement points in previous quarters has begun to show strong traction. This initiative not only drives user engagement, but also serves as a source of additional input to improving Truecaller's data quality in terms of accurately identifying an unknown number as spam, a potential scam, or a specific business. Such feedback is rapidly developing into a valuable asset for Truecaller, with tens of millions of caller name suggestions provided by users in Q3 alone and millions of user input processed in the form of comments, up/down votes and other survey responses since its introduction earlier this year.

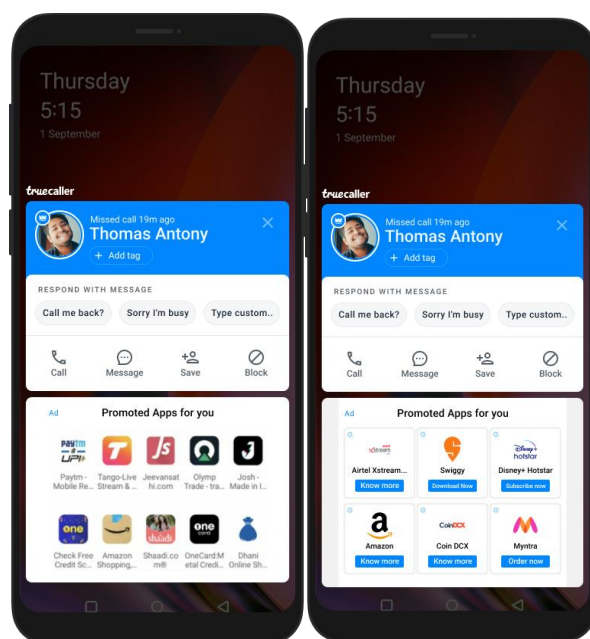
Truecaller also enriched user profiles in order to demonstrate the benefits delivered by the app to each user more prominently. Building on the popularity of "Year in Calling," a feature previously available only at the end of the year, users can now view their personal in-app statistics and see the value that Truecaller brings to their communication in real time.

Truecaller continues to innovate on its calling and Smart SMS functionalities. A number of new features were introduced in the third quarter to enhance the calling experience in the app. Users now have the option to identify and mark certain conversations as important ("starred calls"), and to add a note to such calls during or after the call has ended. Users can now easily filter and find the most important calls in their history, as well as search previously logged notes. Engagement indicators around this new feature have been promising, with over four million calls marked important on a daily basis since its release in August. Truecaller's dialer has also been upgraded to improve the calling experience for dual sim card users, a common phenomenon in India and other emerging markets.

Improvements to app performance and ease of use continue to be a priority for Truecaller. In the third quarter, a number of technical enhancements were implemented to the Smart SMS functionality, resulting in a 45% improvement in the speed and precision of this feature. The search logic within Smart SMS has also been upgraded significantly, enabling users to find relevant information within this category much more easily. Improvements to the Smart SMS notification experience also progressed this quarter, facilitating more opportunities for customization based on user preferences.

Continued investment in AdTech

Investments to improve Truecaller's AdTech capabilities on the supply side continue to scale well. Truecaller continues to collaborate with demand partners to test more innovative, performance-driven ad formats. Continued optimization efforts, such as the enablement of additional inventory in order to maximize yield, have shown strong results. Efforts to further improve render rate were also impactful, and Truecaller delivered its highest render rate ever in the third quarter.

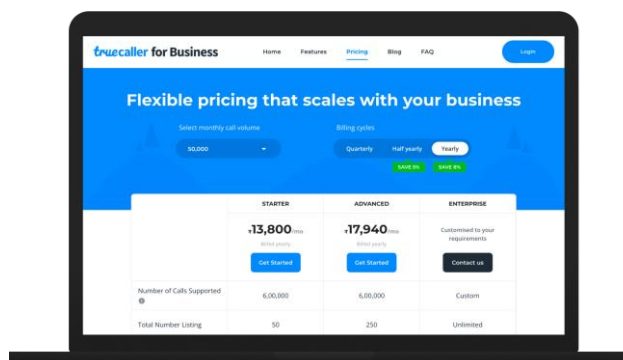


Truecaller continues to strengthen its ability to provide a best-in-class experience for a growing range of demand partners and advertisers. Investments in the third quarter to improve Truecaller's independent tech stack include the introduction of a yield module to optimize third party demand, as well as the development of the capability to execute direct demand through the Truecaller Ad Server. Truecaller also established an end-to-end DSP (demand side platform) capability to enable better targeting and extend its reach beyond the Truecaller ecosystem. From a third-party programmatic perspective, Truecaller continues to scale new partners and introduce new integration paths in order to further strengthen demand.

Further development of Truecaller for Business offering

Demand for Truecaller's enterprise offering continues to grow at a strong pace. In the third quarter, Truecaller onboarded a number of notable brands in India across sectors, including Indigo, the largest airline in the country, and LG Electronics, which is one of the top two consumer electronics brands in the market. The continued relevance of the Tfb offering for the financial sector in particular was also eminent, with the addition of HFDC, ICICI Lombard, Aviva Life Insurance, and Aditya Birla Capital to the business customer roster, to name a few. Tfb also continued to expand its presence in markets beyond India, most notably in South Africa, Kenya, Egypt and Peru.

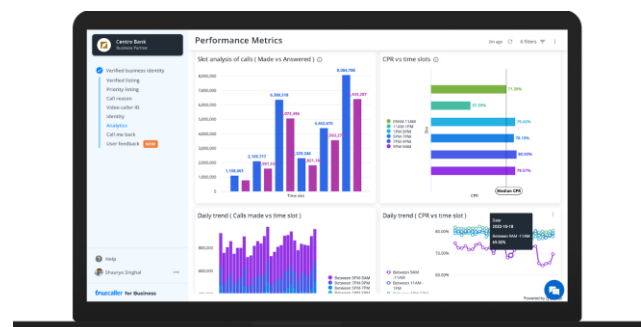
In the third quarter, Truecaller made substantial improvements to its enterprise-facing website, business.truecaller.com. The new website has been upgraded to more clearly demonstrate the relevance of the enterprise offering for business customers and prospects and facilitates an even more intuitive self-serve experience for both direct sales and reseller journeys. Truecaller for Business also restructured its engagement model to introduce value-based pricing tiers (India only) and increase the propensity of business customers to commit to longer-term plans. The number of Tfb customers transitioning into quarterly, semiannual, or annual plans continues to grow, while majority of new customers directly committed to tenure plans, demonstrating the long-term value delivered by the enterprise offering.



Initiatives from Tfb's Early Access Program—a program launched in early 2022 that provides select customers the opportunity to test new offerings in early stages of development—matured into fully commercialized products in the third quarter. Video Caller ID for Business enables companies to deliver customized videos when they call a customer, introducing a new visual element that helps reinforce their brand. Call Me Back enables users to show their interest in a business's offerings when they are not able to answer the phone and has already shown promising indicators of improving conversion rates. Truecaller continues to develop these offerings to deliver even more value for both businesses and end users. Truecaller continues to leverage the Early Access Program to further innovate on the business offering.

Truecaller also invested in significant improvements to the Tfb analytics experience in the third quarter. Business customers can now take advantage of an upgraded analytics dashboard that not only delivers better data visualization and a more intuitive user experience, but also enables report generation on an automated basis. The new analytics platform sets the foundation for more valuable intelligence that businesses can leverage to make data-driven decisions based on pick up rates, time slot analysis, and other critical calling trends.

Truecaller continues to develop its operational capabilities in order to serve growing demand for its business offering. Several technical enhancements were implemented in the third quarter, enabling a smoother, faster onboarding process as well as off-line performance for Verified Business Caller ID.



Other disclosures

Risks and uncertainties

Like all companies, Truecaller is exposed to various types of risk in the course of business. These include risks related to currency movements, dependence upon certain strategic partners, the general economic trend and developments in the financial market, technical progress, dependence on key individuals, legal risks and risks associated with personal privacy, as well as tax risks and political risks. Risk management is an integrated component of the management of Truecaller. The risks described for the Group could also have indirect impact on the parent company. A complete description of risks and uncertainties associated with Truecaller is provided in the 2021 annual report for Truecaller AB.

Impact of the war in Ukraine

The war in Ukraine and its global economic repercussions have had minimal impact on Truecaller's business. Truecaller's focus has been to take care of our employees from Ukraine, Russia and the Baltic countries who have family and friends in Ukraine.

Forward-looking statements

The report presents statements pertaining to matters including Truecaller's financial position and performance as well as statements on market conditions that may be forward-looking. Truecaller believes the expectations reflected in these forward-looking statements are based on reasonable assumptions. Forward-looking statements are, however, associated with risks and uncertainties and actual outcomes or consequences may differ materially from those presented here. In addition to that required under applicable law, forward-looking statements apply only on the date presented and Truecaller disclaims any obligation to update them in the light of new information or future events.

Outlook

Truecaller does not publish forecasts.

Parent

Truecaller AB, CRN 559278-2774, is a Swedish public company whose registered office is in Stockholm, Sweden.

Future reporting dates

Year-end report January-December 2022: 23 February 2023

Interim report, January-March 2023: 11 May 2023

Interim report, January-June 2023: 21 July 2023

Interim report, January-September 2023: 9 November 2023

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Auditor's review

This interim report has been reviewed by the company's auditor.

This information constitutes insider information that Truecaller AB is required to disclose under the EU Market Abuse Regulation. The information was released for publication, through the agency of the contact persons above, on 11 November 2022 at 07.30 CET.

Condensed consolidated statement of profit or loss

Amounts in SEK 000s	Note	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Operating revenue	3	450,129	312,581	1,328,792	736,659	1,128,888
Other income		20	4	43	118	2,738
Work performed by the entity and capitalized		868	239	5,204	797	1,045
Third party fees		-113,369	-73,560	-306,596	-186,239	-272,807
Other external costs		-76,579	-88,449	-229,200	-167,716	-248,049
Employee costs		-79,586	-110,357	-216,933	-213,936	-266,752
Depreciation, amortization and impairments		-8,053	-4,216	-19,535	-12,377	-16,844
EBIT (operating profit)		173,430	36,242	561,776	157,306	328,219
Net financial income or expense		12,754	-25,292	16,619	-28,839	-28,511
Profit or loss after net financial income or expense		186,183	10,949	578,395	128,466	299,708
Tax		-42,836	-8,610	-128,651	-8,505	-41,398
Profit for the period ¹⁾		143,348	2,339	449,744	119,962	258,310
Earnings per share						
Basic earnings per share (SEK)		0.38	0.01	1.20	0.55	1.01
Diluted earnings per share (SEK)		0.38	0.01	1.20	0.34	0.72
Average number of shares before dilution ²⁾		373,941,981	219,535,665	373,867,101	218,765,742	254,718,955
Average number of shares after dilution		374,399,006	355,438,862	374,666,353	355,682,475	357,708,466

1) The profit for the period is attributable entirely to shareholders in the parent company.

²⁾ In connection with Truecaller's IPO, all preference shares were converted to Class B shares, which explains the large differences in the number of shares included in "Average number of shares before dilution" in the various periods.

Consolidated statement of comprehensive income

Amounts in SEK 000s	Note	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Profit or loss for the period		143,348	2,339	449,744	119,962	258,310
Other comprehensive income for the period						
<i>Items that will be reclassified to profit and loss in subsequent periods</i>						
Foreign exchange translation differences		3,917	-1,155	4,512	-2,144	-1,529
<i>Items that will not be reclassified to profit and loss in subsequent periods</i>						
Remeasurement of defined-benefit pension plans		-	-	-	-	-89
Other comprehensive income for the period		3,917	-1,155	4,512	-2,144	-1,618
Comprehensive income for the period ¹⁾		147,265	1,184	454,256	117,818	256,692

1) The profit for the period is attributable entirely to shareholders in the parent company.

Condensed consolidated statement of financial position

Amounts in SEK 000s	Note	2022 30 Sep	2021 30 Sep	2021 31 Dec
ASSETS				
Non-current assets				
Goodwill		36,541	-	-
Other intangible assets		17,317	1,029	1,350
Property, plant and equipment		2,752	1,200	1,429
Right-of-use assets		110,580	88,487	86,196
Deferred tax assets		53,511	48,327	35,077
Other non-current receivables	4	19,371	744	999
Total non-current assets		240,073	139,788	125,051
Current assets				
Current receivables	4	246,138	153,222	179,336
Short-term placements	4	148,979	-	150,066
Cash and cash equivalents	4	1,718,912	259,616	1,238,443
Total current assets		2,114,030	412,838	1,567,845
TOTAL ASSETS		2,354,102	552,626	1,692,896
EQUITY AND LIABILITIES				
Equity				
Equity attributable to owners of the parent		1,885,238	289,940	1,411,410
Total equity		1,885,238	289,940	1,411,410
Non-current liabilities				
Liability arising from defined-benefit pension plans		5,815	3,769	4,538
Lease liabilities		96,975	75,744	72,393
Deferred tax liability		29,095	18,380	18,030
Other non-current liabilities	4	8,776	-	-
Total non-current liabilities		140,662	97,893	94,961
Current liabilities				
Liability arising from synthetic options	4	-	21,893	22,509
Lease liability		15,559	14,640	15,985
Other current liabilities	4	312,643	128,259	148,030
Total current liabilities		328,203	164,793	186,524
TOTAL EQUITY AND LIABILITIES		2,354,102	552,626	1,692,896

Condensed consolidated statement of cash flows

Amounts in SEK 000s	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Operating activities					
Profit or loss after net financial income or expense	186,183	10,949	578,395	128,466	299,708
Adjustments for non-cash items	1,486	87,499	10,918	112,237	119,545
Income tax paid	-17,482	-	-31,340	-	-4,717
Cash flow from operating activities before changes in working capital	170,187	98,448	557,974	240,703	414,536
Net cash from changes in working capital					
Change in operating receivables	2,000	-54,124	-24,069	-72,207	-97,183
Change in operating liabilities	-10,297	30,623	30,419	53,302	63,538
Net cash from operating activities	161,891	74,947	564,324	221,798	380,891
Investing activities					
Acquisitions of Group companies, net effect on cash and cash equivalents	-	-	-26,875	-	-
Purchases of property, plant and equipment	-1,283	-	-1,806	-	-351
Disposals of property, plant and equipment	-	-	-	-	-
Purchases of intangible assets	-1,401	-1,089	-7,146	-1,089	-1,470
Purchases of short-term investments	-	-	-	-	-150,000
Change in financial receivables	-426	-	1,087	-	-66
Net cash used in investing activities	-3,110	-1,089	-34,741	-1,089	-151,887
Financing activities					
Share issue	-	-	-	7,789	982,904
Funds received for warrants	2,206	18,030	2,978	18,030	17,364
Repurchase of warrants	-99	-	-818	-	-
Amortization of lease liability	-3,728	-3,850	-13,411	-11,275	-15,280
Payout synthetic options	-	-172,016	-23,140	-172,016	-172,016
Buyback of treasury shares	-19,755	-	-19,755	-	-
Net cash from (-used in) financing activities	-21,375	-157,836	-54,146	-157,470	812,972
Net cash flow for the period	137,405	-83,978	475,438	63,239	1,041,976
Cash and cash equivalents at the beginning of the period	1,578,285	342,704	1,238,443	195,224	195,224
Foreign exchange differences in cash and cash equivalents	3,222	890	5,032	1,153	1,243
Cash and cash equivalents at the end of the period	1,718,912	259,615	1,718,912	259,616	1,238,443

Condensed consolidated statement of changes in equity

Amounts in SEK 000s	Equity attributable to owners of the parent				
	Share capital	Other capital contributions	Reserves	Retained profits including profit for the period	Total equity attributable to owners of the parent
Opening balance at 1 Jan 2021	353	702,511	4,682	-561,612	145,933
Profit for the period	-	-	-	119,962	119,962
Other comprehensive income for the period	-	-	-2,144	-	-2,144
Comprehensive income for the period	-	-	-2,144	119,962	117,818
<i>Transactions with owners of the Group</i>					
Share issue after transaction costs	-	7,787	-	-	7,787
Non-cash issue	355	-	-	-328	27
Warrants	-	18,030	-	-	18,030
Share-based payment	-	-	-	344	344
Total	355	25,817	-	16	26,187
Closing balance at 30 September 2021	708	728,328	2,538	-441,634	289,940
Opening balance at 1 Jan 2022	747	1,707,864	3,153	-300,354	1,411,410
Profit for the period	-	-	-	449,744	449,744
Other comprehensive income for the period	-	-	4,512	-	4,512
Comprehensive income for the period	-	-	4,512	449,744	454,256
<i>Transactions with owners of the Group</i>					
Share issue	11	-	-	18,152	18,163
Treasury shares after transaction costs	-	-	-	-19,755	-19,755
Warrants	-	2,161	-	-	2,161
Share-based payment	-	-	-	19,003	19,003
Total	11	2,161	-	17,399	19,571
Closing balance at 30 September 2022	758	1,710,025	7,666	166,789	1,885,238

Condensed parent company income statement

Amounts in SEK 000s	Note	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Operating revenue		1,953	-	4,813	-	1,318
Other external costs		-2,908	-434	-9,659	-434	-52,446
Employee costs		-5,189	-1,111	-9,784	-1,111	-2,752
EBIT (operating profit)		-6,144	-1,545	-14,630	-1,545	-53,880
Net financial income or expense		-911	-97	-4,996	-97	-1,733
Profit or loss before tax		-7,055	-1,643	-19,626	-1,643	-55,613
Tax		1,443	-	4,031	-	11,456
Profit or loss for the period		-5,612	-1,643	-15,595	-1,643	-44,157

Condensed parent company balance sheet

Amounts in SEK 000s	Note	2022 30 Sep	2021 30 Sep	2021 31 Dec
ASSETS				
Non-current assets				
Investments in Group companies		10,247,177	10,179,685	10,182,046
Deferred tax assets		20,613	-	16,582
Total non-current assets		10,267,791	10,179,685	10,198,628
Current assets				
Current receivables		13,497	1,725	16,132
Receivables from Group companies		10,746	-	650
Short-term placements		148,979	-	150,066
Cash and cash equivalents		714,749	22,203	830,776
Total current assets		887,971	23,928	997,624
TOTAL ASSETS		11,155,761	10,203,613	11,196,252
EQUITY AND LIABILITIES				
Equity and liabilities				
Equity		11,139,471	10,195,412	11,135,495
Liabilities to Group companies		-	7,079	31,509
Current liabilities		16,290	1,122	29,249
TOTAL EQUITY AND LIABILITIES		11,155,761	10,203,613	11,196,252

Notes

Note 1. Significant accounting policies

This interim report covers the Swedish parent company Truecaller AB ("Truecaller"), company registration number 559278-2774, and its subsidiaries. The principal business of the Group is to develop and publish software, primarily mobile Caller ID applications, under the Truecaller brand. The parent is a limited liability company registered and domiciled in Stockholm, Sweden. The address of the head office is Mäster Samuelsgatan 56, 111 21 Stockholm, Sweden.

Truecaller restructured the Group in 2021, whereby the former parent company, True Software Scandinavia AB, became a wholly owned subsidiary of the new parent, Truecaller AB. Truecaller AB was previously a dormant shelf company. The restructuring was accomplished through a non-cash issue directed at shareholders in True Software Scandinavia AB, who retained their relative ownership interests in Truecaller AB. The newly formed Group is a direct continuation of the True Software Scandinavia Group and Truecaller has thus assumed the financial history of the True Software Scandinavia Group unencumbered.

Truecaller applies International Financial Reporting Standards (IFRS), as adopted by the EU. The interim report for the Group was prepared in compliance with IAS 34 Interim Financial Reporting and applicable sections of the Swedish Annual Accounts Act (1995:1554). Disclosures according to IAS 34 are provided in

other parts of the interim report, in addition to the financial statements. The interim report for the parent company was prepared in accordance with the Annual Accounts Act, Chapter 9 Interim Financial Reporting, and recommendation RFR 2 Accounting of Legal Entities issued by the Swedish Financial Accounting Standards Council. The accounting principles, basis for measurement and estimates and judgements applied in the interim report for the Group and the parent are identical to those applied in Truecaller's annual report. Accordingly, refer to the most recently published annual report for a description of applied accounting policies.

Equity

Shares issued by the company are classified as equity. Additional costs arising directly from the issue of common shares and stock options are recognized as a debit item in equity after deducting tax effects, if any. When Truecaller's shares classified as equity are repurchased, the amount of consideration paid is recognized as a reduction in equity, after deducting tax effects, if any. Repurchased shares are classified as treasury shares and recognized as a debit item under equity. When treasury shares are subsequently sold or reissued, the amount received is recognized as an increase in equity and the surplus or deficit resulting from the transaction is transferred to or from other capital contributions.

Note 2. Key judgements and estimates

Preparation of the interim report requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the recognized amounts of assets, liabilities, revenues and costs. Actual

outcomes may differ from these judgements and estimates. The key judgements and sources of estimation uncertainty are unchanged from those described in the most recently published annual report.

Note 3. Revenue from contracts with customers

DISTRIBUTION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

Amounts in SEK 000s	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Geographical region					
India	333,563	213,534	1,008,991	503,365	787,120
Middle East and Africa	62,123	56,784	174,327	128,530	184,114
Rest of the world	54,443	42,263	145,475	104,764	157,654
Revenue from contracts with customers	450,129	312,581	1,328,792	736,659	1,128,888

The geographical distribution is based on where the customer has their mobile subscription.

Amounts in SEK 000s	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Type of service					
Advertising revenues	373,072	265,706	1,126,274	610,045	948,925
User revenues	45,129	34,953	125,403	103,406	138,985
Other revenues	31,928	11,922	77,115	23,208	40,978
Revenue from contracts with customers	450,129	312,581	1,328,792	736,659	1,128,888

Note 4. Financial instruments

Measurement of financial assets and liabilities at 30 September 2022

	Financial assets measured at fair value through profit or loss	Financial assets measured at amortized cost	Total carrying amount
FINANCIAL ASSETS			
Other non-current receivables	-	19,371	19,371
Claims on advertising networks and platform owners	-	124,296	124,296
Trade receivables	-	48,744	48,744
Short-term placements	148,979	-	148,979
Cash and cash equivalents	-	1,718,912	1,718,912
Total	148,979	1,911,324	2,060,303
FINANCIAL LIABILITIES			
Trade payables	-	21,897	21,897
Conditional consideration (earnout)	19,447	-	19,447
Total	19,447	21,897	41,344

Measurement of financial assets and liabilities at 30 September 2021

	Financial assets measured at fair value through profit or loss	Financial assets measured at amortized cost	Total carrying amount
FINANCIAL ASSETS			
Other non-current receivables	-	744	744
Claims on advertising networks and platform owners	-	93,647	93,647
Trade receivables	-	19,111	19,111
Cash and cash equivalents	-	259,616	259,616
Total	-	373,118	373,118
FINANCIAL LIABILITIES			
Liability arising from synthetic options	21,893	-	21,893
Trade payables	-	18,786	18,786
Total	21,893	18,786	40,679

Measurement of financial assets and liabilities at 31 December 2021

FINANCIAL ASSETS	Financial assets measured at fair value through profit or loss	Financial assets measured at amortized cost	Total carrying amount
Other non-current receivables	-	999	999
Claims on advertising networks and platform owners	-	100,353	100,353
Trade receivables	-	31,160	31,160
Short-term placements	150,066	-	150,066
Cash and cash equivalents	-	1,238,433	1,238,433
Total	150,066	1,370,954	1,521,020

FINANCIAL LIABILITIES			
Liability arising from synthetic options	22,509	-	22,509
Trade payables	-	39,544	39,544
Total	22,509	39,544	62,053

The carrying amount is considered a good estimate of the fair value of current receivables and liabilities, such as claims on advertising networks and platform owners, trade receivables and trade payables. The maximum credit risk of the assets comprises the net amounts of the carrying amounts shown in the table above.

The Group has short-term placements, liability arising from synthetic options and conditional consideration (earnouts) that are measured at fair value through profit or loss. 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 measurement methods are classified in a hierarchy consisting of three levels defined as follows:

- Level 1 Quoted prices in active markets
- Level 2 Inputs other than quoted prices that are observable directly (prices) or indirectly (derived from prices)
- Level 3 Non-observable market data

There were no transfers between the levels during the period. The Group has no financial assets or liabilities that have been offset in the accounts or which are covered by a legally binding netting agreement.

Short-term placements

Truecaller has SEK 150 million placed in short-term fixed income funds. The fair value of the holding is determined by using market prices on the reporting date according to Level 1. The effect of the measurement at fair value is recognized in profit or loss. The adjustment to the fair value of these instruments is reflected directly in "Short-term placements" in the statement of financial position.

	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Short-term placements			
Balance at 1 January	150,066	-	-
Investment in short-term placements	-	-	150,000
Change in value recognized in profit and loss	-1,087	-	66
Closing balance	148,979	-	150,066

Conditional consideration (earnout)

Conditional consideration is categorized at level 3 of the fair value hierarchy. The fair value of conditional consideration is calculated by discounting future cash flows by a risk-adjusted discount rate. The conditional consideration for CallHero has been classified as a current and non-current liability.

	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Conditional consideration (earnout)			
Balance at 1 January	-	-	-
Cost	16,785	-	-
Change in value recognized in profit and loss	2,662	-	-
Closing balance	19,447	-	-

Liability arising from synthetic options

In connection with the acquisition of Backwater Technologies Private Limited in 2019, Truecaller entered into an option agreement with the former owners of the acquired company. The measurement was at level 3 of the fair value hierarchy and the outcome of the liability has been dependent upon whether the vesting conditions were met and Truecaller's share price, which consisted of non-observable inputs.

The liability has been recognized as a separate item on the statement of financial position and measured at fair value through profit or loss as an employee cost and in net financial income and expenses. The debt was settled in its entirety in

January 2022 and there will be no further costs attributable to the synthetic options.

Liability arising from synthetic options	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Balance at 1 January	22,509	91,019	91,019
Paid	-23,140	-172,016	-172,016
Change in value recognized in profit and loss	631	102,890	103,506
Closing balance	-	21,893	22,509

Note 5. Acquisitions of Group companies

On 22 March 2022, Truecaller closed the previously announced acquisition of the Israeli company CallHero Ltd. CallHero has developed a unique technical solution that automatically answers and analyses inbound calls using a digital assistant: a Smart Agent. The technology is expected to strengthen Truecaller's offering in the US, where CallHero's primary customer base is located. The consideration amounts to USD 4.5 million, of which USD 2.6 million paid in cash from existing reserves and USD 1.9 million paid in new shares in Truecaller. The shares are conditional upon the owners remaining employed by the Group for a specified period and this portion will therefore be recognized as an employee cost over the relevant period. In addition, there will be a potential earnout capped at USD 2 million provided that certain targets are met during a period of up to four years after acquisition date. The acquisition is primarily an acquisition of technology and skills and is not expected to have significant effect on profit or loss in 2022.

According to the acquisition analysis, surplus value of SEK 10 million arose attributable to proprietary software, as well as non-tax-deductible goodwill of SEK 34.4 million, primarily attributable to the skills added to the company by the employees of CallHero. The useful life of proprietary software has been estimated at five years.

Fair value of acquired net assets, CallHero (SEK 000s)

Proprietary software	10,000
Property, plant and equipment	8
Deferred tax assets	14
Trade receivables and other receivables	92
Cash and cash equivalents	229
Deferred tax liability	-2,300
Other current liabilities	-978
Total acquired net assets	7 065

Purchase consideration CallHero (SEK 000s)

Consideration, cash	24,629
Conditional consideration, liability	16,785
Total consideration, shares	41,414
Fair value of acquired net assets	-7,065
Goodwill	34,349

Group

Investing activities (SEK 000s)

Consideration paid	-24,629
Cash and cash equivalents in acquired entities	229
Costs directly related to acquisitions	-2,424

Net effect of acquisitions on consolidated cash and cash equivalents

26,824

Note 6. Incentive programs

Shareholders at the annual general meeting held 24 May 2022 endorsed the board's proposal regarding incentive programs directed at key management personnel, key individuals and employees of the Truecaller Group. The incentive program comprises at maximum of 500,000 warrants and a maximum of 5,100,000 performance-based share rights.

Participants buy the warrants at market value and the price for one warrant (the warrant premium) is calculated using the Black & Scholes valuation model.

Performance-based share rights give participants the right to receive Class B shares in the company against no monetary consideration after the fixed vesting period has ended, provided that participants remained employed by the company during the vesting period and that certain specific performance targets were reached by Truecaller regarding revenue growth and adjusted EBITDA. The Group applies IFRS 2 Share-based Payment to performance-based share rights, where the cost is measured at fair value and allocated over the term of the program and recognized in equity. The Group recognizes a reserve for accrued social insurance costs for the program based on the estimated benefit value for participants.

The Group has a previously implemented incentive program, LTIP 2021. Refer to the 2021 annual report for detailed information about the program.

Costs of LTIP 21 and LTIP 22, SEKm	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Cost of vested warrants per IFRS 2	9.5	0.7	18.8	0.7	2.9
Social insurance contributions	0.4	-	1.5	-	-
Costs of LTIP 21 and LTIP 22	10.0	0.7	20.3	0.7	2.9

Note 7. Treasury shares

The annual general meeting held 24 May 2022 authorized the board of directors to decide a treasury share buyback program. The buyback program is limited to 5 percent of shares outstanding as of the date of the AGM, equivalent to 18,697,985 shares. Share buybacks may be executed on one or more occasions prior to the next AGM. The buyback program began on 23 September and a total of 486,205 Class B shares were repurchased during the quarter for SEK 19.7 million including transaction costs.

Truecaller also issued and repurchased 5,100,000 Class C shares during the quarter at a cost of SEK 0.1 million. The transactions were executed in accordance with the mandate given by the 2022 AGM to cover commitments within the framework of the share ownership program 2022, which is part of the Group's Long Term Incentive Program 2022. The Class C shares will be converted to Class B common shares when Class B common shares must be delivered in accordance with the 2022 share ownership program.

Distribution of shares at the end of the reporting period:

Share class	Shares
Class A	46,783,800
Class B	327,175,910
Class C	5,100,000
Total number of shares outstanding	379,059,710
- of which Class B shares held by Truecaller	486,205
- of which Class C shares held by Truecaller	5,100,000
Total number of shares outstanding, net after shares held by Truecaller	373,473,505

Note 8. Contingent liabilities

The Group's contingent liabilities consist of a tax matter in the previously acquired subsidiary Backwater Technologies related to determination of income for FY 2016-17. The ongoing matter refers to a period prior to the acquisition date. The Group has determined that it is likely that the outcome will be in its favor and has therefore not recognized a provision in relation to this matter. The total undiscounted amount that the Group could be obligated to pay if the decision in the proceedings is not in the Group's favor is estimated at between SEK 3 million and SEK 13 million.

Note 9. Related party transactions

No related party transactions occurred during the reporting period.

Note 10. Events after the reporting date

In line with the share buyback program that began on 23 September (see Note 7), Truecaller has purchased an additional 942,811 Class B shares for SEK 32.6 million including transaction costs since the end of the reporting period. Truecaller's total holdings of Class B treasury shares amount to 1,429,016 shares, which have been repurchased for a total of SEK 52.3 million including transaction costs.

Assurance

The CEO and the Board of Directors hereby certify that the interim report provides a true and fair view of the operations, position and earnings of the parent company and the Group and describes the material risks and uncertainties faced by the parent company and the companies included in the Group.

Stockholm, 11 November 2022

Bing Gordon
Board Chair

Alan Mamedi
Director and CEO

Annika Poutiainen
Director

Helena Svancar
Director

Nami Zarringhalam
Director

Shailesh Lakhani
Director

Auditor's review report

Truecaller AB (publ) org.nr 559278-2774

Introduction

We have reviewed the condensed interim financial information (the interim report) for Truecaller AB as of 30 September 2022 and the nine-month period then ended. The directors and management are responsible for the preparation and fair presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Focus and scope of the review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review differs from and is substantially less in scope than an audit conducted in accordance with International Standards on

Auditing and generally accepted auditing practices otherwise, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion expressed based on a review therefore does not provide the same level of assurance as an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report was not, in all material respects, prepared with regard to the Group in accordance with IAS 34 and the Annual Accounts Act and with regard to the parent company in accordance with the Annual Accounts Act.

Stockholm, 11 November 2022
Ernst & Young AB

Jennifer Rock-Baley
Authorised Public Accountant

Alternative performance measurements

In accordance with ESMA (European Securities and Markets Authority) Guidelines on Alternative Performance Measures, the definition and reconciliation of alternative performance measures used by Truecaller are presented here. The guidelines entail additional disclosures regarding financial measures not defined under IFRS. The performance measures shown below are presented in the interim report. They are used for the purposes of internal control and monitoring. As all companies do not calculate financial measures in the same way, these measures are not always comparable to measures used by other companies. The following measures are measures used by Truecaller to clarify the company's performance and simplify evaluation for users of the company's financial reports.

Key performance measurements	Definition	Purpose
Gross profit ¹⁾	Net sales minus brokerage costs.	Gross profit is used to analyze profit minus direct costs (costs related directly to brokerage of ad space and the costs to onboard new premium users).
Gross margin ¹⁾	Gross profit as a percentage of net sales.	Gross margin is a measure of profitability minus direct costs.
Adjusted EBITDA	EBIT before interest, taxes, depreciation and amortization (EBITDA) and adjusted for items affecting comparability. Items affecting comparability consist of costs related to the IPO and synthetic options from the acquisition of Backwater Technologies.	Adjusted EBITDA is a measurement Truecaller uses to show how current operations develop over time.
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of net sales.	Adjusted EBIT margin is used to illustrate the profitability of current operations excluding items affecting comparability and before amortization.
EBIT (operating profit)	Operating profit (earnings) before interest and taxes	EBIT is used to analyze the profit generated by the operating entity.
EBIT margin	EBIT as a percentage of net sales.	The EBIT margin is used to illustrate the profitability of current operations.
Adjusted EBIT	Operating profit (earnings) before interest and taxes (EBIT) and adjusted for items affecting comparability. Items affecting comparability consist of costs related to the IPO and synthetic options from the acquisition of Backwater Technologies.	Adjusted EBIT is used to analyze the profit generated by the operating entity, adjusted for items affecting comparability.
Adjusted EBIT margin	Adjusted EBIT as a percentage of net sales.	The adjusted EBIT margin is used to illustrate the profitability of current operations adjusted for items affecting comparability.
OPEX (operating expense)	OPEX illustrates the other external costs of the business that are not directly attributable to acquisition of revenues, as well as employee costs.	Truecaller uses OPEX to clarify the costs required for the ongoing maintenance of the company's services.
Equity to assets ratio	Equity divided by total assets.	A measure to illustrate financial risk, expressed as the percentage of total assets financed by shareholders' equity.
Monthly Active Users (MAU)	The number of users that have a Truecaller profile and are active on the	Used to illustrate the volume of active users of Truecaller's services.

platform on a monthly basis. Calculated as an average of all days in the period.

Daily Active Users (DAU)	The number of users that have a Truecaller profile and are active on the platform on a daily basis. Calculated as an average of all days in the period.	Used to illustrate the volume of active users of Truecaller's services.
Cost per thousand impressions (CPM)	CPM illustrates the cost of displaying one ad one thousand times.	Used to illustrate the effectiveness of the ad platform.
Average revenue per user (ARPU)	The average revenue for one recurring paying user (Truecaller Premium)	Used to illustrate how revenues per user develop over time.

¹⁾ In Q4 2021, the definition of Gross Profit and Gross Margin was updated to include net sales instead of the operation's total revenue. Using net sales instead of total revenue is considered to give a fairer picture of the two profitability measures.

RECONCILIATION OF SELECTED KEY FIGURES THAT ARE NOT DEFINED UNDER IFRS

Group, SEK 000s	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Gross profit and gross margin *					
Net sales	450,129	312,581	1,328,792	736,659	1,128,888
Minus brokerage costs	-113,369	-73,560	-306,596	-186,239	-272,807
Gross profit	336,760	239,020	1,022,197	550,419	856,081
Divided by Net sales	450,129	312,581	1,328,792	736,659	1,128,888
Gross margin	74.8%	76.5%	76.9%	74.7%	75.8%

* As a result of the updated key figure definitions, the comparison figures for 2021 have been recalculated. Before the adjustment, the gross profit was SEK 239,263 thousand for Q3 2021 and SEK 551,334 thousand for January-September 2021. The gross margin was 76.5% for Q3 2021 and 74.8% for January-September 2021.

Adjusted EBITDA and Adjusted EBITDA margin

Profit before tax	186,183	10,949	578,395	128,466	299,708
Excluding net financial income or expense	-12,754	25,292	-16,619	28,839	28,511
Excluding depreciation, amortization and impairments	8,053	4,216	19,535	12,377	16,844
EBITDA	181,483	40,457	581,311	169,682	345,063
Excluding items affecting comparability	-	77,213	-	106,617	127,443
Adjusted EBITDA	181,483	117,670	581,311	276,299	472,506
Divided by Net sales	450,129	312,581	1,328,792	736,659	1,128,888
Adjusted EBITDA margin	40.3%	37.6%	43.7%	37.5%	41.9%

EBIT (operating profit) and EBIT margin

Profit before tax	186,183	10,949	578,395	128,466	299,708
Excluding net financial income or expense	-12,754	25,292	-16,619	28,839	28,511
EBIT (operating profit)	173,430	36,242	561,776	157,306	328,219
Divided by Net sales	450,129	312,581	1,328,792	736,659	1,128,888
EBIT margin	38.5%	11.6%	42.3%	21.4%	29.1%

Adjusted EBIT and Adjusted EBIT margin

EBIT (operating profit)	173,430	36,242	561,776	157,306	328,219
Excluding items affecting comparability	-	77,213	-	106,617	127,443
Adjusted EBIT	173,430	113,455	561,776	263,922	455,662
Divided by Net sales	450,129	312,581	1,328,792	736,659	1,128,888
Adjusted EBIT margin	38.5%	36.3%	42.3%	35.8%	40.4%

Equity to assets ratio

Total equity	1,885,238	289,940	1,885,238	289,940	1,411,410
Divided by Total assets	2,354,102	552,626	2,354,102	552,626	1,692,896
Equity to assets ratio	80.1%	52.5%	80.1%	52.2%	83.4%

Adjustment of definitions of key figures

Minor adjustments to definitions and calculation methods were made in the interim report for January-March 2022 for the key figures of Monthly Active Users (MAU), Daily Active Users (DAU), Cost per thousand impressions (CPM) and Average Revenue per Paying User (ARPU). The adjustments were made to further improve and refine the ability to analyze Truecaller's operations. Historical comparative figures have been restated.

MAU refers to the number of users who use the app and are active on a monthly basis and DAW refers to the number of users who use the app and are active on the platform on a daily basis. MAU and DAU are now calculated as the quarterly average and all days in the quarter are included in the calculation (the average was previously calculated based on the last 7 days of each month).

	2021 Oct-Dec	2021 Jul-Sep	2021 Apr-Jun	2021 Jan-Mar	2020 Oct-Dec	2020 Jul-Sep	2020 Apr-Jun	2020 Jan-Mar	2021 Jan-Dec
MAU (new definition)	299.9	291.1	279.6	271.4	260.6	242.8	227.2	222.9	285.6
MAU (previous definition)	301.2	292.1	278.1	270.3	259.3	242.9	226.0	222.1	285.4
DAU (new definition)	237.5	227.2	218.2	210.9	200.8	188.3	176.9	172.6	223.5
DAU (previous definition)	238.8	228.6	219.1	211.8	201.4	190.4	177.8	173.9	224.6

CPM refers to the cost of displaying one ad one thousand times. Free ads (for charitable purposes, for example), which were previously included in the calculation of CPM according to the previous definition, have now been excluded.

	2021 Oct-Dec	2021 Jul-Sep	2021 Apr-Jun	2021 Jan-Mar	2020 Oct-Dec	2020 Jul-Sep	2020 Apr-Jun	2020 Jan-Mar	2021 Jan-Dec
CPM (new definition)	1.34	1.18	1.05	0.89	1.24	1.28	0.94	1.50	1.14
CPM (previous definition)	1.34	1.13	0.99	0.87	1.14	1.28	0.89	1.48	1.11

ARPU is now calculated as average revenue per recurring premium user (one-time purchases have been excluded).

	2021 Oct-Dec	2021 Jul-Sep	2021 Apr-Jun	2021 Jan-Mar	2021 Jan-Dec
ARPU (new definition)	8.20	8.29	7.56	7.39	7.85
ARPU (previous definition)	8.43	8.82	8.11	7.84	8.29