



INTERIM REPORT

January–September 2023

truecaller

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

Truecaller Interim Report

July–September 2023 (Q3)

Comparative figures refer to July–September 2022

- **Net sales** decreased by 11 percent to SEK 398.7m (450.1).
- **Adjusted EBITDA** amounted to SEK 145.8m (181.5), corresponding to an adjusted EBITDA margin of 36.6 (40.3) percent. Excluding the costs of incentive programs, adjusted EBITDA would have been SEK 161.5m (191.5), equivalent to an adjusted EBITDA margin of 40.5 (42.5) percent.
- **Profit for the period was not affected** by items affecting comparability. The corresponding quarter of the previous year was also not affected by any items affecting comparability.
- **Profit after tax** amounted to SEK 105.0m (143.3).
- **Basic earnings per share** were SEK 0.29 (0.38) and diluted earnings per share were SEK 0.29 (0.38).
- **The average number of active users** (MAU) increased by 36.9 million to approximately 367.8 million (330.9).
- **Net sales** decreased by 12 percent in India, by 18 percent in the Middle East and Africa and was stable in the rest of the world.

January–September 2023

Comparative figures refer to January–September 2022

- **Net sales** decreased by 2 percent to SEK 1,304.2m (1,328.8)
- **Adjusted EBITDA** amounted to SEK 534.4m (581.3), corresponding to an adjusted EBITDA margin of 41.0 (43.7) percent. Excluding the costs of incentive programs, adjusted EBITDA would have been SEK 572.3m (601.6), equivalent to an adjusted EBITDA margin of 43.9 (45.3) percent.
- **Profit for the period was not affected** by items affecting comparability. The corresponding period of the previous year was also not affected by any items affecting comparability.
- **Profit after tax** amounted to SEK 420.1m (449.7).
- **Basic earnings per share** were SEK 1.16 (1.20) and diluted earnings per share were SEK 1.16 (1.20).
- **The average number of active users** (MAU) increased by 35.1 million to approximately 356.0 million (320.9).
- **Net Sales** decreased by 1 percent in India, by 12 percent in the Middle East and Africa and increased by 5 percent in the rest of the world.

FINANCIAL KEY FIGURES

Group, SEKm (unless otherwise stated)	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Net sales	398.7	450.1	1,304.2	1,328.8	1,772.9
Gross profit	298.4	336.8	984.7	1,022.2	1,355.2
Gross margin (%)	74.9%	74.8%	75.5%	76.9%	76.4%
Adjusted EBITDA	145.8	181.5	534.4	581.3	717.2
Adjusted EBITDA margin (%)	36.6%	40.3%	41.0%	43.7%	40.5%
EBIT (operating profit)	133.7	173.4	501.4	561.8	688.5
EBIT margin (%)	33.5%	38.5%	38.4%	42.3%	38.8%
Adjusted EBIT	133.7	173.4	501.4	561.8	688.5
Adjusted EBIT margin (%)	33.5%	38.5%	38.4%	42.3%	38.8%
Profit or loss after net financial income or expense	148.0	186.2	555.1	578.4	688.1
Basic earnings per share (SEK)	0.29	0.38	1.16	1.20	1.43
Diluted earnings per share (SEK)	0.29	0.38	1.16	1.20	1.43
Equity	1,826.6	1,885.2	1,826.6	1,885.2	1,804.1
Total assets	2,211.5	2,354.1	2,211.5	2,354.1	2,344.4
Equity to assets ratio (%)	82.6%	80.1%	82.6%	80.1%	77.0%
Employees at the end of the period	406	374	406	374	395

Significant events during the quarter

Truecaller continued to invest in product development by launching new products and functions and by further improvements of the user experience.


- **Strong user growth, record high in growth regions.** Growth accelerated, and during the quarter, the number of monthly active users (MAU) increased to 367.8 million, which was an increase of more than 12 million users during the quarter. Growth outside the regions of India, Africa, and the Middle East was exceptionally significant. The relative growth remained strongest in regions such as South and Central America, Southeast Asia, and North America. This growth was achieved with lower investments compared to the previous year. The development remains strong on iOS.
- **Truecaller's strategy to increase the conversion to paying users continued to show positive results.** The number of paying users increased by 20 percent compared to the same period the previous year, and revenues increased by 19 percent. Conversion improved both on Android and iOS, with the most significant development on iOS. The launch of more advanced features like the AI-based Truecaller Assistant had a positive impact on the average price per user, and the growth was particularly strong in India.
- **Truecaller for Business expanded its product offering and continued its growth.** Towards the end of the quarter, Truecaller launched risk and fraud management products that allow businesses to minimize potential fraud. These solutions leverage Truecaller's network-based intelligence to provide signals to enhance corporate risk assessment processes. Other services like Verified Business and Business Messaging continued their strong growth, and revenues increased by 55 percent.
- **A new data protection law was adopted in India** and is expected to come into effect in 2024. Truecaller's assessment is that the law will not significantly impact the user experience or revenues. For more information, please refer to the press release from August 11 on Truecaller's website.

Other significant events

- **Truecaller reached all-time high results in the customer satisfaction survey Net Promoter Score (NPS).** Truecaller continuously measures customer satisfaction in terms of the willingness to recommend Truecaller as a product. In the latest survey, the NPS in India reached 61 (50) which is a all-time-high result and a significant improvement from already high levels.
- **During the third quarter Truecaller bought back 4.4 million B-shares** as part of the ongoing buy-back programme and as of 30th of September the company holds 19,391,533 B-shares. In addition, a total of 5,600,000 C shares have been issued and repurchased to enable future delivery of shares to employees within the framework of LTIP 2022 and LTIP 2023. Total number of shares that may be bought back according to the authorization from the 2023 AGM corresponds to 37,905,971 shares and the authorization is valid until the annual general meeting in May 2024. See note 6 for more information.
- **The number of shares and votes in Truecaller AB changed, read more on page 16.**

Events after the period

- **On the 6th of October Truecaller acquired the Indian company Unoideo Technologies Pvt Ltd which provides the service TrustChekr, that provides a fraud detection service.** Through a SaaS platform TrustChekr helps businesses verify customer information and detect risk of fraud based on phone numbers and digital signals. The current offering has attracted interest from companies in different industries with the most noticeable interest coming from banks and, fintechs. The acquisition will strengthen Truecaller's risk intelligence tool for enterprises, which was launched late during the third quarter, and with improved tech it will speed up the roll-out of that offering. The acquisition that was financed through existing cash will have a minor cash flow effect and is not expected to have a material impact on the financial results in 2023.
- **Truecaller is further increasing its ambitions in growth markets** by recruiting country managers in Colombia and Nigeria



THIRD QUARTER 2023

Strong development for user growth and recurring revenues

During the third quarter our user base grew by another 12 million monthly active users, and reached an average of 368 million monthly active users. Consumer subscriptions grew almost twice as fast as the total user base, increasing both our recurring revenues and revenue per user. Strong growth in Truecaller for Business also contributes to a more stable revenue profile going forward. Ads sales continue to be muted, due to adverse macroeconomic conditions, but our profitability and cash flow continues to be strong, even as we invest in both user growth and product improvements in order to be able to benefit from a future upturn in ads demand.

Our total revenues decreased by 11% to SEK 399 million (450) compared to the same quarter 2022. While revenues from our advertising business decreased by 20%, income from our other revenue streams grew at a solid pace, with subscription revenue increasing by 19% and Truecaller for Business revenue increasing by 55%.

In a challenging macroeconomic environment, our focus continues to be on delivering strong profit margins and driving efficiency through both improved technology and operational excellence. This quarter, the EBITDA-margin was 37% and EBITDA amounted to SEK 146 million (182). Truecaller continues to have a very strong cash flow profile due to the high operating leverage in the business, and in nine out of the ten last quarters, our EBITDA-margin has exceeded 35%.

For the past few months, we have conducted tests to assess the potential impact on user lifetime (retention) in the event that we need to make adjustments to certain data in light of the new Digital Personal Data Protection Act in India. These tests involved presenting different search results to distinct user groups on a large scale, and with the help of our AI Identity technology, the initial results are highly promising, as we have not observed any material change in retention. This reinforces our previous statements that we do not expect the new regulations to impact either user experience or monetization.

Our user growth continues at a steady rate and for the second consecutive quarter, the growth in markets outside of India — particularly in Africa and the Middle East — was at an all-time high. We continue to invest strategically in selected growth markets. Our recent recruitment of country managers in Colombia and Nigeria further strengthens our focus on these markets by deploying local expertise on the ground, in light of our rapidly growing user base and long-term revenue potential in those regions.

A weak global ads market continues to impact our revenues negatively compared to 2022. It is reflected in lower average prices as we continue to maximize revenue per user, rather than CPM or fill rate. For comparable ads, pricing has remained stable throughout 2023, with the exception of higher demand during the Indian cricket season (IPL) in Q2. When comparing the third quarter to the first quarter this year, we see a stable development in the ads market, albeit substantially lower than last year. We continue to work diligently on improving our ability to show ads more efficiently, and at the same time increase app engagement through an even better product, and these initiatives have created more impressions available for monetization. Once demand for digital ads strengthens again, and prices start to recover, we will be able to monetize substantially more impressions than we do today with higher price levels. The advertising landscape is dynamic, and we see immense potential for growth when market conditions improve and we remain well-positioned to capitalize on this upside once it materializes.

While advertising is a cornerstone of our revenue model, we continue to execute on our long-term strategy to diversify our income streams. Our strategy to increase our recurring revenues, consumer subscriptions and Truecaller for Business (TfB), is developing according to plan. During the third quarter, revenues for TfB grew by 55%, and subscription revenues grew by 19%, and combined they accounted for 25% of total revenues.

Compared to last year, the number of subscribers grew by 20%, almost twice as fast as the relative growth of the total user base. We continue to expand our AI-powered communication services to make our subscription offering better, such as our new AI-features that make users' lives easier and safer. We are on the right track to deliver a higher value offering for communication services which over time will justify higher subscription prices, which currently is being evaluated.

Truecaller for Business continues to provide value for businesses with solutions that enhance their outreach and engagement with customers. As a continuation of our efforts to make communication more secure and offering products to combat the global rise of fraud, we have developed more robust solutions to safeguard both consumers and businesses. Truecaller's Business Messaging continues to grow at a healthy pace and during the quarter businesses sent over 2 billion messages. We will launch Business Messaging with more partners, and globally during 2024 and are excited about the future

opportunity. During Q4, we will launch new products that focus on identifying and protecting companies from brand impersonation scams and financial fraud as well as a scoring engine that provides enterprises with an assessment of risk associated with a mobile number. Our recent acquisition of Trustcheckr—whose offering helps businesses verify customer information and detect the risk of fraud based on both phone numbers and digital signals—further strengthens our offerings for our 2,000+ enterprise customers and supports the growing business need for fraud and risk intelligence.

We continue to make solid progress with our AI Identity solution, which uses AI and machine learning models that deliver relevant contextual information to users and help them assess whether they should pick up the call or not, without necessarily displaying the name of the caller. This will be an important part of Truecaller's future in understanding the identities of phone numbers and providing valuable information to users, without necessarily revealing someone's identity.

For the past few months, we have conducted tests to assess the potential impact on user lifetime (retention) in the event that we need to make adjustments to certain data in light of the new Digital Personal Data Protection Act in India. These tests involved presenting different search results to distinct user groups on a large scale, and with the help of our AI Identity technology, the initial results are highly promising, as we have not observed any material change in retention. This reinforces our previous statements that we do not expect the new regulations to impact either user experience or monetization.

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Our balance sheet remains solid with SEK 1.6 bn in cash and short-term investments 19.4 and million treasury shares, which creates stability and flexibility to pursue interesting M&A opportunities, further buy-backs, and/or investments that contribute to long-term shareholder value.

Overall, I'm very proud of the progress we have made this quarter in product development, diversifying our revenue streams, and the continued user growth across many markets. This demonstrates that Truecaller and its services remain highly relevant, regardless of broader economic trends. Truecaller addresses a growing global issue, and we remain committed to invest in further growth in existing and new markets to provide more value for our shareholders and, most importantly, our users in the long term.

Alan Mamedi, CEO and Co-founder

Truecaller at a glance

Quarterly review, financial data

FINANCIAL KEY FIGURES

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Basic earnings per share (SEK)	0.29	0.38	1.16	1.20	1.43
Diluted earnings per share (SEK)	0.29	0.38	1.16	1.20	1.43
Equity	1,826.6	1,885.2	1,826.6	1,885.2	1,804.1
Total assets	2,211.5	2,354.1	2,211.5	2,354.1	2,344.4
Equity to assets ratio (%)	82.6%	80.1%	82.6%	80.1%	77.0%
Employees at the end of the period	406	374	406	374	395

OPERATIONAL KEY FIGURES

July–September 2023	Total	India	Middle East & Africa	Rest of the world
Monthly Active Users (MAU), quarterly average (millions)	367.8	262.1	74.8	30.9
Daily Active Users (DAU), quarterly average (millions)	298.2	222.1	56.4	19.7
Cost per mille impressions (CPM) for ad sales (SEK)	0.96	0.84	1.37	3.43
Average revenue per user (ARPU) for premium subscriptions (SEK)	8.73	5.46	10.16	14.18

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

January–September 2023

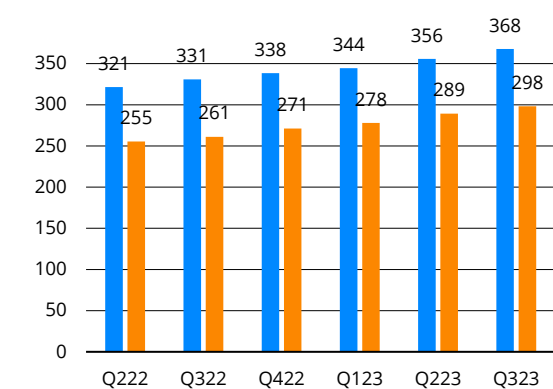
Monthly Active Users (MAU), quarterly average (millions)
Daily Active Users (DAU), quarterly average (millions)
Cost per mille impressions (CPM) for ad sales (SEK)
Average revenue per user (ARPU) for premium subscriptions (SEK)

Total	India	Middle East & Africa	Rest of the world
356.0	255.6	72.4	28.0
288.6	215.8	54.5	18.3
1.06	0.97	1.37	3.19
8.56	5.15	10.59	13.79

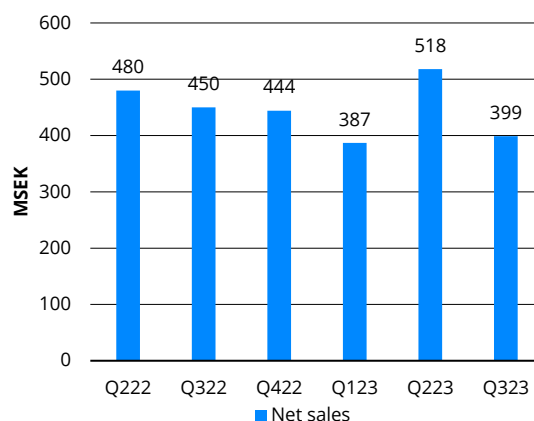
January–September 2022

Monthly Active Users (MAU), quarterly average (millions)
Daily Active Users (DAU), quarterly average (millions)
Cost per mille impressions (CPM) for ad sales (SEK)
Average revenue per user (ARPU) for premium subscriptions (SEK)

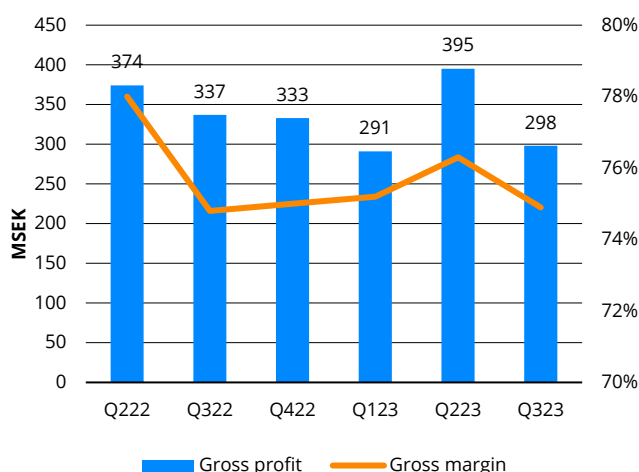
Total	India	Middle East & Africa	Rest of the world
320.9	235.0	62.9	23.0
254.8	194.0	45.9	14.9
1.34	1.24	1.63	3.51
8.50	4.89	10.57	12.43



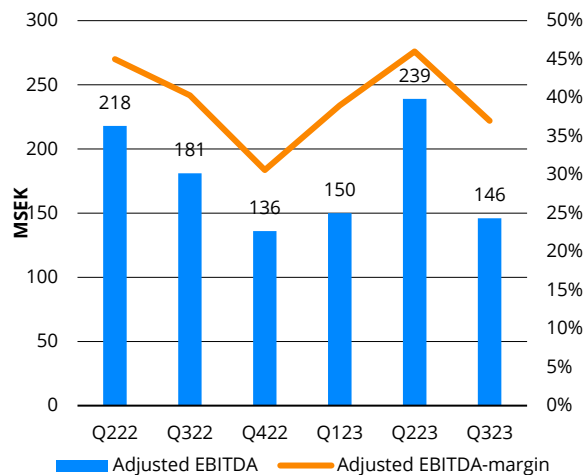
■ Monthly Active Users (MAU), avg ■ Daily Active Users (DAU), avg



■ Net sales



■ Gross profit ■ Gross margin



■ Adjusted EBITDA ■ Adjusted EBITDA-margin

Financial performance

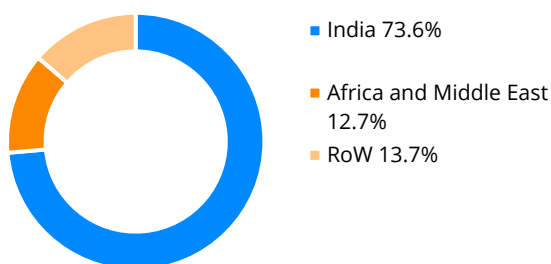
Third quarter 2023 (July–September)

Revenues

Net sales during the third quarter decreased by 11 percent compared to the corresponding quarter last year and amounted to SEK 398.7 (450.1) million. Revenue decreased for ads but increased for subscriptions and Truecaller for Business (TfB). Currency effects had a limited negative effect on revenues during the quarter, see Currency exposure below.

Revenues distributed by region

Net sales in India decreased by 12 percent to SEK 293.4 (333.6) million, in the Middle East & Africa it decreased by 18 percent to SEK 50.6 (62.1) million and in the rest of the world it was stable at SEK 54.6 (54.4) million. A contributing factor to the decrease in revenues in the Middle East and Africa region has been the impact of weaker currency in some of Truecaller's largest markets in the region, such as Egypt and Nigeria.



Revenues distributed by service

Ad revenues decreased by 20 percent to SEK 298.9 (373.1) million. Compared to the corresponding quarter last year, prices (CPM) decreased by approximately 26 percent. The price reduction is due to lower demand in the wake of weak macroeconomic development. This is reflected in lower average prices as Truecaller continues to maximize revenue per user instead of CPM or fill rates. For comparable ads, pricing for similar advertisements has remained relatively stable throughout 2023, with the exemption of the higher demand during the Indian cricket season (IPL), but lower than 2022.

The number of impressions increased by 12 percent compared to the same period last year. Truecaller continues to enhance its ability to display ads more efficiently for users by improving the quality of ad requests and rendering capabilities (render rate).

Revenue from premium subscriptions increased by 19 percent to SEK 53.9 (45.1) million. This is primarily an effect of an increased share of subscribers, with the number of

subscriptions rising by 20 percent. Truecaller has also added more features to the premium offering in the past year, which has had a positive impact on both revenue per user and the growth of paying users. The growth has been particularly strong among iOS users.

Revenue from Truecaller for Business (TfB) increased by 55 percent to SEK 44.4 (28.6) million. 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 37 countries. In collaboration with CPAAS company Tanla, Truecaller also sends B2C messages to Truecaller's users. The volumes of business messages have gradually increased and have contributed to income growth.

Other income amounted to SEK 1.4 (3.3) million.

Gross profit

The gross profit decreased by 11 percent to SEK 298.4 (336.8) million compared to the same period last year. The gross margin amounted to 74.9 (74.8) percent. The gross margin is mainly determined by fees to partners such as Google and Apple, and to a smaller part by costs for verification of new users and for servers used for the company's services.

Operating profit

Operating profit before depreciation and write-downs excluding items affecting comparability (adjusted EBITDA) amounted to SEK 145.8 (181.5) million. The adjusted EBITDA margin amounted to 36.6 (40.3) percent.

Operating profit (EBIT) decreased to SEK 133.7 (173.4) million, corresponding to an operating margin of 33.5 (38.5) percent. Operating profit has decreased due to lower income from Ads. The costs were lower compared to the previous year.

The company continues to closely monitor the demand trend in order to adjust costs during the ongoing macroeconomic slowdown, without renouncing the growth potential when demand picks up again.

Staff costs during the quarter increased to SEK 93.5 (79.6) million. Salary costs increased as an effect of increased number of employees and the yearly salary adjustment. The recruitment rate of new staff has decreased during the period as a result of the weaker demand.

The group's long-term incentive program entailed a salary cost for the period of SEK 13.1 (9.5) million with a corresponding increase in equity and social security contributions of SEK 2.5 (0.4) 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 3.9 (2.2) percentage points and been 40.5 (42.5) percent. See more info in note 5.

Other external costs decreased to SEK 59.2 (76.6) million compared to the same period last year. The reduction in costs is primarily an effect of that investments in user growth and marketing has been focused on a smaller number of markets where cost efficiency is high.

Profit and earnings per share for the period

Profit before tax decreased by 21 percent to SEK 148.0 (186.2) million. Profit after tax for the period was SEK 105.0 (143.3) million. Net financial income amounted to SEK 14.3 (12.8) million and comprises positive exchange rate differences of SEK 9.4 (16.2) million, interest income of SEK 6.3 (-2.1) million and other financial expenses of SEK -1.5 (-1.3) million.

The total tax amounted to SEK 43.0 (42.8) million which corresponds to an effective tax rate of 29.0 (23.0) percent for the Group.

Basic earnings per share were SEK 0.29 (0.38) and diluted earnings per share were SEK 0.29 (0.38).

Cash flow and financial position

Net cash from operating activities amounted to SEK 125.8 (161.9) million of which SEK 29.7 (-8.3) million was attributable to changes in working capital and SEK -62.8 (-17.5) million was attributable to income tax paid. Net cash from investing activities amounted to SEK -21.1 (-3.1) million and included a payment of additional purchase price attributable to the acquisition of CallHero of SEK -5.3 (-) million and changes in non-current financial assets of SEK -12.3 (-0.4) million. Net cash used in financing activities was SEK -124.1 (-21.4) million and included purchase of treasury shares SEK -163.4 (-19.8) million and a new share issue that added SEK 46.7 (-) million. Net cash for the period was SEK -19.5 (137.4) million.

Truecaller had cash and cash equivalents of SEK 694.0 (1,718.9) million at the end of the quarter. The equity to assets ratio was 82.6 (80.1) percent. In excess to the cash and cash equivalents Truecaller had SEK 931.0 (149.0) million invested in short-term interest rate funds.

Truecaller have a revolving credit facility of SEK 500.0 (500.0) million. SEK 0.0 (0.0) million had been utilized as of the reporting date.

Consolidated total assets amounted to SEK 2,211.5 (2,354.1) million at 30 September 2023. 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 97.2 (48.7) million and claims on advertising networks and platform owners amounted to SEK 89.4 (124.3) 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. Recognized but unrealized customer credit losses amounted to SEK 4.3 (1.6) million as of 30 September 2023. The claims on advertising networks and platform owners is mainly linked to outstanding claims against Google and Facebook.

Investments

During the third quarter of 2023, SEK - (1.4) million were capitalized as internally developed intangible assets.

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 a 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 exchange rate changes had a limited negative impact on sales during the third quarter of 2023 compared to the corresponding quarter in 2022. The company's estimate is that exchange rate changes had a minor negative effect on the EBITDA margin.

Parent company

Parent company income for the quarter amounted to SEK 2.0 (2.0) million which refers to billing of subsidiaries for services rendered. The profit before tax amounted to SEK 2.4 (-7.1) million where the majority of the result is attributable to dividends from subsidiaries. The profit after tax amounted to SEK 1.9 (-5.6) million. Cash and cash equivalents on 30 September 2023 amounted to SEK 323.0 (714.8) million. In excess to the cash and cash equivalents the parent company has SEK 416.2 (149.0) million invested in short-term interest rate funds. 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 – September 2023

Revenues

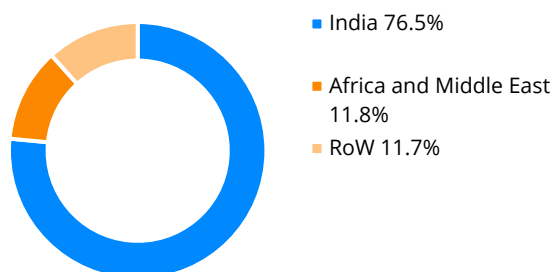
Net sales for the period January–September amounted to SEK 1,304.2 (1,328.8) million, a decrease of 2 percent compared to the same period last year. Net Sales for Truecaller for Business and subscriptions increased, while advertising revenue decreased. Currency effects had a minor positive effect on revenues during the period, see Currency exposure below.

Revenues distributed by region

Net sales in India decreased by 1 percent during the period to SEK 998.4 (1009.0) million, in the Middle East and Africa it decreased by 12 percent to SEK 153.5 (174.3) million and increased in the rest of the world by 5 percent to SEK 152.3 (145.5) million. A contributing factor to the decrease in revenues in the Middle East and Africa region has been the impact of weaker currency in some of Truecaller's largest markets in the region, such as Egypt and Nigeria.

Revenues distributed by service

Advertising revenues decreased by 9 percent to SEK 1 028.0 (1 126.3) million. Revenues from premium subscriptions increased by 20 percent to SEK 150.5 (125.4) million, primarily an effect of an increase in the number of premium subscribers. Revenues from Truecaller for Business increased with 71 percent and amounted to SEK 120.6 (70.5) million.



Gross profit

Gross profit was SEK 984.7 (1,022.2) million, which decreased the gross margin by 1.4 percentage points to 75.5 (76.9) 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 used for the company's services. 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

Operating profit before depreciation and write-downs excluding items affecting comparability (adjusted EBITDA) amounted to SEK 534.4 (581.3) million. The adjusted EBITDA margin amounted to 41.0 (43.7) percent.

Operating profit (EBIT) amounted to SEK 501.4 (561.8) million, corresponding to an operating margin of 38.4 (42.3) percent.

Staff costs amounted to SEK 270.8 (216.9) million. Salary costs increased as an effect of increased number of employees and salary adjustments. The group's long-term incentive program entailed a salary cost for the period of SEK 34.1 (18.8) million with a corresponding increase in equity and social security contributions of SEK 3.8 (1.5) million reported as a provision in the balance sheet. Excluding costs for incentive programs, the EBITDA margin during the quarter would have increased by 2.9 (1.5) percentage points and been 43.9 (45.3) percent. For more info see note 5.

Other external costs amounted to SEK 181.2 (229.2) million. The reduction in costs is primarily an effect of the fact that the investments in user acquisition and marketing have been focused on a smaller number of markets where the cost efficiency is high. The company continues to closely monitor demand trends with the aim of adjusting costs during the ongoing macroeconomic slowdown, without renouncing the growth potential when demand picks up again.

Costs excluding incentive costs decreased slightly compared to the comparison period as a result of a number of efficiency improvements during the end of 2022 and beginning of 2023.

Profit and earnings per share for the period

Profit before tax amounted to SEK 555.1 (578.4) million. Profit after tax for the period was SEK 420.1 (449.7) million. Net financial income amounted to SEK 53.7 (16.6) million and comprises positive exchange rate differences of SEK 42.1 (28.5) million, interest income of SEK 15.7 (–7.9) million and other financial expenses of SEK –4.2 (–3.9) million.

The total tax amounted to SEK 135.0 (128.7) million, which corresponds to an effective tax rate of 24.3 (22.2) percent for the group.

Basic earnings per share were SEK 1.16 (1.20) and diluted earnings per share were SEK 1.16 (1.20).

Cash flow and financial position

Net cash from operating activities amounted to SEK 411.4 (564.3) million of which 0.7 (6.4) is due to changes in working capital and –154.9 (–31.3) is due to income taxes paid. Net cash used in investing activities amounted to SEK –586.0 (–34.7) million and included an investment in short term interest funds of SEK 500.0 (–) million, an investment in non-current financial assets of SEK –32.8 (–) million, a payment of additional purchase price attributable to the acquisition of CallHero of SEK –5.3 (–) million and changes in non-current financial assets of SEK –30.5 (–1.1) million. Net

cash used in financing activities was SEK -462.2 (-54.1) million and included purchase of treasury shares SEK -486.3 (-19.8) million and a new share issue that added SEK 46.7 (-) million. Net cash for the period was SEK -636.9 (475.4) million.

Truecaller had cash and cash equivalents of SEK 694.0 (1,718.9) million at the end of the period. The equity to assets ratio was 82.6 (80.1) percent. In excess to the cash and cash equivalents Truecaller had SEK 931.0 (149.0) million invested in short-term interest rate funds.

Truecaller has a revolving credit facility of SEK 500.0 (500.0) million. None of the RCF had been drawn down as of the reporting date.

Consolidated total assets amounted to SEK 2,211.5 (2,354.1) million at 30 September 2023. The carrying amounts of financial assets and financial liabilities are estimated to coincide with fair value in all material respects.

Employees

There were 406 (374) employees at the end of the period. The average number of employees during the period of January–September was 402 (343).

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. During the period, SEK 1.7 (7.2) million were capitalized as internally developed intangible assets.

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 a 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 exchange rate changes had a limited positive effect on revenues compared to the corresponding period last year, but the operating margin has not been affected by exchange rate changes.

Parent company

Parent company income for the period amounted to SEK 6.2 (4.8) million which refers to billing of subsidiaries for services rendered. The profit before tax amounted to SEK 405.4 (-19.6) million where the majority of the result is attributable to dividends from subsidiaries. The profit after tax amounted to SEK 404.2 (-15.6) million. Cash and cash equivalents on 30 September 2023 amounted to SEK 323.0 (714.8) 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

In the third quarter, Truecaller focused on enhancing the user experience and continuing to integrate advanced AI technology into its services. The goal was to provide immediate and practical benefits to users. This strategy led to the introduction of additional AI-driven features, improvements in the Premium user experience, and new app functionalities. Additionally, there was a significant enhancement in the ad server capabilities, leading to more dynamic and effective ad campaigns.

The results of these initiatives have been positive; user engagement has increased, the level of subscriptions has seen a noticeable increase, and the new AI-powered features have been well-received. The ad server's advanced features, like retargeting, custom targeting, and look-alike audiences, have positively impacted conversion rates for various business outcomes. Truecaller's efforts to combat fraud have also expanded, highlighting its commitment to user safety. The corporate rebranding has further reinforced user trust and emphasized Truecaller's commitment to privacy and security, underlining the continued focus on growth and innovation.

Investments in AI technology

Truecaller continues to make strategic investments in AI technology. In the third quarter, initiatives rolled out focused on applications improving support services, as well as delivering the most relevant information to users.

Truecaller made significant improvements in its AI Identity technology which leverages artificial intelligence and machine learning models to provide an improved Caller ID and spam detection experience, that goes beyond names and spam reports. Enhancements made in this area increased AI Identity coverage by over 50 percent during the third quarter. Other important improvements to AI Identity include the new anti-impersonation features that indicate if someone is trying to impersonate another person or business using fake names. This new AI model protects consumers in a world where impersonation is rapidly growing.

The company also built and introduced an internal AI-powered knowledge system with the intention to be utilized for customer support reasons. The system is trained based on Truecaller's existing policies, content, and user inquiries, prepared to handle a wide range of customer support topics around the clock. One of the key features is its multilingual capability, removing language barriers in customer support interactions. The system is also tailored with internal data, enhancing its ability to address user-specific concerns accurately. The initial product based on this system is called "ZipZip" and is live on truecaller.com and soon ready to serve the company's 368 million active users

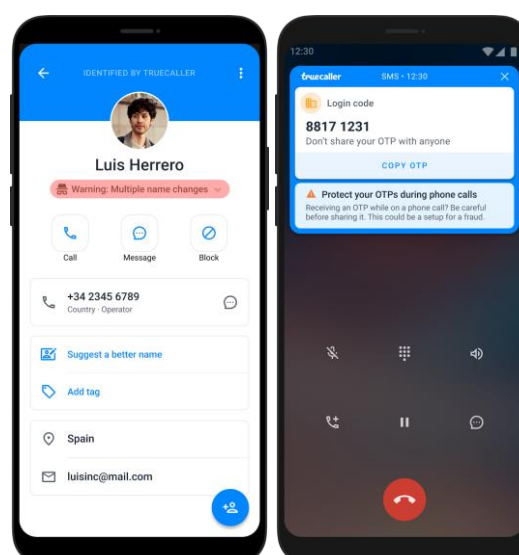
Further demonstrating its investment in AI, Truecaller had previously introduced AI-based transcriptions as part of call recording in the second quarter. Though initially available in the US, Canada, South Africa, and Australia, this highlights Truecaller's dedication to using AI for practical enhancements in its service offerings. By providing transcriptions and call summaries of call recordings, this feature adds a layer of convenience and

efficiency for users, reaffirming Truecaller's position as an innovator in communication technology.

Further investments to enhance user experience and combat fraud

Truecaller's dedication to fraud protection was further emphasized through the enhancement of the Message ID (Caller ID for Messages) feature. The feature now includes an additional layer of protection, alerting users to the risks of sharing OTPs when they receive a message while engaged in a phone call.

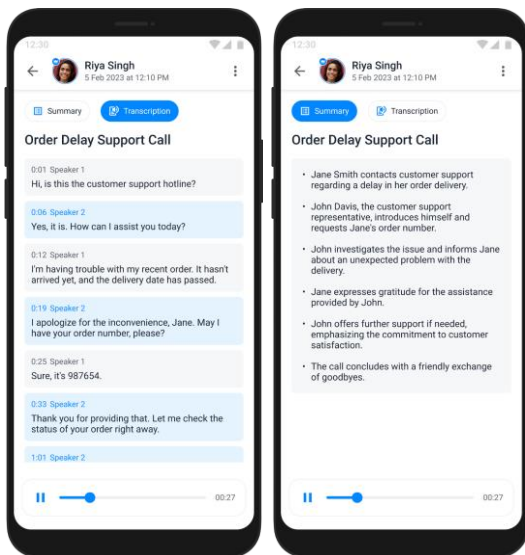
The company has also increased its efforts in proactive prevention to inform users about ongoing fraudulent activities, both globally and locally. By using Truecaller's own messaging platform, the company has sent over 1 Billion messages to users, alerting them about relevant and local fraud issues that are trending. Users have appreciated this information which shows in the rate of 25%.



During the third quarter, Truecaller underwent a corporate rebranding. The rebranding initiative, which includes a refreshed app icon, and an updated design language, aims to strengthen user trust and emphasize the company's commitment to privacy and security. The familiar 'True blue' color remains a key element of the brand identity, following the vision of making tomorrow's communication smarter, safer and more efficient.

While the rebranding reaffirms Truecaller's dedication to user trust and safety, the company continues to innovate its core offering.

The popular Video Caller ID feature initially rolled out in 2021 has received several major updates including more themed videos and a more streamlined onboarding flow, which has been requested by the community to increase further engagement. This feature, which is built for both consumers and verified businesses, allows users to share a brief video that automatically plays when they call contacts, providing a personalized touch to the calling experience.



Important improvements to Premium offering and conversion

The third quarter marked a pivotal period for Truecaller Premium, characterized by substantial product launches aimed at enhancing monetization and user retention.

The adoption of Truecaller Assistant has seen considerable growth globally, with subscriber numbers surging significantly, marking more than a 5x increase Q-o-Q, driven by the launch in India, at the end of the second quarter.

iOS has emerged as a key driver of growth in subscriptions and revenue this quarter, outpacing the growth in monthly active users (MAUs) with a 13% increase QoQ for both Revenue and Subscriptions. On Android, the focus on revenue generation yielded positive results, attributable to

strategic reductions in promotions, improved targeting, and the multi-country rollout of the Assistant feature.

Specifically, in India, the introduction of the Assistant plan, played a central role in revenue growth, as well as subscription growth which grew with 39% YoY in India. Preliminary tests indicate that higher pricing for such an advanced product as Assistant does not adversely impact conversion rates. This indicates that the company is advancing in the right direction in terms of delivering a higher value offering for communications services which renders the opportunity to charge a higher price.

Call Recording – introduced in the second quarter, was launched in more countries during the third quarter. Plans are in progress for the introduction of new advanced features during the upcoming quarter as well as introducing new languages with the help of the new improvements made in voice transcription.

A notable development in subscription conversion was the introduction of the User Monetization Engine (UME), a sophisticated system designed to personalize interstitial prompts throughout the app. The UME's versatility is evident in its support for various content types, including translations, animations, and videos, and its advanced targeting capabilities. This engine is not merely a tool for conversion; it's instrumental in bolstering user engagement and can be used throughout the app for other use cases.

Attention was also directed towards refining the experience for Premium users. This was achieved through an overhaul of the Premium tab user interface, making it more intuitive and user-friendly, and emphasizing the user's Caller ID while granting easier access to premium features. This enhancement sets the stage for future initiatives focused on optimizing the paths to upgrades.

Optimizing AdTech for platform ad impressions

Truecaller has steadfastly focused on refining both the supply and demand aspects of its advertising platform, to drive revenue growth and demand side ROI.

On the supply side this involves broadening user growth and deepening engagement in markets with promising medium-term growth. The aim is to enhance both the volume and quality of ad opportunities. Key to this is technological innovation, which bolsters inventory optimization and enhances crucial supply-side metrics like request efficiency, viewability, and click-through rates (CTR).

Despite broader market challenges in the third quarter, Truecaller has continued to diversify its access to demand by collaborating with a diverse set of partners, advertisers, and agencies, and pioneering new use cases and business models. The goal is multidimensional: increase demand-

side availability to boost fill rates and intensify demand density per ad opportunity.

Central to Truecaller's approach is the precise matching of demand and supply. With operations handling billions of ad opportunities daily, the team has invested in tech expertise, data, and operational insights to ensure appropriate demand-supply alignment, enhancing advertiser ROI and improving yield and ad relevance. Investment in the proprietary tech stack continues to fine-tune this matching process.

Truecaller continually invests in its adtech solutions to cater to diverse performance demands. The Demand-Side Platform (DSP) solution marks a significant enhancement in this direction.

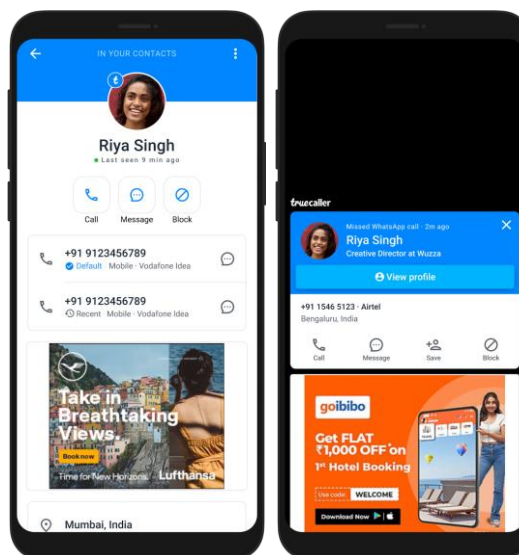
The AdServer capabilities have been substantially amplified to accommodate any campaign type through strategies like Retargeting, Re-engagement, and Remarketing. Additionally, Truecaller has launched new proprietary ad formats, enhancing the diversity and impact of ad placements. These include:

- Post-click experiences: Innovations like Click-to-Video offer engaging content for users post-engagement.
- The introduction of Sponsored Bubbles and Animated Ads on the after-call screen provides dynamic and visually appealing content for users.
- Brand Sponsored Icons & Carousel ads offer a rich, interactive experience, further enhancing user engagement.

In a recent initiative, Truecaller collaborated with Amazon Prime in India for the premiere of a major film. The campaign's objective was to increase awareness and foster user engagement through an innovative approach.

The strategy involved a concentrated effort leading up to the film's release, using the "Click-to-experience" ad format. Insights from the agency and client led to the development of a custom audience segment, targeting OTT users with semi-premium and top-tier smartphones in India's Top 8 Metros.

Speaking about the campaign's significant outcomes Jinit Shah, Director Media, PivotRoots said "We constantly look to innovate our media solutions. With Truecaller's new format, we were able to break the clutter with a very eye-catching solution that blended seamlessly with our creative strategy for Prime Video's latest campaign."



Truecaller aspires to be a full-spectrum ads solution provider across the entire advertising funnel. A recent campaign with Goibibo, India's premier online travel booking brand, illustrates the practical benefits of Truecaller Ad server's advanced capabilities. The campaign aimed to boost engagement and new user acquisitions across 40 cities in India, utilizing optimized ad delivery for efficiency and detailed analytics. By crafting a specialized audience segment of users interested in travel and employing re-targeting strategies, the initiative engaged over 46 million users, all while staying within the advertiser's Customer Acquisition Cost expectations. This case underscores the effectiveness of Truecaller's sophisticated ad features in driving substantial user engagement and conversions.

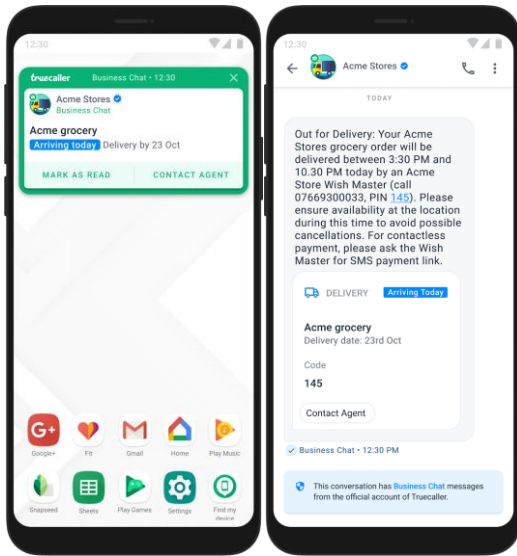
Focused investments drive enterprise growth and expand business offerings

Since its launch in 2020, Truecaller for Business has emerged as a pivotal solution in secure business communication, now serving customers across 36 countries and standing as Truecaller's most rapidly expanding revenue source with a 55 % YoY growth. Notable new customers during the quarter were UNICEF India, Union Bank of India, Yes Bank, Bosch, Banque Misr, and SayHi South Africa.

Business Messaging continues to redefine customer interaction, offering a secure messaging platform exclusive to verified businesses on Truecaller. During the third quarter, more than 2 billion messages were delivered from verified businesses to their customers on the Truecaller platform. This product stands out for its ability to support rich media content, extending beyond traditional text to include images, videos, and documents; enhancing customer engagement and experience.

The platform is predominantly utilized for transmitting information like OTPs, service updates, and transaction summaries, necessitating an elevated layer of security that Business Messaging proficiently provides. This operational

standard reinforces Truecaller's dedication to safeguarding user data and fostering a secure digital communication environment.



In response to the rising incidences of fraud globally, the focus has been on developing a robust solution to safeguard businesses effectively as a part of the Truecaller for Business offering, the Risk Intelligence API is about to go public and is a scoring engine that provides enterprises with an assessment of risk associated with a mobile number, using proprietary machine learning models to analyze patterns and anomalies in aggregated data from a mobile number's activity. The development and readiness were done in the first half of the year with a commercial launch planned for quarter four, enhancing Truecaller's dedication to continuous innovation within the enterprise space.

At the beginning of quarter four, Truecaller announced the acquisition of TrustCheckr – a SaaS platform, known for its efficacy in verifying customer information and assessing fraud risks. With the integration of TrustCheckr's capabilities, Truecaller is set to offer unparalleled security insights, harnessing external and internal fraud signals, a leap forward in its commitment to enterprise safety. This development signifies an important continuation of Truecaller's relentless effort to offer products to combat fraud and the company's mission of building trust in communication.

Truecaller SDK –the technical solution that provides companies with the tools needed to facilitate user logins through quick and efficient user verification via Truecaller's platform continued to grow during quarter three. An impressive 6.3 million verification requests in one day were noted.

Other disclosures

Change of number of shares and votes in Truecaller AB

During September the number of shares and votes in Truecaller AB (publ) changed as a result of exercise of employee stock options of series 2021:3 and series 2021:6 in accordance with Truecaller's incentive programs. Through the exercise of the employee stock options, the number of shares has increased by 1,627,794 and the share capital has increased by SEK 3,255,588. As of 29 September 2023, the last trading day of September, the number of shares in Truecaller amounts to 381,187,504, of which 46,783,800 are ordinary shares of series A with 10 votes per share, 328,803,704 are ordinary shares of series B with 1 vote per share and 5,600,000 are C-shares with one vote per share. The total share capital amounts to 762,375,008 SEK.

Nomination Committee appointed

The following members have been appointed to form a Nomination Committee ahead of the AGM in May 2024.

- Kamjar Hajabdolahi, appointed by Nami Zarringhalam
- Sven Törnkvist, appointed by Alan Mamedi
- Piyush Gupta, appointed by Sequoia Capital
- Bing Gordon, Member of the Board of Directors of Truecaller AB

Proposals or comments to the Nomination Committee can be sent to: nominationcommittee@truecaller.com

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 2022 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.

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.

Financial calendar

Year-end Report 2023: 20 February 2024

Interim report January–March 2024: 7 May 2024

Interim report January–June 2024: 19 July 2024

Interim report January–September 2024: 28 October 2024

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Auditor's review

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

This information constitutes insider information that Truecaller AB is required to disclose under the EU Market Abuse Regulation. The information was released for publication, through the agency of the contact persons above, on 27 October 2023 at 07.30 CET.

Condensed consolidated statement of profit or loss

Amounts in SEK 000s	Note	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Net sales	3	398,671	450,129	1,304,171	1,328,792	1,772,926
Other income		14	20	62	43	7,506
Work performed by the entity and capitalized		-	868	1,650	5,204	5,204
Third party fees		-100,255	-113,369	-319,490	-306,596	-417,689
Other external costs		-59,166	-76,579	-181,241	-229,200	-349,750
Employee costs		-93,476	-79,586	-270,786	-216,933	-301,031
Depreciation, amortization and impairments		-12,057	-8,053	-32,998	-19,535	-28,664
EBIT (operating profit)		133,730	173,430	501,367	561,776	688,502
Net financial income or expense		14,273	12,754	53,701	16,619	-381
Profit or loss after net financial income or expense		148,003	186,183	555,068	578,395	688,121
Tax		-42,969	-42,836	-134,967	-128,651	-152,891
Profit for the period ¹⁾		105,035	143,348	420,101	449,744	535,230
Earnings per share						
Basic earnings per share (SEK)		0.29	0.38	1.16	1.20	1.43
Diluted earnings per share (SEK)		0.29	0.38	1.16	1.20	1.43
Average number of shares before dilution		356,964,229	373,941,981	361,899,206	373,867,101	373,273,365
Average number of shares after dilution		357,044,659	374,399,006	361,965,113	374,666,353	373,300,072

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

Consolidated statement of comprehensive income

Amounts in SEK 000s	Note	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Profit or loss for the period		105,035	143,348	420,101	449,744	535,230
Other comprehensive income for the period						
<i>Items that will be reclassified to profit and loss in subsequent periods</i>						
Foreign exchange translation differences		-1,964	3,917	1,476	4,512	-753
<i>Items that will not be reclassified to profit and loss in subsequent periods</i>						
Remeasurements of defined-benefit pension plans		-	-	-	-	-1,891
Other comprehensive income for the period		-1,964	3,917	1,476	4,512	-2,645
Comprehensive income for the period ¹⁾		103,071	147,265	421,577	454,256	532,586

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	2023 30 Sep	2022 30 Sep	2022 31 Dec
ASSETS				
Non-current assets				
Goodwill		33,554	36,541	34,530
Other intangible assets		11,981	17,317	15,200
Property, plant and equipment		19,746	2,752	8,118
Right-of-use assets		126,771	110,580	139,777
Non-current financial assets	4	32,812	-	-
Deferred tax assets		37,426	53,511	39,584
Other non-current receivables	4	19,771	19,371	16,697
Total non-current assets		282,062	240,073	253,906
Current assets				
Current receivables	4	304,439	246,138	362,175
Short-term placements	4	930,954	148,979	400,490
Cash and cash equivalents	4	694,003	1,718,912	1,327,801
Total current assets		1,929,396	2,114,030	2,090,466
TOTAL ASSETS		2,211,458	2,354,102	2,344,372
EQUITY AND LIABILITIES				
Equity				
Equity attributable to owners of the parent		1,826,578	1,885,238	1,804,093
Total equity		1,826,578	1,885,238	1,804,093
Non-current liabilities				
Liability arising from defined-benefit pension plans		7,747	5,815	7,653
Lease liabilities		106,370	96,975	118,208
Deferred tax liability		30,759	29,095	34,563
Other non-current liabilities	4	8,902	8,776	8,395
Total non-current liabilities		153,777	140,662	168,819
Current liabilities				
Lease liability		22,397	15,559	23,307
Other current liabilities	4	208,706	312,643	348,153
Total current liabilities		231,104	328,203	371,460
TOTAL EQUITY AND LIABILITIES		2,211,458	2,354,102	2,344,372

Condensed consolidated statement of cash flows

Amounts in SEK 000s	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Operating activities					
Profit or loss after net financial income or expense	148,003	186,183	555,068	578,395	688,121
Adjustments for non-cash items	10,880	1,486	10,600	10,918	47,094
Income tax paid	-62,835	-17,482	-154,945	-31,340	-154,078
Cash flow from operating activities before changes in working capital	96,048	170,187	410,723	557,974	581,137
Net cash from changes in working capital					
Change in operating receivables	8,571	2,000	-2,648	-24,069	-50,434
Change in operating liabilities	21,165	-10,297	3,328	30,419	79,707
Net cash from operating activities	125,785	161,891	411,403	564,324	610,410
Investing activities					
Acquisitions of Group companies, net effect on cash and cash equivalents	-5,286	-2	-5,286	-26,875	-32,158
Purchases of property, plant and equipment	-3,537	-1,283	-15,827	-1,806	-7,594
Disposals of property, plant and equipment	-	-	-1,650	-	-
Purchases of intangible assets	-	-1,401	-500,000	-7,146	-7,146
Purchases of short-term investments	-12,319	-	-30,464	-	-250,000
Change in financial receivables	-	-426	-32,812	1,087	-425
Investment in non-current financial assets	-21,142	-	-586,039	-	-
Net cash used in investing activities	-5,286	-3,110	-5,286	-34,741	-297,323
Financing activities					
New share issue	46,718	-	46,718	-	-
Funds received for warrants	-	2,206	-	2,978	3,146
Repurchase of warrants	-25	-99	-335	-818	-872
Amortization of lease liability	-7,392	-3,728	-22,326	-13,411	-19,869
Payout synthetic options	-	-	-	-23,140	-23,140
Buyback of treasury shares	-163,411	-19,755	-486,280	-19,755	-182,389
Net cash from (-used in) financing activities	-124,111	-21,375	-462,224	-54,146	-223,124
Net cash flow for the period	-19,468	137,405	-636,860	475,438	89,963
Cash and cash equivalents at the beginning of the period	714,583	1,578,285	1,327,801	1,238,443	1,238,443
Foreign exchange differences in cash and cash equivalents	-1,112	3,222	3,063	5,032	-605
Cash and cash equivalents at the end of the period	694,003	1,718,912	694,003	1,718,912	1,327,801

Condensed consolidated statement of changes in equity

Amounts in SEK 000s	Equity attributable to owners of the parent				
	Share capital	Other capital contributions	Reserves	Retained profits including profit for the period	Total equity attributable to owners of the parent
Opening balance at 1 January 2022	747	1,707,864	3,153	-300,354	1,411,410
Profit for the period	-	-	-	449,744	449,744
Other comprehensive income for the period	-	-	4,512	-	4,512
Comprehensive income for the period	-	-	4,512	449,744	454,256
<i>Transactions with owners of the Group</i>					
Share issue	11	-	-	18,152	18,163
Treasury shares after transaction costs	-	-	-	-19,755	-19,755
Warrants	-	2,161	-	-	2,161
Share-based payment	-	-	-	19,003	19,003
Total	11	2,161	-	17,399	19,571
Closing balance at 30 September 2022	758	1,710,025	7,666	166,789	1,885,238
Opening balance at 1 January 2023	758	1,710,139	2,400	90,797	1,804,093
Profit for the period	-	-	-	420,101	420,101
Other comprehensive income for the period	-	-	1,476	-	1,476
Comprehensive income for the period	-	-	1,476	420,101	421,577
<i>Transactions with owners of the Group</i>					
Share issue	4	46,714	-	-	46,719
Treasury shares after transaction costs	-	-	-	-479,755	-479,755
Warrants	-	-335	-	-	-335
Share-based payment	-	-	-	34,280	34,280
Total	4	46,380	-	-445,475	-399,092
Closing balance at 30 September 2023	762	1,756,519	3,876	65,422	1,826,578

Condensed parent company income statement

Amounts in SEK 000s	Note	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Operating revenue		2,039	1,953	6,188	4,813	6,734
Other external costs		-2,634	-2,908	-7,821	-9,659	-13,003
Employee costs		-3,180	-5,189	-9,020	-9,784	-12,846
EBIT (operating profit)		-3,775	-6,144	-10,653	-14,630	-19,116
Net financial income or expense		6,158	-911	416,036	-4,996	-2,978
Profit or loss after financial items		2,384	-7,055	405,382	-19,626	-22,094
Appropriations		-	-	-	-	102,600
Profit or loss before tax		2,384	-7,055	405,382	-19,626	80,506
Tax		-535	1,443	-1,150	4,031	-16,598
Profit or loss for the period		1,849	-5,612	404,232	-15,595	63,908

Condensed parent company balance sheet

Amounts in SEK 000s	Note	2023 30 Sep	2022 30 Sep	2022 31 Dec
ASSETS				
Non-current assets				
Investments in Group companies		10,297,177	10,247,177	10,247,177
Deferred tax assets		-	20,613	-
Total non-current assets		10,297,177	10 267,791	10,247,177
Current assets				
Current receivables		11,128	13,497	12,357
Receivables from Group companies		24,111	10,746	106,248
Short-term placements		416,177	148,979	400,490
Cash and cash equivalents		322,980	714,749	305,935
Total current assets		774,396	887,971	825,030
TOTAL ASSETS		11,071,573	11,155,761	11,072,207
EQUITY AND LIABILITIES				
Equity and liabilities				
Equity		11,064,640	11,139,471	11,059,499
Current liabilities		6,933	16,290	12,708
TOTAL EQUITY AND LIABILITIES		11,071,573	11,155,761	11,072,207

Notes

Note 1. Significant accounts 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 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 on the interim report for the Group and the parent are identical to those applied in Truecaller's annual report.

kapital.

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.

Financial instruments at fair value

The group has non-current financial assets consisting of the investment in Mayhem Studios. The non-current financial assets are valued at fair value through the income statement. As no market quotation exists for the investment, its fair value is determined through other observable data (level 2).

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

	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Amounts in SEK 000s					
Geographical region					
India	293,430	333,563	998,390	1,008,991	1,324,080
Middle East and Africa	50,638	62,123	153,517	174,327	237,096
Rest of the world	54,603	54,443	152,264	145,475	211,750

Revenue from contracts with customers	398,671	450,129	1,304,171	1,328,792	1,772,926
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The geographical distribution is based on where the customer has their mobile subscription.

Amounts in SEK 000s	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Type of service					
Advertising revenues	298,917	373,072	1,028,032	1,126,274	1,488,558
User revenues	53,928	45,129	150,531	125,403	170,507
Truecaller for Business	44,423	28,593	120,564	70,521	105,473
Other revenues	1,403	3,335	5,044	6,594	8,388
Revenue from contracts with customers	398,671	450,129	1,304,171	1,328,792	1,772,926

Note 4. Financial instruments

Measurement of financial assets and liabilities at 30 September 2023

FINANCIAL ASSETS	Financial assets measured at fair value through profit and loss	Financial assets measured at amortized cost	Total carrying amount
Other non-current receivables	-	19 771	19 771
Non-current financial assets	32,812	-	32,812
Claims on advertising networks and platform owners	-	89,418	89,418
Trade receivables	-	97,207	97,207
Short-term placements	930,954	-	930,954
Cash and cash equivalents	-	694,003	694,003
Total	963,767	900,399	1,864,166
FINANCIAL LIABILITIES			
Trade payables	-	48,823	48,823
Conditional consideration (earnout)	8,902	-	8,902
Total	8,902	48,823	57,725

Measurement of financial assets and liabilities at 30 September 2022

FINANCIAL ASSETS	Financial assets measured at fair value through profit and loss	Financial assets measured at amortized cost	Total carrying amount
Other non-current receivables	-	19,371	19,371

Claims on advertising networks and platform owners	-	124,296	124,296
Trade receivables	-	48,744	48,744
Short-term placements	148,979	-	148,979
Cash and cash equivalents	-	1,718,912	1,718,912
Total	148,979	1,911,324	2,060,303

FINANCIAL LIABILITIES

Trade payables	-	21,897	21,897
Conditional consideration (earnout)	19,447	-	19,447
Total	19,447	21,897	41,344

Measurement of financial assets and liabilities at 31 December 2022

FINANCIAL ASSETS	Financial assets measured at fair value through profit and loss	Financial assets measured at amortized cost	Total carrying amount
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
Total	400,490	1,496,360	1,896,851
FINANCIAL LIABILITIES			
Trade payables	-	69,835	69,835
Conditional consideration (earnout)	13,301	-	13,301
Total	13,301	69,835	83,136

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, conditional consideration (earnouts) and non-current financial assets 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 900 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.

Short-term placements, SEK 000s	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Balance at 1 January	400,490	150,066	150,066
Investment in short-term placements	500,000	-	250,000
Change in value recognized in profit and loss	30,464	-1,087	424
Closing balance	930,954	148,979	400,490

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.

Conditional consideration (earnout), SEK 000s	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Balance at 1 January	13,301	-	-
Acquisition value	-	16,785	16,785
Payout	-5,286	-	-5,228
Change in value recognized in profit and loss	887	2,662	1,744
Closing balance	8,902	19,447	13,301

Non-current financial assets

The group's non-current financial assets consist of the investment in Mayhem Studios that was made during the second quarter. The non-current financial assets belong to level 2 in the valuation hierarchy.

Note 5. Incentive programs

The Annual General Meeting on 26 May 2023 approved the Board of Directors' proposal on an employee stock option program and share program (together "LTIP 2023") for senior executives, key individuals and employees of the Truecaller Group. LTIP 2023 consists of a maximum of 2,800,000 employee stock options and a maximum of 500,000 performance-based share rights.

The Group applies IFRS 2 Share-based Payment to employee stock options and 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 two previously implemented incentive programs, LTIP 2021 and LTIP 2022. Refer to the 2022 annual report for detailed information about the programs.

Costs of incentive programs, SEKm	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Cost of vested warrants per IFRS 2	-13.1	-9.5	-34.1	-18.8	-28.4
Social insurance contributions	-2.5	-0.4	-3.8	-1.5	-1.8
Costs of incentive programs	-15.7	-10.0	-37.9	-20.3	-30.2

Note 6. Treasury shares

The Annual General Meeting on 26 May 2023 authorized the Board of Directors to again repurchase class B shares. The new authorization permits the Board of Directors to resolve to repurchase a maximum number of shares such that the company's shareholding does not exceed ten (10) percent of the total number of outstanding shares in the company as of the date of the Annual General Meeting. Share repurchases may be executed on one or more occasions prior to the next Annual General Meeting.

The repurchases based on the authorization from the Annual General Meeting 2022 have now been completed.

Through the end of the reporting period, a total of 19,391,533 class B shares had been repurchased for SEK 668.5 million including transaction costs.

Truecaller also issued and repurchased 5,600,000 class C shares for a cost of SEK 0.2 million. The transactions were executed in accordance with the mandate issued by the Annual General Meeting 2022 and 2023 to secure the commitments under share program 2022 and 2023, which is part of the Group's long-term incentive programs. The class C shares will be converted to class B common shares in connection with the delivery of class B common shares in accordance with share program 2022 and 2023.

Distribution of shares at the end of the reporting period:

Share class	Shares
Class A	46,783,800
Class B	328,803,704
Class C	5,600,000
Total number of shares outstanding	381,187,504
- of which Class B shares held by Truecaller	19,391,533
- of which Class C shares held by Truecaller	5,600,000
Total number of shares outstanding, net after shares held by Truecaller	356,195,971

Note 7. 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.

Note 8. Acquisitions

On April 10, 2023, Truecaller acquired 4+ percent of the shares in the Singapore-based game development company Mayhem Studios Private Ltd. for SEK 32.8 million. The investment was financed through existing cash. Other investors include Sequoia and Mobile Premier League. Mayhem Studios Private Ltd. focuses on developing mobile games for the Indian market.

During the third quarter, a conditional additional purchase price of SEK 5.3 million has been paid regarding the acquisition of CallHero. The additional purchase price is paid according to the agreement and has no impact on the group's results.

Note 9. Related party transactions

No transactions with related parties have been made during the period.

Note 10. Events after the reporting date

On October 6 Truecaller closed the acquisition of the India-based company Unoideo Technologies Pvt Ltd ("TrustCheckr"). The company provides the service TrustCheckr that through a SaaS platform helps businesses verify customer information and detect risk of fraud based on phone numbers and digital signals. TrustCheckr's current offering has attracted interest from companies in different industries with the most noticeable interest coming from banks, fintech, and other financial institutions. The acquisition will strengthen Truecaller's risk intelligence tool for enterprises, which was launched in Q3, and with improved tech it will speed up the roll-out of that offering.

The consideration amounts to INR 161m/SEK 21.3m paid in cash from existing reserves. The acquisition is primarily an acquisition of technology and skills and is not expected to have significant impact on profit or loss under 2023.

According to the preliminary acquisition analysis, surplus value of SEK 8.9 million arose attributable to proprietary software, as well as non-tax-deductible goodwill of SEK 14.2 million, primarily attributable to the skills added to the company by the employees of TrustCheckr. The useful life of proprietary software has been estimated at five years.

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

Proprietary software	8,910
Property, plant and equipment	35
Other current assets	223
Trade receivables and other receivables	243
Cash and cash equivalents	834
Deferred tax liability	-3,113
Trade payables and other current liabilities	-13
Total acquired net assets	7,118

Purchase consideration (SEK 000s)

Consideration, cash	21,282
Total consideration	21,282
Fair value of acquired net assets	-7,118
Goodwill	14,164

Group, Investing activities (SEK 000s)

Consideration paid	-21,282
Cash and cash equivalents in acquired entities	834
Costs directly related to acquisitions	-1,422
Net effect of acquisitions on consolidated cash and cash equivalents	-21,870

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, 2023-10-27

Nami Zarringhalam
Board Chair

Alan Mamedi
Director and CEO

Annika Poutiainen
Director

Helena Svancar
Director

Bing Gordon
Director

Shailesh Lakhani
Director

Auditor's review report

Truecaller AB (publ) org. no 559278-2774

Introduction

We have reviewed the condensed interim financial information (the interim report) for Truecaller AB as of 30 September 2023 and the nine-month period then ended. The directors and management are responsible for the preparation and fair presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Focus and scope of the review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review differs from and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing practices otherwise, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion expressed based on a review therefore does not provide the same level of assurance as an audit opinion.

Conclusion

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

Stockholm, 27 October 2023
Ernst & Young AB

Jennifer Rock-Baley
Authorised Public Accountant

Alternative performance measurements

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

Key performance measurements	Definition	Purpose
Gross profit	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, SEKm	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Gross profit and gross margin					
Net sales	398.7	450.1	1,304.2	1,328.8	1,772.9
Minus brokerage costs	-100.3	-113.4	-319.5	-306.6	-417.7
Gross profit	298.4	336.8	984.7	1,022.2	1,355.2
Divided by Net sales	398.7	450.1	1,304.2	1,328.8	1,772.9
Gross margin	74.9%	74.8%	75.5%	76.9%	76.4%
Adjusted EBITDA and Adjusted EBITDA margin					
Profit before tax	148.0	186.2	555.1	578.4	688.1
Excluding net financial income or expense	-14.3	-12.8	-53.7	-16.6	0.4
Excluding depreciation, amortization and impairments	12.1	8.1	33.0	19.5	28.7
EBITDA	145.8	181.5	534.4	581.3	717.2
Excluding items affecting comparability	-	-	-	-	-
Adjusted EBITDA	145.8	181.5	534.4	581.3	717.2
Divided by Net sales	398.7	450.1	1,304.2	1,328.8	1,772.9
Adjusted EBITDA margin	36.6%	40.3%	41.0%	43.7%	40.5%
EBIT (operating profit) and EBIT margin					
Profit before tax	148.0	186.2	555.1	578.4	688.1
Excluding net financial income or expense	-14.3	-12.8	-53.7	-16.6	0.4
EBIT (operating profit)	133.7	173.4	501.4	561.8	688.5
Divided by Net sales	398.7	450.1	1,304.2	1,328.8	1,772.9
EBIT margin	33.5%	38.5%	38.4%	42.3%	38.8%
Adjusted EBIT and Adjusted EBIT margin					

EBIT (operating profit)	133.7	173.4	501.4	561.8	688.5
Excluding items affecting comparability	-	-	-	-	-
Adjusted EBIT	133.7	173.4	501.4	561.8	688.5
Divided by Net sales	398.7	450.1	1,304.2	1,328.8	1,772.9
Adjusted EBIT margin	33.5%	38.5%	38.4%	42.3%	38.8%

Equity to assets ratio

Total equity	1,826.6	1,885.2	1,826.6	1,885.2	1,804.1
Divided by Total assets	2,211.5	2,354.1	2,211.5	2,354.1	2,344.4
Equity to assets ratio	82.6%	80.1%	82.6%	80.1%	77.0%