

# YEAR-END REPORT 2022

January-December 2022



**truecaller**

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

# Truecaller Year-end Report

## October-December 2022 (Q4)

Comparative figures refer to October-December 2021.

- **Net sales** increased by 13 percent and amounted to SEK 444.1m (392.2).
- **Adjusted EBITDA** amounted to SEK 135.9m (196.2), corresponding to an adjusted EBITDA margin of 30.6 (50.0) percent. Excluding the costs of incentive programs, Adjusted EBITDA would have been SEK 145.7m (198.4), equivalent to an EBITDA margin of 32.8 (50.6) percent.
- **Profit after tax** amounted to SEK 85.5m (138.3).
- **Basic earnings per share** were SEK 0.23 (0.38) and diluted earnings per share were SEK 0.23 (0.37).
- **Profit for the quarter was not** affected by items affecting comparability, but Q4 2021 was affected by SEK -20.8m. The items affecting comparability in 2021 were attributable to preparations for the IPO of SEK -18.7m and synthetic options of SEK -2.1m.
- **The average number of monthly active users** (MAU) increased by 13 percent to approximately 338.3 million (299.9\*).
- **Sales growth** was 11 percent in India, 12 percent in the Middle East and Africa and 25 percent in the rest of the world.

## January-December 2022

Comparative figures refer to January-December 2021.

- **Net sales** increased by 57 percent and amounted to SEK 1,772.9m (1,128.9).
- **Adjusted EBITDA** amounted to SEK 717.2m (472.5), corresponding to an Adjusted EBITDA margin of 40.5 (41.9) percent. Excluding the costs of incentive programs, Adjusted EBITDA would have been SEK 747.3m (475.4), equivalent to an EBITDA margin of 42.2 (42.1) percent.
- **Profit after tax** amounted to SEK 535.2m (258.3).
- **Basic earnings per share** were SEK 1.43 (1.01) and diluted earnings per share were SEK 1.43 (0.72).
- **Profit for the period was not affected** by items affecting comparability, but such items reduced profit in 2021 by SEK -127.4m. The items affecting comparability in 2021 were attributable to preparations for the IPO of -SEK 48.7m and synthetic options of SEK -78.7m.
- **Sales growth** was 68 percent in India, 29 percent in the Middle East and Africa and 34 percent in the rest of the world.

## FINANCIAL KEY FIGURES

Group, SEKm (unless otherwise stated)	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Net sales	444.1	392.2	1,772.9	1,128.9
Gross profit	333.0	305.7	1,355.2	856.1
Gross margin (%)	75.0%	77.9%	76.4%	75.8%
Adjusted EBITDA	135.9	196.2	717.2	472.5
Adjusted EBITDA margin (%)	30.6%	50.0%	40.5%	41.9%
EBIT (operating profit)	126.7	170.9	688.5	328.2
EBIT margin (%)	28.5%	43.6%	38.8%	29.1%
Adjusted EBIT	126.7	191.7	688.5	455.7
Adjusted EBIT margin (%)	28.5%	48.9%	38.8%	40.4%
Profit or loss after net financial income or expense	109.7	171.2	688.1	299.7
Basic earnings per share (SEK)	0.23	0.38	1.43	1.01
Diluted earnings per share (SEK)	0.23	0.37	1.43	0.72
Equity	1,804.1	1,411.4	1,804.1	1,411.4
Total assets	2,344.4	1,692.9	2,344.4	1,692.9
Equity to assets ratio (%)	77.0%	83.4%	77.0%	83.4%
Employees at the end of the period	395	306	395	306

## Significant events during the quarter


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

- **In Q4, Truecaller was the world's fourteenth most downloaded app.** Truecaller continues to be one of India's most loved apps. In 2022, Truecaller was the second most used app in India in the 18-24 age group and the third most used app among men. During the fourth quarter Truecaller reached an all-time-high in customer satisfaction survey in India.
- **Truecaller's ad platform was made even more efficient,** which enabled a large increase in the number of ad impressions creating greater revenue potential for the future. Truecaller's independent proprietary ad platform, on which advertising space is offered to brands without using intermediaries such as Google, continues to scale and support demand, with the highest ever revenues recorded in the fourth quarter. Revenue from Truecaller's proprietary platform has more than tripled compared to the same period last year.
- **Truecaller's business offering continued to develop at a rapid pace.** The number of customers has increased to approximately 1,900 (approximately 1,000) at year-end, and 80 percent of new customers sign contracts with a contract duration of at least 3 months. The number of customers continues to grow in India as well as in other parts of the world. Examples of new customers in India during the quarter were Volkswagen, Panasonic and Canara HSBC Life Insurance. In markets beyond India growth was particularly strong in the banking and finance sector with new customers such as Sanlam Life Insurance (Nigeria), MoneyfelloWS (Egypt), Old Mutual (South Africa), and Tala (Kenya). A new feature, *Business Profile*, was launched during the quarter, helping businesses to engage more dynamically with end users. Business profiles are fully customizable, allowing TFB customers to bring more life to their profiles by including a description of their business, website or social media links and branded media.
- **Truecaller streamlined its paid offering** and new pricing plans were introduced. The Ad-free plan was made available to specific user segments and has driven high conversion rates with the targeted segments, with early indicators suggesting a promising propensity of users in these categories to upgrade their subscriptions. In the month of December, over 10% of Ad-free subscribers upgraded to more attractive plans. The new Family plan enables up to five users to share a subscription. Truecaller Family is available on Android worldwide, except in the US. The offer has quickly become popular and has shown steady growth since its launch in December. This subscription format is something that has been requested by users as it is common in many of Truecaller's markets for a family member to take responsibility for the whole family getting access to different types of services.
- **A new feature, Government Directory Service ("GDS"), was launched in India.** The service provides numbers across central and state governments, helping users seamlessly connect with the government through easy access to verified contacts of government bodies—from national helpline numbers to specific ministries. The information was sourced directly from official sources and covers 20 central ministries and over 23 states and union territories. The service currently includes more than 14,000 verified government numbers, and Truecaller continues to update the feature with more verified numbers across different departments and states.

### Other significant events

- **Truecaller was awarded Google's official independent security badge** after Google audited the Truecaller app's security. The purpose of the audit is to provide more insight into the app's security infrastructure and covers a number of areas such as privacy requirements, data storage, security architecture and code quality.
- **During the quarter, Truecallers continued to buy back B shares** in accordance with the mandate from the annual general meeting to buy back up to 5 percent of the shares until the annual general meeting in May 2023. At the end of the quarter, a total of 5,120,204 shares had been bought back at an average price of SEK 36.86. The repurchased shares correspond to 1.56 percent of the number of outstanding B shares.





## FOURTH QUARTER 2022

# A strong 2022 despite slower Q4 due to global economic uncertainty

Our first year as a listed company developed beyond expectations. Despite the prevailing global uncertainty, we continued to grow our business and exceeded our financial targets for the year, increasing net sales by 57 percent to SEK 1,772.9 (1,128,9) million. Adjusted EBITDA amounted to SEK 717.2 (472.5) million, with an EBITDA margin of 40.5 (41.9) percent. The cash flow from current operations before tax payments amounted to SEK 764.5 (385.6) million and at the end of the year, we had just over SEK 1.7 billion available for investments.

In the fourth quarter, we continued to grow our user base, consumers and business customers alike. Average monthly active users increased by 38 million during the year to 338 million, while our portfolio of business customers grew from 1,000 to approximately 1,900 enterprises.

Towards the end of 2022, we gradually entered a more challenging macroeconomic phase. After the third quarter, we expressed that we were observing increased caution by advertisers regarding their marketing investments, and that this likely could lead to muted demand. We saw this materialize in a slowdown in demand during the later part of the fourth quarter, a period when seasonal effects would typically result in higher spending. Global macroeconomic uncertainty also resulted in reduced smartphone sales around the world, which has, to an extent, impacted our user growth.

While we expect this weaker sentiment to persist at least through the first half of 2023, our overall focus is to continue to build a world-class product for our users and business customers, deliver good profitability throughout the economic downturn, and at the same time ensure that we stand even stronger when demand recovers.

During the fourth quarter our net sales growth rate grew by 13 percent to SEK 444.1 (392.2) million, with an adjusted EBITDA margin of 30.6 (50.0) percent. As announced in the third quarter, the margin was negatively affected by the large marketing campaigns we carried out during the quarter to seed new growth markets. Excluding these campaigns, the EBITDA margin had amounted to approximately 39 percent.

Despite reduced demand for digital advertising, we still managed to increase revenue, thanks to improvements we made to our AdTech. Advertising revenue increased by 7 percent to SEK 362.3 (338.9) million. Prices went down, as a result of general lower demand, but we were able to counteract this to an extent through a substantial increase in impressions. The volume of ads on Truecaller's proprietary ad platform, where we offer our advertising space without using intermediaries such as Google, increased significantly during the year. During the quarter, we broke a new record in terms of revenue on our platform, which more than tripled compared to the corresponding period last year. This is an important milestone in our journey of building out our own advertising platform.

Our subscription revenue and enterprise offering continue to grow strongly. Revenues from subscriptions increased during the quarter by 27 percent to SEK 45.1 million (35.6). Subscription revenue growth is primarily driven by our efforts to drive conversion and monetization, which resulted in an 18 percent increase in our subscriber base, outpacing our overall user growth. The growth of subscribers takes place in many markets, on both iOS and Android, and we continue to invest in strengthening our ability to monetize on this revenue stream. In the US, we started offering our first product from our cloud telephony platform, the AI-powered digital assistant. Truecaller Assistant—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—has received a positive response and in 2023 we will gradually launch it in our larger markets.

Truecaller for Business continues to develop rapidly with a strong increase in the number of active customers from many different industries. Given its importance to our business customers' day to day operations, we continue to see increasing demand. Revenue grew by 129 percent to SEK 35.0 (15.3) million. Truecaller for Business now has customers in 35 markets globally. While growth is strongest in India, markets such as Africa and the Middle East have also grown significantly.

Our average number of monthly active users increased during the year by 38 million and amounted to an average of 338 million in the fourth quarter, with the user base growing on both Android and iOS platforms. Our daily active user growth outpaced our monthly active user growth, and engagement remains very strong, with 80% of monthly active users being active on a daily basis—both of which are strong indicators of our product's stickiness. We continue to grow our share of iPhone users; iOS adoption has increased notably, with the number of daily active iOS users growing by more than 80 percent since the launch of our brand-new iPhone app at the end of August 2022.

Sales of new smartphones declined in the second half of 2022, particularly in the fourth quarter, during which the global market for new smartphones decreased by 18 percent<sup>1</sup> compared to the fourth quarter of 2021 (-12 percent for the full year 2022). This decline has a somewhat negative impact on our user growth, as some of our new users are those who install our app when they buy their first smartphone, or when they upgrade to

a more modern smartphone. Despite these external conditions, we remained committed to continuing to grow our user base and ended the quarter with 13% growth in average monthly active users compared to the same period last year.

The problem of scams and other unwanted calls and messages continues to increase in many countries, as smartphones become the primary channel for individuals in their communications with businesses and authorities. This drives a need to be able to communicate securely and efficiently, which increases the need for our products, regardless of the macroeconomic situation around the world. During the fourth quarter, Truecaller was the fourteenth most downloaded app globally<sup>2</sup>. We continue to be one of the most loved apps in India—in 2022, we were the second most used app in India in the 18-24 age group (after Instagram) and the third most used app among men (after Facebook and Instagram).<sup>3</sup> We are also proud to have reached an all-time high in our Net Promoter Score in India, ending the quarter at an NPS of 52 (48).

**” The demand and need for our services continue to increase globally and during the fourth quarter, Truecaller was the world's fourteenth most downloaded app. We continue to be one of the most loved apps in India—in 2022, we were the second most used app in India in the age group 18-24 years.”**

I also want to address some of the questions that have been posed regarding the developments around TRA's caller ID proposal. In January, the public consultation on the possible introduction of a simple network-based Calling Name Presentation (CNAP) service in India was completed. In the responses to the consultation, it is apparent that the operators in India who would be responsible for building a solution raise doubts about the efficacy of such a solution. Our belief is just as before—that this kind of simple name presentation service would not solve the problems of fraud and spam and, if introduced, would not reduce the need for Truecaller's much more advanced service. We continue to execute on our mission to build trust in communication and society through our product and by supporting the authorities where we can, for example through the introduction in the fourth quarter of the new Government Services Directory on the app for Indian users.

To summarize, we continue to work on developing products that address the need to communicate securely and efficiently—a need that continues to grow, regardless of macroeconomic conditions. I'm personally very excited about our 2023 roadmap, which includes initiatives to further improve our product in ways that will strengthen our value proposition, thereby increasing user engagement, user retention and stickiness in new and existing markets. With respect to the opportunities in B2C communication within the messaging space, we have only scratched the surface. We look forward to 2023 with laser focus on our strategic markets, growing adoption in subscriptions and Truecaller for Business, and continuing to invest in developing the most relevant, useful core product loved by even more users around the world.

Alan Mamedi  
Chief Executive Officer

1) According to Canalys <https://www.canalys.com/newsroom/global-smartphone-market-2022>

2) According to Sensor Tower, <https://sensortower.com/blog/q4-2022-store-intelligence-data-digest>

3) According to Data AI, <https://www.data.ai/en/>

# Truecaller at a glance

## Quarterly review. financial data

### FINANCIAL KEY FIGURES

Group. SEKm (unless otherwise stated)	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Net sales	444.1	392.2	1,772.9	1,128.9
Gross profit	333.0	305.7	1,355.2	856.1
Gross margin (%)	75.0%	77.9%	76.4%	75.8%
Adjusted EBITDA	135.9	196.2	717.2	472.5
Adjusted EBITDA margin (%)	30.6%	50.0%	40.5%	41.9%
EBIT (operating profit)	126.7	170.9	688.5	328.2
EBIT margin (%)	28.5%	43.6%	38.8%	29.1%
Adjusted EBIT	126.7	191.7	688.5	455.7
Adjusted EBIT margin (%)	28.5%	48.9%	38.8%	40.4%
Profit or loss after net financial income or expense	109.7	171.2	688.1	299.7
Basic earnings per share (SEK)	0.23	0.38	1.43	1.01
Diluted earnings per share (SEK)	0.23	0.37	1.43	0.72
Equity	1,804.1	1,411.4	1,804.1	1,411.4
Total assets	2,344.4	1,692.9	2,344.4	1,692.9
Equity to assets ratio (%)	77.0%	83.4%	77.0%	83.4%
Employees at the end of the period	395	306	395	306

### OPERATIONAL KEY FIGURES

October-December 2022	Total	India	Middle East & Africa	Rest of the world
Monthly Active Users (MAU). quarterly average (millions)	338.3	246.3	67.9	24.1
Daily Active Users (DAU). quarterly average (millions)	271.1	204.6	50.4	16.1
Cost per mille impressions (CPM) for ad sales (SEK)	1.10	0.94	1.80	4.74
Average revenue per user (ARPU) for premium subscriptions (SEK)	8.56	4.85	11.13	13.16

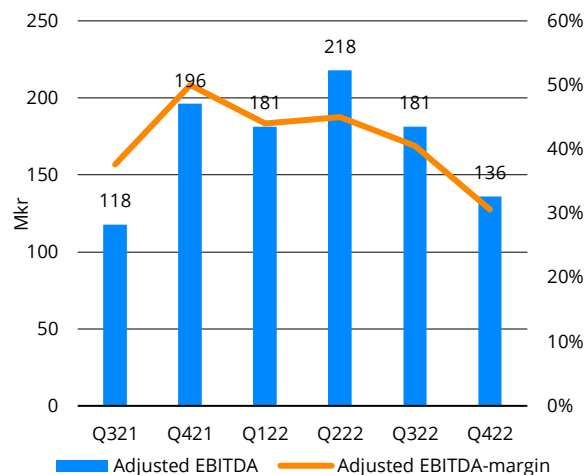
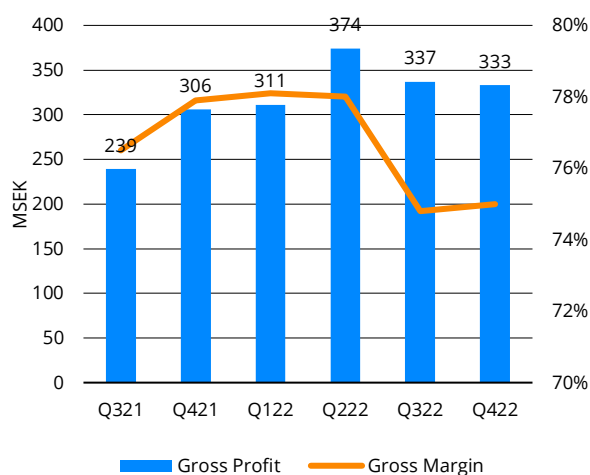
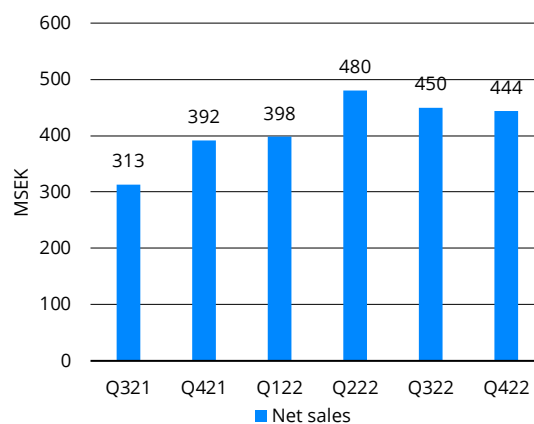
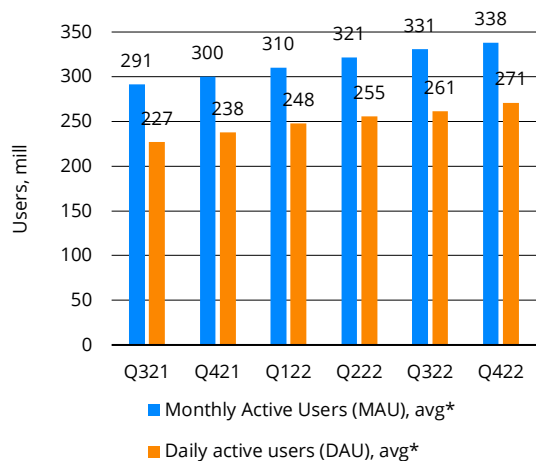
October-December 2021	Total	India	Middle East & Africa	Rest of the world
Monthly Active Users (MAU). quarterly average (millions)	299.9	220.6	58.3	21.1
Daily Active Users (DAU). quarterly average (millions)	237.5	181.8	42.3	13.4
Cost per mille impressions (CPM) for ad sales (SEK)	1.34	1.21	1.61	3.12
Average revenue per user (ARPU) for premium subscriptions (SEK)	8.20	5.03	9.66	11.50

### January-December 2022

	Total	India	Middle East & Africa	Rest of the world
Monthly Active Users (MAU), period average (millions)	325.3	237.8	64.1	23.3
Daily Active Users (DAU), period average (millions)	258.9	196.6	47.0	15.2
Cost per mille impressions (CPM) for ad sales (SEK)	1.27	1.15	1.67	3.82
Average revenue per user (ARPU) for premium subscriptions (SEK)	8.52	4.88	10.71	12.61

### January-December 2021

	Total	India	Middle East & Africa	Rest of the world
Monthly Active Users (MAU), period average (millions)	285.6	210.8	55.4	19.4
Daily Active Users (DAU), period average (millions)	223.5	171.4	39.8	12.3
Cost per mille impressions (CPM) for ad sales (SEK)	1.14	1.01	1.46	3.06
Average revenue per user (ARPU) for premium subscriptions (SEK)	7.85	4.61	9.82	11.97



# Financial performance

## Fourth quarter (October-December 2022)

### Revenues

Net sales during the fourth quarter increased by 13 percent and amounted to SEK 444.1 (392.2) million. Revenue increased for all three revenue types: advertising, subscriptions and the business offering, Truecaller for Business (TfB). Currency effects also contributed to the increase in revenue during the quarter, see Currency exposure below. Other income amounted to SEK 7.5 (2.6) million.

Revenue growth continues to be driven by a combination of several different factors. One important such factor is the continued growth in the number of regular users of Truecaller's app. The app is one of the world's most downloaded, and the user base is growing continuously, in many different geographies. Scams and other unwanted calls and messages continue to increase in many countries, as smartphones become the primary communication channel for individuals in their communications with businesses and authorities. This drives a need to be able to communicate securely and efficiently, which benefits Truecaller.

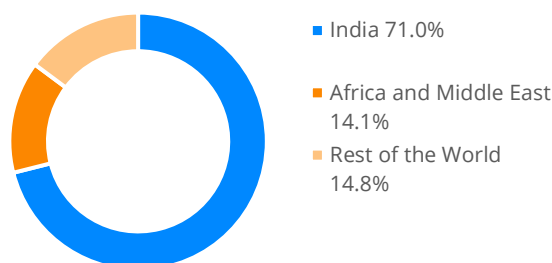
In the markets where a sufficiently large part of the users of smartphones are also users of Truecaller, the company gets a very good accuracy in identifying who contacts the users of the company's app, and thereby good opportunities to prevent fraud and other unwanted communication. This leads to continued organic growth of the user base, a network effect. In markets where the company does not yet have a sufficiently extensive database to be able to offer this accuracy, Truecaller invests in user acquisition through platforms such as Google and Facebook. These user acquisitions contribute to Truecaller's users getting a continuously improved experience of the company's services, and when the experience is good enough, organic growth takes off, which is clearly visible in well-established markets such as India.

In the second half of 2022, new smartphone sales declined globally. This had a somewhat negative effect on the growth in the number of monthly active users (MAU) of Truecaller's app, as many choose to start using the app when they get their first smartphone, or switch to a more modern version.

To make it easier for new smartphone users to take advantage of Truecaller's services, the company has signed agreements with a number of smartphone manufacturers to pre-install the company's app on a large number of new phones in several different markets. Over time, these agreements are expected to have clear positive effects on the growth in the number of users, as well as data quality, but the agreements span several years, and so far only a small percentage of phones with Truecaller pre-installed have reached end users. The rollout is considered to have been delayed due to macroeconomic developments, which reduced sales of new smartphones during the past year.

### Revenues distributed by region

Net sales in India grew 11 percent to SEK 315.1 million (283.5), in the Middle East & Africa by 12 percent to SEK 62.8 million (55.8), and in the rest of the world by 25 percent to SEK 66.3 million (52.9).



### Revenues distributed by service

Ad revenues increased by 7 percent to SEK 362.3 million (338.9). Truecaller continuously optimizes the balance between prices (CPM) and utilization (fill rate) of the company's advertising space. CPM therefore varies between quarters, as a consequence of seasonal and macroeconomic variations in demand in different geographies, the mix between different types of ads and the mix between direct sales and sales via partners such as Google and Facebook.

Compared to the corresponding quarter last year, prices (CPM) decreased by approximately 18 percent. The price reduction is due to lower demand in the wake of weak macroeconomic development. Many companies have become more cautious about marketing investments, and have either postponed these, or have chosen to reduce their digital advertising budgets. This effect has become increasingly clear even in markets where the underlying macroeconomic development remains good, such as India.

The effects of the weak price trend have been partially counteracted thanks to investments and improvements in Truecaller's advertising platform, which has enabled a greater number of ads to be displayed than was the case before.

On the supply side, the continuous user growth also increases our available advertising space. We are also working on continued optimization of the utilization of advertising space, with the aim of increasing both fill rate and prices. On the demand side, we continue to increase our advertiser base, as well as making it easier for advertisers to use our services without intermediaries, which has a positive effect on our profitability while helping us to increase fill rates.

Revenue from premium subscriptions increased by 27 percent to SEK 45.1 (35.6) million. This is primarily an effect of more premium subscribers. The growth in the number of subscriptions and subscription revenue occurs in most regions and for both Android and iOS users.

Revenue from Truecaller for Business amounted to SEK 35.0 (15.3) million. The demand for these services is still very high in several of our established markets, as many companies need to maintain a secure communication channel to their customers. The number of connected customers continues to show good



growth both in India and in other markets, and in total Truecaller for Business now has active customers in 35 countries. The Services are sold through direct sales, through partners and through a self-service portal.

### Gross profit

The gross profit increased by 9 percent to SEK 333.0 (305.7) million, which gives a reduction in the gross margin by 2.9 percentage points to 75.0 (77.9) percent compared to the same period last year. The gross margin is partly determined by fees to partners such as Google and Apple, partly by costs for verification of new users and for servers used for the company's services. During the year, transparency was improved from partners who previously did not specify brokerage costs for advertisements. Truecaller are now receiving information about brokerage costs, which will partly increase revenues somewhat, and partly will be included in the reported costs of goods sold. This has a certain negative impact on the gross margin.

The fees to partners are proportional to the number of displayed ads and the number of premium users. Truecaller also sells ads directly to end customers, resulting in a higher gross margin. Different advertising partners have different fee levels, and the gross margin is therefore affected by how the advertising traffic is distributed between direct sales and different partners during different periods.

Verification costs are proportional to growth in the customer base but are also affected by how local telecom operators price their messaging services. The cost of server hosting is, in the short and medium term, relatively independent of traffic volumes, but rises when these reach new volume bands. The costs both for messaging services used for verification of new users and for servers increased compared to the comparison period, which had a somewhat negative impact on the gross margin.

### Operating profit

Operating profit before depreciation and write-downs excluding items affecting comparison (adjusted EBITDA) amounted to SEK 135.9 (196.2) million, corresponding to an adjusted EBITDA margin of 30.6 (50.0) percent.

Operating profit (EBIT) decreased to SEK 126.7 (170.9) million, corresponding to an operating margin of 28.5 (43.6) percent. EBIT excluding items affecting comparability (adjusted operating profit) amounted to SEK 126.7 (191.7) million with an adjusted operating margin of 28.5 (48.9) percent.

The lower operating profit is largely due to increased marketing efforts during the fourth quarter where two large marketing campaigns were carried out in India and the USA. When excluding the temporary higher marketing costs due to these campaigns the EBITDA margin would have been approximately 39%.

Macroeconomic developments also contributed to a lower operating result, as Truecaller was not able to adjust the cost base sufficiently in the short term to compensate for the declining demand for digital advertising services during the end of 2022.

The company will closely monitor the demand trend in order to ensure that costs do not increase faster than revenues during the ongoing macroeconomic slowdown, without sacrificing growth potential when demand picks up again.

Staff costs during the quarter increased to SEK 84.1 (52.8) million. Salary costs increased as an effect of increased number of employees and salary adjustments. The group's long-term incentive program (LTIP2021 and LTIP2022) entailed a salary cost

for the period of SEK 9.5 (2.2) million with a corresponding increase in equity and social security contributions of SEK 0.3

(-) million reported as a provision in the balance sheet. Salary costs are valued at fair value and amortized over the term of the program. The social security contributions are affected by the share price at the end of each accounting period and may therefore amount to significantly higher amounts in the future and create volatility in the income statement. In order to clarify the distribution of staff costs between staff costs attributable to salaries, and personnel costs related to performance or share price-related incentive programs, the company will continue to report the latter separately. Excluding costs for incentive programs, the EBITDA margin during the quarter would have increased by 2.2 (0.6) percentage points and been 32.8 (50.6) percent. See more info in note 6.

The costs have historically included costs for synthetic employee options that arose in connection with the acquisition of Backwater Technologies Private Limited in 2019. The synthetic options have not been charged in the quarter and no additional costs will arise in the future. In the comparison period, personnel costs were charged with SEK 2.1 million and the financial net with SEK -1.5 million related to this.

Other external costs increased to SEK 120.5 (80.3) million compared to the same period last year. This is mainly an effect of the two major marketing campaigns in India and the US mentioned above.

### Items affecting comparability

There were no items affecting comparability in Q4. while Q4 2021 included items affecting comparability of SEK 20.8 million. The items are related to preparations for the IPO of SEK 18.7 million and synthetic options of SEK 2.1 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 109.7 (171.2) million. Profit after tax for the period was SEK 85.5 (138.3) million. Net financial income amounted to SEK 17.0 (0.3) million and comprises exchange rate differences of SEK -16.2 (1.2) million, interest income of SEK 0.6 million (-0.7)) and other financial expenses of SEK -1.4 (-0.2) million.

The total tax amounted to SEK 24.2 (32.9) million which corresponds to an effective tax rate of 22.1 (19.2) 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 income between Sweden and India is governed by intra-group agreements based on which income originates in the work done in each country. The distribution of taxable profits between Sweden and India is also affected by the group's transfer pricing model, which means that Truecaller India pays a royalty to Truecaller Sweden for including the use of the Truecaller brand.

Basic earnings per share were SEK 0.23 (0.38) and diluted earnings per share were SEK 0.23 (0.37).

### Cash flow and financial position

Net cash from operating activities amounted to SEK 46.1 (159.1) million. Net cash from investing activities amounted to SEK -262.6 (-150.8) million and included an investment in short

term interest funds of SEK -250 (-150) million. Net cash used in financing activities was SEK -169.0 (970.4) million and included purchase of treasury shares of SEK -162.6 (-) million. The comparison period also included a new share issue of SEK 974.5 million. Net cash for the period was SEK -385.5 (978.7) million. Truecaller had cash and cash equivalents of SEK 1,327.8 (1,238.4) million at the end of the quarter. The equity to assets ratio was 77.0 (83.4) percent.

Consolidated total assets amounted to SEK 2,344.4 (1,692.9) million at 31 December 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 60.7 (31.2) million and claims on advertising networks and platform owners amounted to SEK 91.2 (100.4) million. 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 limited customer losses. Recognized but unrealized customer credit losses amounted to SEK 1.9 million (-) as of 31 December 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 but during Q4 nothing was capitalized while 0.4 million was capitalized as internally generated intangible assets in Q4 2021.

#### 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 Q4 2022 compared to the same quarter in 2021 and strengthened the operating margin by more than 1 percentage point in Q4 2022.

#### Parent company

Parent company income for the quarter amounted to SEK 1.9 (1.3) million which refers to billing of subsidiaries for services rendered. The profit before tax amounted to SEK 100.1 (-54.0) million. The profit after tax amounted to SEK 79.5 (-42.5) million. Cash and cash equivalents on 31 December 2022 amounted to SEK 305.9 (830.8) million. No investments have taken place in intangible or tangible assets. At the end of the period, 2 (2) people were employed in the parent company.

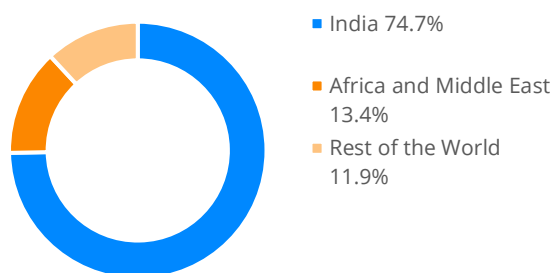
## January – December 2022

#### Revenues

Net sales for the period of January-December increased by 57 percent compared to the same period last year to SEK 1,772.9 (1,128.9) million. The increase in revenue is mainly due to a continued growth in advertising revenue, which in turn is an effect of a continuous growth in the number of users in many different geographies, in combination with a continued increase in advertising revenue per user. Currency effects also contributed to the increase in revenue, see Currency exposure below.

#### Revenues distributed by region

Net sales in India grew 68 percent during the period to SEK 1,324.1 million (787.1), in the Middle East & Africa by 29 percent to SEK 237.1 million (184.1), and in the rest of the world by 34 percent to SEK 211.7 million (157.7).



#### Revenues distributed by service

Ad revenues increased by 57 percent to SEK 1,488.6 million (949.0). Revenues from premium subscriptions increased by 23 percent to SEK 170.5 million (139.0). This is primarily an effect of an increase in the number of premium subscribers. Revenues from Truecaller for Business amounted to SEK 105.5 million (32.8).

#### Gross profit

The gross profit increased by 58 percent to SEK 1,355.2 (856.1) million, which gives an increase in the gross margin by 0.6 percentage points to 76.4 (75.8) percent. The gross margin is partly determined by fees to partners such as Google and Apple, partly by costs for verification of new users and for servers that used for the company's services. It is affected by how the ad traffic is distributed between direct sales and different partners during different periods. Increased costs for verification of new users and increased server costs had a certain negative impact on the gross margin during the year.

#### Operating profit

EBIT before amortization, depreciation and impairments Operating profit before depreciation and write-downs excluding items affecting comparison (adjusted EBITDA) amounted to SEK 717.2 (472.5) million, corresponding to an adjusted EBITDA margin of 40.5 (41.9) percent.

Operating profit (EBIT) increased to SEK 688.5 (328.2) million, corresponding to an operating margin of 38.8 (29.1) percent. EBIT excluding items affecting comparability (adjusted operating profit) amounted to SEK 688.5 (455.7) million with an adjusted operating margin of 38.8 (40.4) percent.

Staff costs amounted to SEK 301.0 (266.8) million. Salary costs increased as an effect of an increasing number of employees, combined with annual salary adjustments. The group's long-term incentive program (LTIP2021 and LTIP2022) entailed a wage cost for the period of SEK 28.4 (2.9) million with a corresponding increase in equity and social security contributions of SEK 1.8 (-) million reported as a provision in the balance sheet. Excluding costs for incentive programs, the EBITDA margin would have increased by 1.7 (0.3) percentage points and been 42.2 (42.1) percent. See more info in note 6.

The costs have historically included costs for synthetic staff options that arose in connection with the acquisition of Backwater Technologies Private Limited in 2019. The synthetic options have not been charged for the period January to December 2022 and no further costs will arise in the future. In the comparison period, staff costs were charged with SEK 78.7 million and the financial net with SEK 24.8 million related to this.

Other external costs amounted to SEK 349.7 (248.0) million. This is primarily an effect of increasing investments in data and user acquisition, marketing and costs related to being a listed company. Investments in user acquisition and marketing are gradually increasing, as the company tests and evaluates different investment strategies. The return on investments made is measured continuously, and Truecaller continues to build competence and organization to be able to increase the rate of investment as intended, in a way that cost-effectively supports the long-term organic growth in different geographies. During the period, the focus has been on further competence-strengthening in these areas, and investments have, in return, increased at a slightly 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 127.4 million. The items are related to preparations for the IPO of SEK 48.7 million and synthetic options of SEK 78.7 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 688.1 (299.7) million. Profit after tax for the period was SEK 535.2 (258.3) million. Net financial income amounted to SEK -0.4 (-28.5) million and comprises positive exchange rate differences of SEK 12.2 (5.2) million, interest expenses of SEK -7.3 (-7.1) million, remeasurement of synthetic options of SEK - (-24.8) million and other financial expenses of SEK -5.3 (-1.8) million.

The total tax amounted to SEK 152.9 (41.4) million, which corresponds to an effective tax rate of 22.2 (13.8) 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 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 1.43 (1.01) and diluted earnings per share were SEK 1.43 (0.72).

#### Cash flow and financial position

Net cash from operating activities amounted to SEK 610.4 (380.9) million. Net cash used in investing activities amounted to SEK -297.3 (-151.9) million and included investments in short term interest funds of SEK 250.0 (150.0) million and the acquisition of CallHero of SEK 32.1 (-) million. Net cash used in financing activities was SEK -223.1 (813.0) million and included purchase of treasury shares for SEK -182.4 million in the current period and a new share issue of 982.9 in the comparison period. Net cash for the period was SEK 90.0 (1,042.0) million. Truecaller had cash and cash equivalents of SEK 1,327.8 (1,238.4) million at the end of the quarter. The equity to assets ratio was 77.0 (83.4) percent.

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

Consolidated total assets amounted to SEK 2,344.4 (1,692.9) million at 31 December 2022. The carrying amounts of financial assets and financial liabilities are estimated to coincide with fair value in all material respects.

#### Employees

There were 395 (306) employees at the end of the period. The average number of employees during the period of January-December was 354 (275). Truecaller is in a phase of 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 (1.5) million was capitalized as internally generated intangible assets during the period of January-December.

#### 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

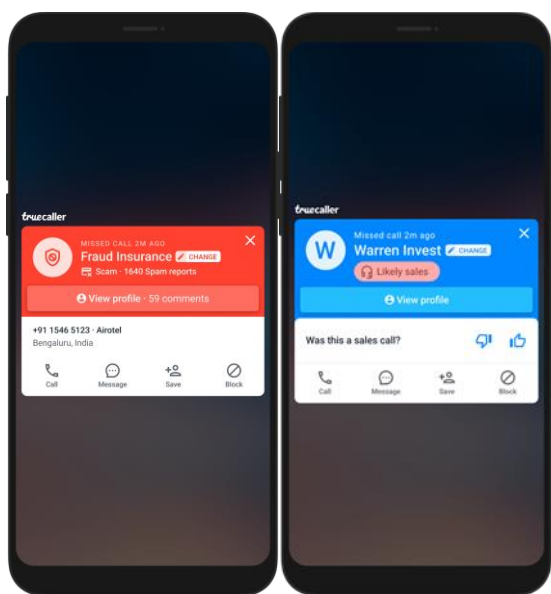
Parent company income for the period amounted to SEK 6.7 (1.3) million which refers to billing of subsidiaries for services rendered. The profit before tax amounted to SEK 80.5 (-55.6) million. The profit after tax amounted to SEK 63.9 (-44.2) million. Cash and cash equivalents on 31 December 2022 amounted to SEK 305.9 (830.8) million. No investments have taken place in intangible or tangible assets. At the end of the period, 2 (2) people were employed in the parent company.

# Product update

## Truecaller on Android

Truecaller continues to sharpen and execute its focus on app performance. In the fourth quarter, Truecaller implemented technical enhancements that enable a faster, frictionless experience while reducing the app size by 50%. The significant reduction in app size is critical to Truecaller's growth strategy—it not only allows for the expansion of investments in preloads, but also makes the app even more compelling for distribution on organic growth channels, especially in markets where app size is a major factor for users on lower-budget devices.

Product initiatives executed earlier in the year continued to gain traction in the fourth quarter. Community feedback opportunities in the app continue to drive strong user engagement while serving as valuable input to the contextual information provided by AI Identity. In the fourth quarter alone, three billion data points shown to users about who is calling included algorithmically sourced contextual information from billions of community feedback received since the introduction of this capability.

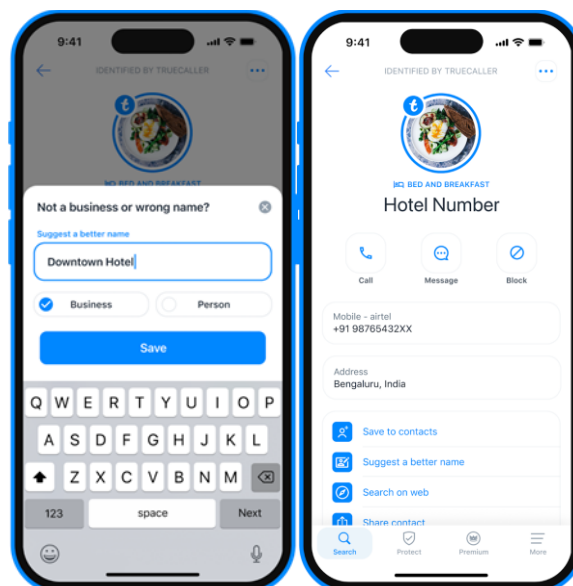


Truecaller continues to enhance the core offering for Android users by building out the utility of existing features. Smart SMS, which categorizes the most important messages and highlights the most useful information from lengthy messages, now offers Smart Reminders. As enterprises increasingly send transactional information to users via text message and Truecaller For Business, Smart SMS not only highlights the most relevant information for the end user, but also sends intelligent reminders about important upcoming events such as travel departure times and bill payment deadlines. Such machine learning initiatives occur without compromising user privacy, and all processing is conducted locally on the user's device. Adoption of Truecaller's SMS and messaging features introduced in previous quarters also continues to grow.

## Truecaller on iPhone

The recent introduction of the brand-new version of the iOS app brought fundamental improvements to the quality of Truecaller's Caller ID, spam and business number identification capabilities. Key performance indicators suggest much stronger growth potential on the platform. Since its global launch in August 2022, the daily active user base on iPhone has increased by over 80%. Daily iPhone installs have grown by 15%, while retention has also shown significant improvements. Though focus has been on improving the product experience, preliminary optimizations were introduced on the advertising side to enable more efficient use of ad inventory and better monetization of screen time, and early results from such initiatives demonstrate improvements in ad revenue from iPhone users.

Truecaller made significant progress towards giving iPhone users an experience as relevant and useful as its Android counterpart, and new features were introduced in the fourth quarter for an even better search experience. The opportunity to leave feedback on unknown numbers in the form of name suggestions, comments and up/down votes was introduced, empowering even more users to report on their own experience while further enhancing Truecaller's spam detection capabilities with community input. Truecaller's AI Identity capabilities, which translate call signals and patterns into AI-generated labels (e.g., "Likely sales," "Someone you may know"), were strengthened on iPhone as well. Nudging users with such contextual information allows them to make informed decisions more quickly about which calls to answer.



## Truecaller on web

In the fourth quarter, Truecaller made concerted efforts to expand its web capabilities even further. *Enhanced spam search* on the Truecaller website advances the foundational work completed earlier in the year to provide a web experience akin to its mobile counterpart. Such efforts have resulted in improvements in both SEO performance and web traffic, with notable



growth in organic, intent-driven traffic. Truecaller continues to invest in advancing its web capabilities, with other desktop-friendly functionalities in the pipeline for 2023 to drive Truecaller adoption in developed regions that tend to have a broader desktop adoption.

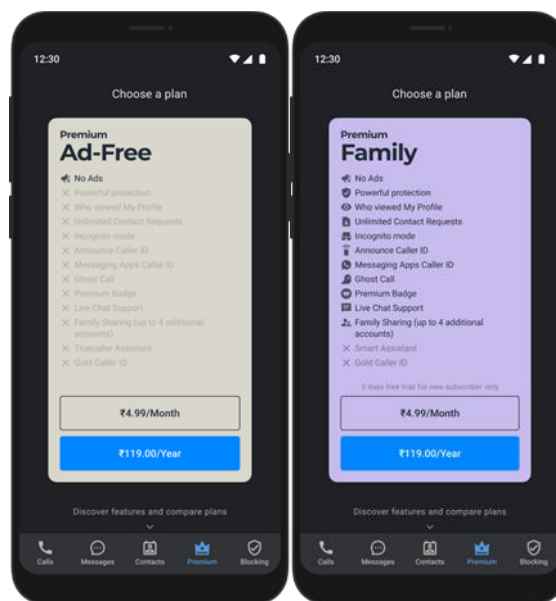
## Scam and fraud protection initiatives

Truecaller continues to execute on its commitment to build trust in communication. As impersonation and other fraudulent activities become more prevalent on mobile channels, Truecaller has sought solutions to protect consumers from malicious actors. Scammers have become more sophisticated in their way of luring consumers by pretending to be from the tax authorities, electricity providers and so on. According to feedback from the Truecaller community, one of the most pervasive phone scams involves the impersonation of government officials. In the fourth quarter, Truecaller rolled out the Government Services Digital Directory in India. The service provides numbers across central and state governments, helping users seamlessly connect with the government through easy access to verified contacts of government bodies—from national helpline numbers to specific ministries. The information was sourced directly from official sources and covers 20 central ministries and over 23 states and union territories. Truecaller continues to update the feature with more verified numbers across different departments and states.

Truecaller began testing the delivery of intelligence in select markets using its Instant Messaging capabilities at scale to preemptively inform users of ongoing scam and fraud activities. While the core product has helped millions of users identify malicious callers in real-time for over a decade, Truecaller has started building out capabilities to scan ongoing trends in order to inform their users proactively. Truecaller's ongoing product development efforts also include investments in building out fraud intelligence and detection capabilities for Truecaller's SMS functionality.

## Continued development of Premium offering

Consumer subscriptions have grown at a good pace, with the subscriber base increasing by 18% compared to the fourth quarter of 2021. Truecaller introduced two new subscription plans, Ad-free and Family Plan during the second half of the year. The streamlined offering makes the Premium experience more accessible than ever. The Ad-free plan was made available to specific user segments and has driven high conversion rates with the targeted segments, with early indicators suggesting a promising propensity of users in these categories to upgrade their subscriptions. In the month of December, over 10% of Ad-free subscribers upgraded to more attractive plans. Family Plan, which allows users to add up to four people on a single paid account, allows even more users to enjoy Truecaller's advanced features. Early performance indicators since its launch in early December also demonstrate very promising effects in terms of driving higher conversion and retention from paying users.



Truecaller also invested in initiatives intended to drive more subscription growth from the iPhone user base. In the fourth quarter, Truecaller improved the user interface on the iPhone app in order to facilitate the checkout process and allow users to unlock premium features more easily. Such improvements have demonstrated a positive trend on new in-app purchases—with 29% growth in revenue from iPhone subscribers alone compared to the same quarter last year—suggesting stronger conversion potential from iPhone users moving forward.

The most recently introduced feature for subscribers in the US, Truecaller Assistant, gained traction since its launch. While much of the focus in the fourth quarter centered around improving the visibility of the offering and optimization of the core product, key performance indicators are trending very well. Conversion rates increased across the board, with over 4% of new users—almost double the industry benchmark—signing up for the Assistant. Retention also improved, demonstrating the value delivered by the Assistant. Usage metrics are also trending at a healthy rate, and the Assistant has helped users answer close to half a million calls since its release. Efforts to test the Assistant offering in strategic markets have advanced with great results, in preparation for further expansion in the coming quarters. Truecaller continues to explore even more use cases leveraging the cloud telephony platform to strengthen its value proposition for the paid offering.

## Focused investments in AdTech

Truecaller continues to build out its AdTech capabilities in order to deliver a best-in-class experience for advertisers, demand partners and end users. Thanks to investments in the AdTech platform that were enabled during the fourth quarter, Truecaller was able to grow its ads income despite significantly weaker demand for digital advertising in the broader market.

Investments to improve Truecaller's capabilities on the supply side continue to scale well, enabling strong results in spite of the subdued macroeconomic environment. Improvements in efficiency across the advertising life cycle have resulted in the growth of impressions by over 36%. These initiatives have resulted in improvements in ads engagement and click through rates, which are expected to enable improved CPMs and stronger monetization in the medium to long term.

Truecaller continues to improve its ability to work with a wide range of demand partners. Investments in further developing Truecaller's proprietary ad server, which enables incremental demand onboarding in addition to existing demand, evolved during the fourth quarter to support multiple integration paths, providing the required flexibility to integrate partners according to their particular needs. Other optimizations implemented on the platform enable improved access to demand while giving Truecaller more control over demand orchestration. This provides opportunities for Truecaller to better facilitate supply, leading to improved demand-supply matching and improved yield. The proprietary ad platform continues to scale and support demand, with the highest monthly revenues recorded in the fourth quarter and growing by over 300% year on year. Truecaller continues to expand its portfolio of demand partners to strengthen its reach even further.

Truecaller continues to invest in developing cutting-edge AdTech capabilities in order to drive performance advertising through more advanced features, data-led machine learning algorithms, newer inventory-side opportunities, and better ecosystem integration with third party attribution partners. Initiatives to build out Truecaller's demand side platform continue to scale very well, expanding the scope of Truecaller's reach beyond the Truecaller ecosystem. The platform will provide Truecaller the ability to leverage unique audience insights for a range of advertising use cases across branding and performance goals. In the fourth quarter, video advertising campaigns executed through Truecaller's platform demonstrated encouraging results.

## Further expansion of Truecaller for Business offering

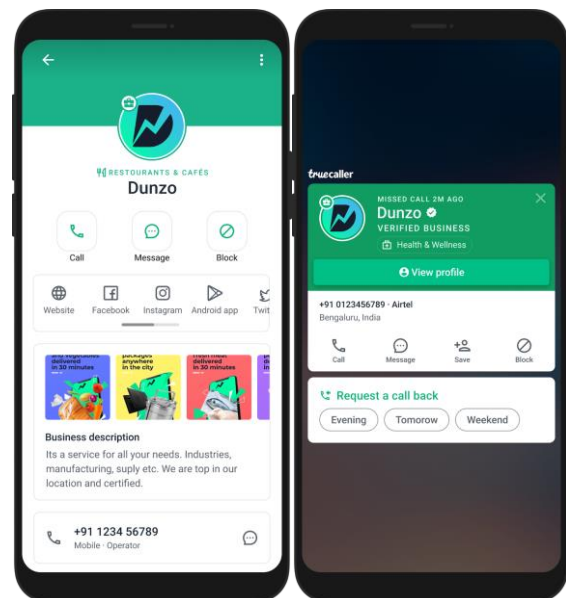
Demand for Truecaller for Business (TfB) and its expanding offering continues to grow according to plan. TfB's growing client portfolio represents an increasingly wide range of industries, demonstrating the continued relevance of Truecaller's business solutions. Notable companies onboarded in the fourth quarter include internationally recognized logos such as Panasonic, Jeep, Volkswagen, and Coursera. Interest from banks and financial services organizations remains high, with the addition of new customers from both private (e.g., Canara HSBC Life Insurance, SBI Cards, IndusInd Bank) and public institutions (Central Bank, Indian Bank). TfB continues to grow in markets beyond India, most pronouncedly in the financial services and financial technology sector across Africa.

Product development for the business offering has progressed at a high pace since the inception of TfB in 2021. In the fourth quarter, Business Profile which helps businesses to engage more dynamically with end users, was made available to all existing TfB customers. Business profiles are fully customizable, allowing TfB customers to bring more life to their profiles by

including a description of their business, website or social media links and branded media. The initiative enables businesses to reinforce their brand within the Truecaller ecosystem, and also helps them route organic traffic to their digital channels to increase engagement.

Throughout the year, Truecaller worked on building out its technical capabilities to support business messaging at scale. Truecaller's business messaging platform enables more effective targeting of audience segments, while delivering messages in much more engaging, intuitive formats. By the end of the fourth quarter, millions of business messages were being delivered through Truecaller's platform on a daily basis. In close collaboration with Tanla, Truecaller continues to strengthen its technical capabilities in order to support even higher volumes, while innovating on its ability to support even more engaging content through rich media messages, attachments and more.

Utilizing its instant messaging capabilities at scale, Truecaller also began testing the delivery of intelligence to users in select markets to preemptively inform users of ongoing scam and fraud activities. While the core product has helped millions of users identify malicious callers in real-time for over a decade, Truecaller has started building out capabilities to scan ongoing trends in specific markets to inform their users proactively. As the prevalence of malicious activities conducted through SMS grows, Truecaller's ongoing product development efforts also include investments in building out fraud intelligence and detection capabilities for Truecaller's SMS functionality.



# 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.

## 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 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

Interim report, January-March 2023: 11 May 2023

Annual General Meeting: 26 May 2023

Interim report, January-June 2023: 21 July 2023

Interim report, January-September 2023: 9 November 2023

## Contact details

Alan Mamedi, CEO  
alan.mamedi@truecaller.com

Odd Bolin, CFO  
+46 70 428 31 73  
odd.bolin@truecaller.com

Andreas Frid, Head of IR & Communication  
+46 705 29 08 00  
andreas.frid@truecaller.com

### Auditor's review

This interim report has not 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 22 February 2023 at 07.30 CET.*

# Condensed consolidated statement of profit or loss

Amounts in SEK 000s	Note	2022 Oct-Dec	2021 Oct-Dec	202 Jan-Dec	2021 Jan-Dec
Operating revenue	3	444,133	392,229	1,772,926	1,128,888
Other income		7,463	2,620	7,506	2,738
Work performed by the entity and capitalized		-	248	5,204	1,045
Third party fees		-111,094	-86,568	-417,689	-272,807
Other external costs		-120,549	-80,333	-349,750	-248,049
Employee costs		-84,098	-52,816	-301,031	-266,752
Depreciation, amortization and impairments		-9,130	-4,467	-28,664	-16,844
<b>EBIT (operating profit)</b>		<b>126,726</b>	<b>170,914</b>	<b>688,502</b>	<b>328,219</b>
Net financial income or expense		-17,000	328	-381	-28,511
<b>Profit or loss after net financial income or expense</b>		<b>109,726</b>	<b>171,242</b>	<b>688,121</b>	<b>299,708</b>
Tax		-24,239	-32,893	-152,891	-41,398
<b>Profit for the period <sup>1)</sup></b>		<b>85,486</b>	<b>138,348</b>	<b>535,230</b>	<b>258,310</b>
<b>Earnings per share</b>					
Basic earnings per share (SEK)		0,23	0,38	1,43	1,01
Diluted earnings per share (SEK)		0,23	0,37	1,43	0,72
Average number of shares before dilution <sup>2)</sup>		371,511,520	361,406,208	373,273,365	254,718,955
Average number of shares after dilution		371,511,520	376,337,956	373,300,072	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 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Profit or loss for the period		85,486	138,348	535,230	258,310
<b>Other comprehensive income for the period</b>					
<i>Items that will be reclassified to profit and loss in subsequent periods</i>					
Foreign exchange translation differences		-5,266	615	-753	-1,529
<i>Items that will not be reclassified to profit and loss in subsequent periods</i>					
Remeasurement of defined-benefit pension plans		-1,891	-89	-1,891	-89
<b>Other comprehensive income for the period</b>		<b>-7,157</b>	<b>526</b>	<b>-2,645</b>	<b>-1,618</b>
<b>Comprehensive income for the period <sup>1)</sup></b>		<b>78,329</b>	<b>138,874</b>	<b>532,586</b>	<b>256,692</b>

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 31 Dec	2021 31 Dec
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill		34,530	-
Other intangible assets		15,200	1,350
Property, plant and equipment		8,118	1,429
Right-of-use assets		139,777	86,196
Deferred tax assets		39,584	35,077
Other non-current receivables	4	16,697	999
<b>Total non-current assets</b>		<b>253,906</b>	<b>125,051</b>
<b>Current assets</b>			
Current receivables	4	362,175	179,336
Short-term placements	4	400,490	150,066
Cash and cash equivalents	4	1,327,801	1,238,443
<b>Total current assets</b>		<b>2,090,466</b>	<b>1,567,845</b>
<b>TOTAL ASSETS</b>		<b>2,344,372</b>	<b>1,692,896</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity attributable to owners of the parent		1,804,093	1,411,410
<b>Total equity</b>		<b>1,804,093</b>	<b>1,411,410</b>
<b>Non-current liabilities</b>			
Liability arising from defined-benefit pension plans		7,653	4,538
Lease liabilities		118,208	72,393
Deferred tax liability		34,563	18,030
Other non-current liabilities	4	8,395	-
<b>Total non-current liabilities</b>		<b>168,819</b>	<b>94,961</b>
<b>Current liabilities</b>			
Liability arising from synthetic options	4	-	22,509
Lease liability		23,307	15,985
Other current liabilities	4	348,153	148,030
<b>Total current liabilities</b>		<b>371,460</b>	<b>186,524</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,344,372</b>	<b>1,692,896</b>

# Condensed consolidated statement of cash flows

Amounts in SEK 000s	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
<b>Operating activities</b>				
Profit or loss after net financial income or expense	109,726	171,242	688,121	299,708
Adjustments for non-cash items	36,176	7,307	47,094	119,545
Income tax paid	-122,738	-4,717	-154,078	-4,717
<b>Cash flow from operating activities before changes in working capital</b>	<b>23,163</b>	<b>173,832</b>	<b>581,137</b>	<b>414,536</b>
<b>Net cash from changes in working capital</b>				
Change in operating receivables	-26,365	-24,977	-50,434	-97,183
Change in operating liabilities	49,287	10,237	79,707	63,538
<b>Net cash from operating activities</b>	<b>46,085</b>	<b>159,093</b>	<b>610,410</b>	<b>380,891</b>
<b>Investing activities</b>				
Acquisitions of Group companies, net effect on cash and cash equivalents	-5,283	-	-32,158	-
Purchases of property, plant and equipment	-5,788	-351	-7,594	-351
Disposals of property, plant and equipment	-	-	-	-
Purchases of intangible assets	-	-381	-7,146	-1,470
Purchases of short-term investments	-250,000	-150,000	-250,000	-150,000
Change in financial receivables	-1,511	-66	-425	-66
<b>Net cash used in investing activities</b>	<b>-262,582</b>	<b>-150,798</b>	<b>-297,323</b>	<b>-151,887</b>
<b>Financing activities</b>				
Share issue	-	974,447	-	982,904
Funds received for warrants	168	-	3,146	17,364
Repurchase of warrants	-54	-	-872	-
Amortization of lease liability	-6,458	-4,005	-19,869	-15,280
Payout synthetic options	-	-	-23,140	-172,016
Buyback of treasury shares	-162,634	-	-182,389	-
<b>Net cash from (-used in) financing activities</b>	<b>-168,978</b>	<b>970,442</b>	<b>-223,124</b>	<b>812,972</b>
<b>Net cash flow for the period</b>	<b>-385,474</b>	<b>978,737</b>	<b>89,963</b>	<b>1,041,976</b>
Cash and cash equivalents at the beginning of the period	1,718,912	259,616	1,238,443	195,224
Foreign exchange differences in cash and cash equivalents	-5,637	90	-605	1,243
<b>Cash and cash equivalents at the end of the period</b>	<b>1,327,801</b>	<b>1,238,443</b>	<b>1,327,801</b>	<b>1,238,443</b>

# 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
<b>Opening balance at 1 Jan 2021</b>	<b>353</b>	<b>702,511</b>	<b>4,682</b>	<b>-561,612</b>	<b>145,933</b>
Profit for the period	-	-	-	258,310	258,310
Other comprehensive income for the period	-	-	-1,529	-89	-1,618
<b>Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-1,529</b>	<b>258,221</b>	<b>256,692</b>
<i>Transactions with owners of the Group</i>					
Share issue after transaction costs	39	1,007,749	-	-	1,007,788
Cost of issuance, net after tax	-	-19,760	-	-	-19,760
Non-cash issue	355	-	-	-328	27
Warrants	-	17,364	-	3,022	20,386
Share-based payment	-	-	-	344	344
<b>Total</b>	<b>394</b>	<b>1,005,353</b>	<b>-</b>	<b>3,038</b>	<b>1,008,784</b>
<b>Closing balance at 31 December 2021</b>	<b>747</b>	<b>1,707,864</b>	<b>3,153</b>	<b>-300,354</b>	<b>1,411,410</b>
<b>Opening balance at 1 Jan 2022</b>	<b>747</b>	<b>1,707,864</b>	<b>3,153</b>	<b>-300,354</b>	<b>1,411,410</b>
Profit for the period	-	-	-	535,230	535,230
Other comprehensive income for the period	-	-	-753	-1,891	-2,645
<b>Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-753</b>	<b>533,339</b>	<b>532,586</b>
<i>Transactions with owners of the Group</i>					
Share issue	11	-	-	18,152	18,163
Treasury shares after transaction costs	-	-	-	-188,914	-188,914
Warrants	-	2,275	-	-	2,275
Share-based payment	-	-	-	28,574	28,574
<b>Total</b>	<b>11</b>	<b>2,275</b>	<b>-</b>	<b>-142,188</b>	<b>-139,903</b>
<b>Closing balance at 31 December 2022</b>	<b>758</b>	<b>1,710,139</b>	<b>2,400</b>	<b>90,797</b>	<b>1,804,093</b>



# Condensed parent company income statement

Amounts in SEK 000s	Note	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Operating revenue		1,921	1,318	6,734	1,318
Other external costs		-3,344	-52,012	-13,003	-52,446
Employee costs		-3,062	-1,640	-12,846	-2,752
<b>EBIT (operating profit)</b>		<b>-4,486</b>	<b>-52,334</b>	<b>-19,116</b>	<b>-53,880</b>
Net financial income or expense		2,018	-1,635	-2,978	-1,733
<b>Profit or loss after net financial income or expense</b>		<b>-2,468</b>	<b>-53,970</b>	<b>-22,094</b>	<b>-55,613</b>
Appropriations		102,600	-	102,600	-
<b>Profit or loss before tax</b>		<b>100,132</b>	<b>-53,970</b>	<b>80,506</b>	<b>-55,613</b>
Tax		-20,630	11,456	-16,598	11,456
<b>Profit or loss for the period</b>		<b>79,502</b>	<b>-42,514</b>	<b>63,908</b>	<b>-44,157</b>

# Condensed parent company balance sheet

Amounts in SEK 000s	Note	2022 31 Dec	2021 31 Dec
ASSETS			
<b>Non-current assets</b>			
Investments in Group companies		10,247,177	10,182,046
Deferred tax assets		-	16,582
<b>Total non-current assets</b>		<b>10,247,177</b>	<b>10,198,628</b>
<b>Current assets</b>			
Current receivables		12,357	16,132
Receivables from Group companies		106,248	650
Short-term placements		400,490	150,066
Cash and cash equivalents		305,935	830,776
<b>Total current assets</b>		<b>825,030</b>	<b>997,624</b>
<b>TOTAL ASSETS</b>		<b>11,072,207</b>	<b>11,196,252</b>
EQUITY AND LIABILITIES			
<b>Equity and liabilities</b>			
Equity		11,059,499	11,135,495
Liabilities to Group companies		-	31,509
Current liabilities		12,708	29,249
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11,072,207</b>	<b>11,196,252</b>

# 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 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
<b><i>Geographical region</i></b>				
India	315,089	283,504	1,324,080	787,120
Middle East and Africa	62,769	55,823	237,096	184,114
Rest of the world	66,275	52,902	211,750	157,654
<b>Revenue from contracts with customers</b>	<b>444,133</b>	<b>392,229</b>	<b>1,772,926</b>	<b>1,128,888</b>

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

Amounts in SEK 000s	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
<b>Type of service</b>				
Advertising revenues	362,284	338,880	1,488,558	948,925
User revenues	45,104	35,579	170,507	138,985
Other revenues	36,746	17,770	113,861	40,978
<b>Revenue from contracts with customers</b>	<b>444,133</b>	<b>392,229</b>	<b>1,772,926</b>	<b>1,128,888</b>

## Note 4. Financial instruments

### Measurement of financial assets and liabilities at 31 December 2022

	Financial assets measured at fair value through profit or loss	Financial assets measured at amortized cost	Total carrying amount
<b>FINANCIAL ASSETS</b>			
Other non-current receivables	-	16,697	16,697
Claims on advertising networks and platform owners	-	91,158	91,158
Trade receivables	-	60,704	60,704
Short-term placements	400,490	-	400,490
Cash and cash equivalents	-	1,327,801	1,327,801
<b>Total</b>	<b>400,490</b>	<b>1,496,360</b>	<b>1,896,851</b>
<b>FINANCIAL LIABILITIES</b>			
Trade payables	-	69,835	69,835
Conditional consideration (earnout)	13,301	-	13,301
<b>Total</b>	<b>13,301</b>	<b>69,835</b>	<b>83,136</b>

### Measurement of financial assets and liabilities at 31 December 2021

	Financial assets measured at fair value through profit or loss	Financial assets measured at amortized cost	Total carrying amount
<b>FINANCIAL ASSETS</b>			
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 investments	150,066	-	150,066
Cash and cash equivalents	-	1,238,433	1,238,433
<b>Total</b>	<b>150,066</b>	<b>1,370,954</b>	<b>1,521,020</b>



## FINANCIAL LIABILITIES

Liability arising from synthetic options	22,509	-	22,509
Trade payables	-	39,544	39,544
<b>Total</b>	<b>22,509</b>	<b>39,544</b>	<b>62,053</b>

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 400 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-Dec	2021 Jan-Dec
<b>Short-term placements</b>		
Balance at 1 January	150,066	-
Investment in short-term placements	250,000	150,000
Change in value recognized in profit and loss	424	66
<b>Closing balance</b>	<b>400,490</b>	<b>150,066</b>

### 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-Dec	2021 Jan-Dec
<b>Conditional consideration (earnout)</b>		
Balance at 1 January	-	-
Acquisition value	16,785	-
Payout	-5,228	-
Change in value recognized in profit and loss	1,744	-
<b>Closing balance</b>	<b>13,301</b>	<b>-</b>

### 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.

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

## 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	58
Cash and cash equivalents	174
Deferred tax liability	-2,300
Other current liabilities	-931
<b>Total acquired net assets</b>	<b>7,023</b>

**Purchase consideration CallHero (SEK 000s)**

Consideration, cash	24,629
Conditional consideration, liability	16,785
<b>Total consideration, shares</b>	<b>41,414</b>
Fair value of acquired net assets	-7,023
<b>Goodwill</b>	<b>34,391</b>

**Group Investing activities (SEK 000s)**

Consideration paid	-24,629
Cash and cash equivalents in acquired entities	174
Costs directly related to acquisitions	-2,475
Additional purchase price paid	-5,227
<b>Net effect of acquisitions on consolidated cash and cash equivalents</b>	<b>32,157</b>

## 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.

<b>Costs of LTIP 21 and LTIP 22, SEKm</b>	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Cost of vested warrants per IFRS 2	-9,5	-2,2	-28,4	-2,9
Social insurance contributions	-0,3	-	-1,8	-
<b>Costs of LTIP 21 and LTIP 22</b>	<b>-9,9</b>	<b>-2,2</b>	<b>-30,2</b>	<b>-2,9</b>

## 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 5,120,294 Class B shares were repurchased during the quarter for SEK 188.8 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
<b>Total number of shares outstanding</b>	<b>379,059,710</b>
- of which Class B shares held by Truecaller	5,120,294
- of which Class C shares held by Truecaller	5,100,000
<b>Total number of shares outstanding, net after shares held by Truecaller</b>	<b>368,839,416</b>

## 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 12 million.

## Note 9. Related party transactions

No related party transactions occurred during the reporting period.

# 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, 22 February 2023

Bing Gordon  
Board Chair

Alan Mamedi  
Director and CEO

Annika Poutiainen  
Director

Helena Svancar  
Director

Nami Zarringhalam  
Director

Shailesh Lakhani  
Director

# 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	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	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.
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 platform on a monthly basis. Calculated as an average of all days in the period.	Used to illustrate the volume of active users of Truecaller's services.
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.

#### RECONCILIATION OF SELECTED KEY FIGURES THAT ARE NOT DEFINED UNDER IFRS

Group. SEK 000s	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
<b>Gross profit and gross margin</b>				
Net sales	444,133	392,229	1,772,926	1,128,888
Minus brokerage costs	-111,094	-86,568	-417,689	-272,807
<b>Gross profit</b>	<b>333,040</b>	<b>305,662</b>	<b>1,355,236</b>	<b>856,081</b>
Divided by Net sales	444,133	392,229	1,772,926	1,128,888
<b>Gross margin</b>	<b>75,0%</b>	<b>77,9%</b>	<b>76,4%</b>	<b>75,8%</b>
<b>Adjusted EBITDA and Adjusted EBITDA margin</b>				
Profit before tax	109,726	171,242	688,121	299,708
Excluding net financial income or expense	17,000	-328	381	28,511
Excluding depreciation. amortization and impairments	9,130	4,467	28,664	16,844
<b>EBITDA</b>	<b>135,855</b>	<b>175,381</b>	<b>717,166</b>	<b>345,063</b>
Excluding items affecting comparability	-	20,826	-	127,443
<b>Adjusted EBITDA</b>	<b>135,855</b>	<b>196,207</b>	<b>717,166</b>	<b>472,506</b>
Divided by Net sales	444,133	392,229	1,772,926	1,128,888
<b>Adjusted EBITDA margin</b>	<b>30,6%</b>	<b>50,0%</b>	<b>40,5%</b>	<b>41,9%</b>
<b>EBIT (operating profit) and EBIT margin</b>				
Profit before tax	109,726	171,242	688,121	299,708
Excluding net financial income or expense	17,000	-328	381	28,511
<b>EBIT (operating profit)</b>	<b>126,726</b>	<b>170,914</b>	<b>688,502</b>	<b>328,219</b>
Divided by Net sales	444,133	392,229	1,772,926	1,128,888
<b>EBIT margin</b>	<b>28,5%</b>	<b>43,6%</b>	<b>38,8%</b>	<b>29,1%</b>
<b>Adjusted EBIT and Adjusted EBIT margin</b>				
EBIT (operating profit)	126,726	170,914	688,502	328,219
Excluding items affecting comparability	-	20,826	-	127,443
<b>Adjusted EBIT</b>	<b>126,726</b>	<b>191,740</b>	<b>688,502</b>	<b>455,662</b>
Divided by Net sales	444,133	392,229	1,772,926	1,128,888
<b>Adjusted EBIT margin</b>	<b>28,5%</b>	<b>48,9%</b>	<b>38,8%</b>	<b>40,4%</b>
<b>Equity to assets ratio</b>				
Total equity	1,804,093	1,411,410	1,804,093	1,411,410
Divided by Total assets	2,344,372	1,692,896	2,344,372	1,692,896
<b>Equity to assets ratio</b>	<b>77,0%</b>	<b>83,4%</b>	<b>77,0%</b>	<b>83,4%</b>

# 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 Oct-Dec	2021 Apr-Jun	2021 Jan-Mar	2020 Oct-Dec	2020 Oct-Dec	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 Oct-Dec	2021 Apr-Jun	2021 Jan-Mar	2020 Oct-Dec	2020 Oct-Dec	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 Oct-Dec	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