

A woman with curly hair and glasses is looking down at a smartphone in her hands. She is wearing a light-colored, button-down shirt with the sleeves rolled up and tied at the waist. She is also wearing a patterned skirt. The background is a bright, out-of-focus indoor setting.

YEAR-END REPORT 2023

January–December 2023

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 2023 (Q4)

Comparative figures refer to October–December 2022

- **Net sales** decreased by 4 percent to SEK 424.7m (444.1).
- **Adjusted EBITDA** amounted to SEK 168.5m (135.9), corresponding to an adjusted EBITDA margin of 39.7 (30.6) percent. Excluding the costs of incentive programs, adjusted EBITDA would have been SEK 170.5m (145.7), equivalent to an adjusted EBITDA margin of 40.1 (32.8) percent.
- **Profit after tax** amounted to SEK 116.2m (85.5).
- **Basic earnings per share** were SEK 0.33 (0.23) and diluted earnings per share were SEK 0.33 (0.23).
- **The average number of active users** (MAU) increased by 35.8 million to approximately 374.1 million (338.2).
- **Net sales** decreased by 1 percent in India, by 15 percent in the Middle East and Africa and by 8 percent in the rest of the world.
- **Truecaller's board of Directors has decided to propose to the Annual General Meeting (AGM) in May to cancel all repurchased B-shares and request a new mandate to have the ability to continue to repurchase shares after the AGM.**

January–December 2023

Comparative figures refer to January–December 2022

- **Net sales** decreased by 2 percent to SEK 1,728.9m (1,772.9)
- **Adjusted EBITDA** amounted to SEK 702.9m (717.2), corresponding to an adjusted EBITDA margin of 40.7 (40.5) percent. Excluding the costs of incentive programs, adjusted EBITDA would have been SEK 742.7m (747.3), equivalent to an adjusted EBITDA margin of 43.0 (42.2) percent.
- **Profit after tax** amounted to SEK 536.3m (535.2).
- **Basic earnings per share** were SEK 1.49 (1.43) and diluted earnings per share were SEK 1.49 (1.43).
- **The average number of active users** (MAU) increased by 35.3 million to approximately 360.5 million (325.2).
- **Net Sales** decreased by 1 percent in India, by 13 percent in the Middle East and Africa and stable in the rest of the world.

FINANCIAL KEY FIGURES

Group, SEKm (unless otherwise stated)	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Net sales	424.7	444.1	1,728.9	1,772.9
Gross profit	323.0	333.0	1,307.7	1,355.2
Gross margin (%)	76.1%	75.0%	75.6%	76.4%
Adjusted EBITDA	168.5	135.9	702.9	717.2
Adjusted EBITDA margin (%)	39.7%	30.6%	40.7%	40.5%
EBIT (operating profit)	156.3	126.7	657.7	688.5
EBIT margin (%)	36.8%	28.5%	38.0%	38.8%
Adjusted EBIT	156.3	126.7	657.7	688.5
Adjusted EBIT margin (%)	36.8%	28.5%	38.0%	38.8%
Profit or loss after net financial income or expense	157.2	109.7	712.3	688.1
Basic earnings per share (SEK)	0.33	0.23	1.49	1.43
Diluted earnings per share (SEK)	0.33	0.23	1.49	1.43
Equity	1,743.7	1,804.1	1,743.7	1,804.1
Total assets	2,160.3	2,344.4	2,160.3	2,344.4
Equity to assets ratio (%)	80.7%	77.0%	80.7%	77.0%
Employees at the end of the period	419	395	419	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.


- **Continued user growth.** The user growth for Truecaller continued, and during the quarter, the number of monthly active users (MAU) increased to 374 million, which was an addition of approximately 36 million users in 2023. The daily active users grew with 34 million in 2023, reaching an average of 305 million during the fourth quarter. In 2023, monthly active users increased by 20 million in India and by 16 million outside of India. The user growth during the quarter was slightly weaker than previous quarters but increased towards the end of the quarter.
- **Truecaller's strategy to increase the conversion to paying users continued to show a positive development.** The number of paying users increased by 19 percent compared to the same period the previous year, exhibiting a higher growth rate than the total number of users, which increased by 11 percent. More advanced features, such as the digital AI-based Truecaller Assistant, had a positive impact on the average price per paying user, with particularly strong growth noted in India. Subscription revenues increased by 23 percent compared to the fourth quarter of 2022.
- **The robust growth for Truecaller for Business continued.** The fourth quarter was the best quarter in 2023 in terms of both net addition of new customers and revenues for Truecaller's verified business solution. Total number of customers surpassed 2,500, and the trend of longer-term contracts and higher priced subscription plans persisted. The distribution through partners expanded, now encompassing not only CPaaS companies but also telecom operators in India. Business Messaging also showed strong growth compared to the previous year. The new products within risk management were successfully tested with several pilot customers. Overall, revenues for Truecaller for Business increased by 42 percent compared to the fourth quarter of 2022.
- **Customer satisfaction reached all-time high in India.** Truecaller continuously measures customer satisfaction, and in the fourth quarter, Truecaller achieved a Net Promoter Score (NPS) of 62 (52) in India.

Other significant events

- **During the fourth quarter Truecaller bought back 5.9 million B-shares** bringing the total repurchased B-shares to 25,267,203 as of December 31. Additionally, a total of 5,600,000 C-shares were issued and repurchased to facilitate the future delivery of shares to employees within the framework of LTIP 2022 and LTIP 2023. The total number of shares that can be repurchased under the authorization from the 2023 Annual General Meeting (AGM) to the Board amounts to 37,905,971 shares, valid until the AGM in May 2024. See note 6 for further information.
- **During the quarter, Truecaller acquired the Indian company Unoideo Technologies Pvt Ltd**, which provides TrustCheckr, a service for detecting and preventing fraud. TrustCheckr assists businesses, through a SaaS platform, in verifying customer information and identifying fraud risks based on phone numbers and digital signals. The acquisition was financed using existing funds.
- **Changes regarding Truecaller's incentive program LTIP 2021:** Truecaller's board made a decision during the quarter to offer employees a repurchase of warrants related to LTIP 2021. The repurchases had no impact on results but is expected to have a negative cash flow effect of approximately 18 million SEK in Q1 2024. Simultaneously, provisions regarding stock options within LTIP 2021, where performance conditions were not met, were dissolved, reducing costs by 11 million SEK in the fourth quarter of 2023.

Events after the period

- **Truecaller repurchased an additional 0.2 million shares** in early January, bringing the total repurchased shares to the equivalent of 8.2% of the outstanding capital.
- **Truecaller's board of Directors has decided to propose to the annual general meeting in May to cancel all repurchased B-shares** and request a new mandate to have the ability to continue to repurchase shares.



FOURTH QUARTER 2023

Increased focus on recurring revenues

During the fourth quarter, our user base grew by six million, landing at an average of 374 million monthly active users. The trend of high growth rates outside of India continued. During the quarter, we saw higher relative growth in regions outside of India and the Middle East. India continues to be an important market for us, and we continue to be one of the most loved apps in the market. We are proud to have reached a new all-time high in our Net Promoter Score in India, ending the quarter at an NPS of 62. The growth rate in the number of paying users was almost twice as high as that for the total user base.

Net sales amounted to SEK 425 million (444), a decrease with 4% compared to the same quarter in 2022, as a result of a 12% decrease in revenue from our advertising business. Our recurring revenues from businesses increased by 42%, and consumer subscription revenues increased by 23%.

Our profitability and cash flow continued to be strong. EBITDA increased by 24 percent to SEK 169 million (136), and the EBITDA margin was 40% (31%). Earnings per share increased by 43% to SEK 0.33 (0.23). The operational cash flow amounted to SEK 170 million (46) for the quarter.

The fourth quarter was the strongest yet for Truecaller for Business in terms of customer uptake. The customer base now consists of more than 2,500 larger companies, and the trend of customers opting for higher-priced plans continues.

During 2024 we will increase our focus to develop AI-based features to prevent fraud, grow our user base and recurring revenues with the long-term ambition to make them a much larger share of our total revenues.

In a challenging global economic environment and with an increasing digital ad inventory in the Indian market, which is putting pressure on ad prices, we continue to adapt and evolve our ad model to maximize our revenues. We have also seen promising results from new ad formats, and we see great potential in more direct sales, giving us confidence in a solid recovery as market conditions improve.

The number of users is steadily growing, although the growth in the quarter was lower than the strong development during the second and third quarters of 2023. However, growth picked up again towards the end of the quarter, and 2024 has started better. The number of paying subscribers increased by 19% compared to the fourth quarter of 2022, which is almost twice as fast as the growth rate of the total user base. We continue to expand our AI-driven communication services to enhance our subscription offering, with new features that make users' lives easier and safer. Development on iOS remains very solid, with a 41% growth in the number of paying users compared to the same period last year. We see good potential to continue developing the product with more and better services, further improving the opportunity for increased conversion and revenue per user.

Truecaller for Business (TfB) developed at a good pace throughout the year, and the fourth quarter was the strongest in terms of both revenue and the addition of new customers. We have now surpassed 2,500 verified corporate customers. In early 2024, we onboarded our first customers for our new risk intelligence product. Another increasingly important part of TfB products is Business Messaging. During the quarter, over 2 billion business messages were sent, more than double the amount from the same quarter in 2022. We will deepen our partnership with Tanla in the Indian market, which will allow more partners (including more CPaaS companies) and companies collaborating with Tanla to utilize our business messaging service. This sets the stage for higher volumes and revenue growth for Business Messaging in 2024.

Thanks to our focus on cost optimization throughout the year, we are able to reinvest in our product. In a world where cybercrime is running rampant, having secure and lightning-fast ways to verify authenticity and purpose is a must. We are ramping up our efforts to fight this problem more aggressively by building AI-based products that detect fraudulent patterns and notify our users in real time.

Our balance sheet remains solid with SEK 1.6 billion in cash and short-term investments and 25.3 million repurchased shares, providing stability and flexibility contributing to long-term shareholder value. Since the end of the third quarter of 2022, our cash flow has enabled us to repurchase shares totaling SEK 842 million and make small acquisitions while maintaining a stable cash position. With the financial strength at hand, the board has decided to propose to the annual general meeting to cancel the repurchased B shares, which currently represent 6.7% of the total outstanding shares, and request a new repurchase mandate.

During the fourth quarter, a new telecom legislation was adopted in India, where previous provisions that would legislate a requirement for telecom operators to display the caller's name were removed. Together with the decision on new data protection legislation taken in 2023, the new regulatory frameworks within which we will operate in our largest market have now been established, creating continued favorable conditions for us to grow our business in India.

Currently, we do not see any imminent improvement in the Indian advertising market, and market visibility is limited. However, to achieve medium-term recurring revenue growth, we are doing targeted growth investments at the beginning of this year. These efforts have already begun to yield positive results, such as an 8% increase in subscription revenues in the USA in January 2024 compared to the previous month, and an increase of more than 50% compared to January 2023. The investments will have a short-term negative impact on our profitability but are important to broaden our recurring revenue base and strengthen our position both geographically and product-wise. Our goal is to achieve a balance between good profitability and growth of recurring revenues over time. With our robust financial position, we expect to continue our long-term growth initiatives while having the opportunity to continue share repurchases.

Alan Mamedi, CEO and Co-founder

Truecaller at a glance

Quarterly review, financial data

FINANCIAL KEY FIGURES

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Total assets	2,160.3	2,344.4	2,160.3	2,344.4
Equity to assets ratio (%)	80.7%	77.0%	80.7%	77.0%
Employees at the end of the period	419	395	419	395

OPERATIONAL KEY FIGURES

October–December 2023	Total	India	Middle East & Africa	Rest of the world
Monthly Active Users (MAU), quarterly average (millions)	374.1	266.2	76.2	31.7
Daily Active Users (DAU), quarterly average (millions)	304.6	227.1	57.4	20.2
Cost per mille impressions (CPM) for ad sales (SEK)	0.83	0.70	1.41	3.80
Average revenue per user (ARPU) for premium subscriptions (SEK)	8.79	5.61	9.39	14.61

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

January–December 2023

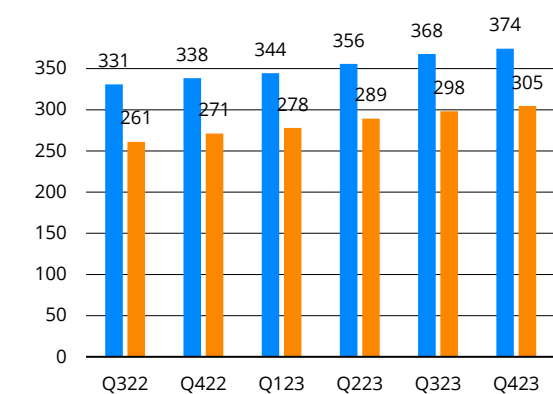
Monthly Active Users (MAU). quarterly average (millions)
Daily Active Users (DAU). quarterly average (millions)
Cost per mille impressions (CPM) for ad sales (SEK)
Average revenue per user (ARPU) for premium subscriptions (SEK)

Total	India	Middle East & Africa	Rest of the world
360.6	259.0	73.3	28.9
292.6	218.6	55.2	18.7
1.00	0.89	1.38	3.35
8.63	5.28	10.27	14.02

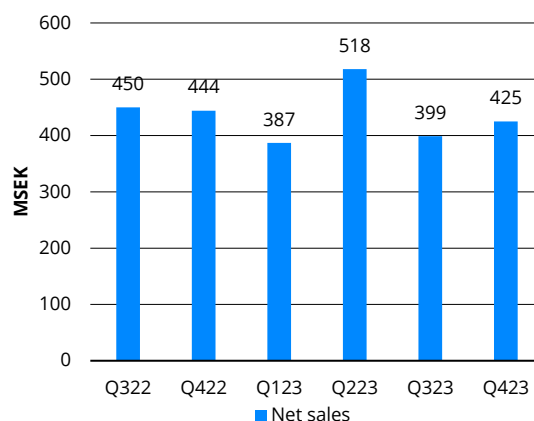
January–December 2022

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)

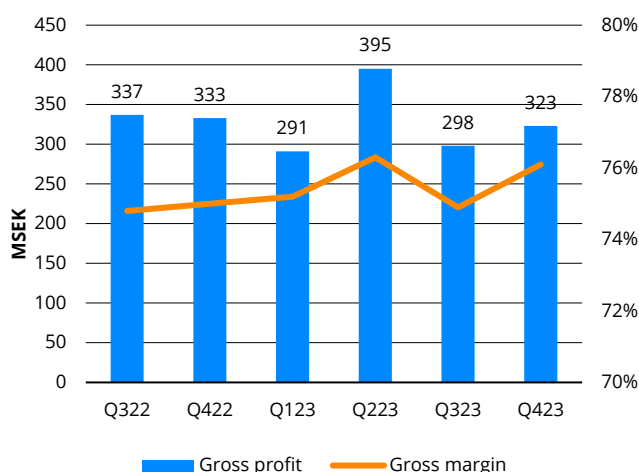
Total	India	Middle East & Africa	Rest of the world
325.3	237.8	64.1	23.3
258.9	196.6	47.0	15.2
1.27	1.15	1.67	3.82
8.52	4.88	10.71	12.61



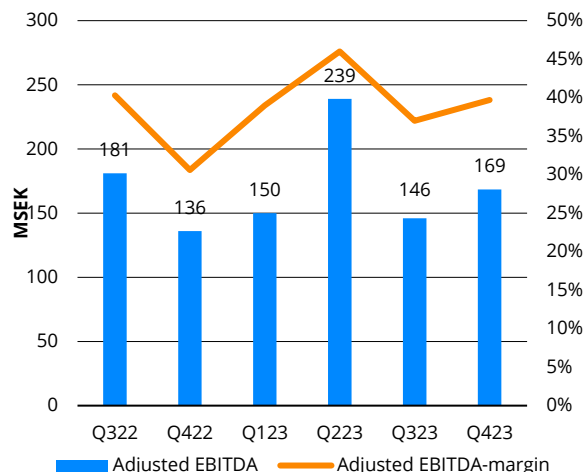
■ Monthly Active Users (MAU), avg ■ Daily Active Users (DAU), avg



■ Net sales



■ Gross profit ■ Gross margin



■ Adjusted EBITDA ■ Adjusted EBITDA-margin

Financial performance

Fourth quarter 2023 (October–December)

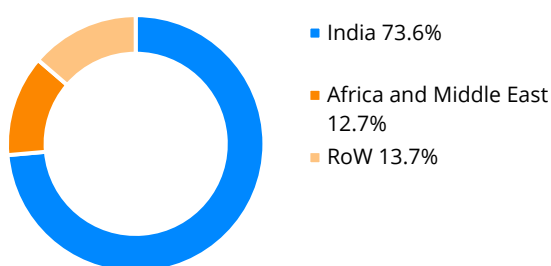
Revenues

Total revenues during the fourth quarter decreased by 4 percent compared to the corresponding quarter last year and amounted to SEK 434.5 (451.6) million. Other income, in addition to net sales amounted to SEK 9.8 (7.5) million.

Net sales during the fourth quarter decreased by 4 percent compared to the corresponding quarter last year and amounted to SEK 424.7 (444.1) million. Revenue decreased for ads but increased for subscriptions and Truecaller for Business (TfB). Currency effects had a negative effect on revenues during the quarter, see Currency exposure below.

Net sales distributed by region

Net sales in India decreased by 1 percent to SEK 311.1 (315.1) million, in the Middle East & Africa it decreased by 16 percent to SEK 53.0 (62.8) million and decreased by 8 percent in the rest of the world to SEK 60.5 (66.3) 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.



Net sales distributed by service

Ad revenues decreased by 12 percent to SEK 318.1 (362.3) million. A lower demand in the wake of weak global macroeconomic development and a larger supply in the Indian market resulted in lower average pricing for Truecallers ads products (CPM) which decreased by approximately 22 percent. Truecaller continues to maximize revenue per user instead of CPM or fill rates.

The number of impressions increased by 14 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 23 percent to SEK 55.7 (45.1) million. This is primarily an effect of an increased share of subscribers, with the number of

subscriptions rising by 19 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 42 percent to SEK 49.6 (35.0) 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 1.3 (1.8) million.

Gross profit

The gross profit decreased by 3 percent to SEK 323.0 (333.0) million compared to the same period last year. The gross margin amounted to 76.1 (75.0) percent. The gross margin is mainly determined by fees to partners such as Google and Apple, and by costs for verification of new users and for servers used for the company's services. The stronger gross margin is mainly attributed to lower cost for verification of new users.

Operating profit

Operating profit before depreciation and write-downs excluding items affecting comparability (adjusted EBITDA) increased by 24 percent and amounted to SEK 168.5 (135.9) million. The adjusted EBITDA margin amounted to 39.7 (30.6) percent.

Operating profit (EBIT) increased to SEK 156.3 (126.7) million, corresponding to an operating margin of 36.8 (28.5) percent. Operating profit has increased due to lower expenses than last 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 90.3 (84.1) 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 0.9 (9.5) million with a corresponding increase in equity and social security contributions of SEK 1.0 (0.3)

million reported as a provision in the balance sheet. Incentive costs decreased in the quarter due to the dissolution of provisions regarding stock options within LTIP 2021 where the performance conditions have not been met, which lowered cost by approximately SEK 11 million. 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.

Excluding costs for incentive programs, the EBITDA margin during the quarter would have increased by 0.5 (2.2) percentage points and been 40.1 (32.8) percent. See more info in note 5.

Other external costs decreased to SEK 74.0 (120.5) million compared to the same period last year. During the fourth quarter of 2022, a number of major marketing campaigns were carried out, which contributed to the higher costs in the comparison period. The reduction in costs is also 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 amounted to SEK 157.2 (109.7) million. Profit after tax for the period was SEK 116.2 (85.5) million. Net financial income amounted to SEK 0.9 (-17.0) million and comprises exchange rate differences of SEK -10.5 (-17.7) million, an effect on result from valuation to fair value of SEK 10.3 (1.5) million, interest income of SEK 2.7 (0.6) million and other financial expenses of SEK -1.6 (-1.4) million.

The total tax amounted to SEK 41.0 (24.2) million which corresponds to an effective tax rate of 26.1 (22.1) percent for the Group.

Basic earnings per share were SEK 0.33 (0.23) and diluted earnings per share were SEK 0.33 (0.23).

Cash flow and financial position

Net cash from operating activities amounted to SEK 170.6 (46.1) million of which SEK 56.8 (22.9) million was attributable to changes in working capital and SEK -58.9 (-122.7) million was attributable to income tax paid. Net cash from investing activities amounted to SEK -40.8 (-262.6) million and included an investment in short-term interest rate funds of SEK - (-250.0) million, changes in non-current financial assets of SEK -10.2 (-1.5) million and acquisition of subsidiaries of SEK -22.1 (-5.3) million. Net cash used in financing activities was SEK -180.9 (-169.0) million and included purchase of treasury shares SEK -173.3 (-162.6) million. Net cash for the period was SEK -51.1 (-385.5) million.

Truecaller had cash and cash equivalents of SEK 631.3 (1,327.8) million at the end of the quarter. The equity to assets ratio was 80.7 (77.0) percent. In excess to the cash

and cash equivalents Truecaller had SEK 941.3 (400.5) 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 2,160.3 (2,344.4) million at 31 December 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 76.0 (60.7) million and claims on advertising networks and platform owners was SEK 86.0 (91.2) 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 4.6 (1.9) million as of 31 December 2023. The claims on advertising networks and platform owners is mainly linked to outstanding claims against Google and Meta.

Investments

During the fourth quarter of 2023, SEK 7.3 (-) 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 somewhat negative impact on sales during the fourth 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 (1.9) million which refers to billing of subsidiaries for services rendered. The profit before tax amounted to SEK -5.1 (100.1) million where the majority of the result is attributable to dividends from subsidiaries. The profit after tax amounted to SEK -4.1 (79.5) million. Cash and cash equivalents on 31 December 2023 amounted to SEK 176.5 (305.9) million. In excess to the cash and cash equivalents the parent company has SEK 400.0 (400.5) 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 – December 2023

Revenues

Total revenues for the period January–December amounted to SEK 1,740.4 (1,785.6) million, a decrease of 3 percent compared to the same period last year. Other income, in addition to net sales, amounted to SEK 11.5 (12.7) million.

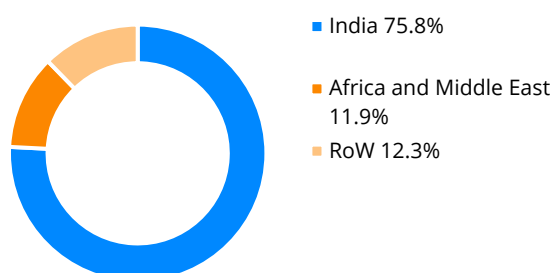
Net sales for the period January–December amounted to SEK 1,728.9 (1,772.9) million, a decrease of 2 percent compared to the same period last year. Net sales for Truecaller for Business and subscriptions increased, while advertising revenue decreased. Currency effects had a minor positive effect on revenues during the period, see Currency exposure below.

Net sales distributed by region

Net sales in India decreased by 1 percent during the period to SEK 1,309.9 (1,324.1) million, and by 13 percent in the Middle East and Africa to SEK 206.3 (237.1) million. In the rest of the world net sales was stable at SEK 212.6 (211.7) 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.

Net sales distributed by service

Advertising revenues decreased by 10 percent to SEK 1,346.1 (1,488.6) million. Revenues from premium subscriptions increased by 21 percent to SEK 206.2 (170.5) million, primarily an effect of an increase in the number of premium subscribers. Revenues from Truecaller for Business increased with 61 percent and amounted to SEK 170.2 (105.5) million.



Gross profit

Gross profit was SEK 1,307.7 (1,355.2) million, which decreased the gross margin by 0.8 percentage points to 75.6 (76.4) 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 702.9 (717.2) million. The adjusted EBITDA margin amounted to 40.7 (40.5) percent.

Operating profit (EBIT) amounted to SEK 657.7 (688.5) million, corresponding to an operating margin of 38.0 (38.8) percent.

Staff costs amounted to SEK 361.1 (301.0) 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 35.1 (28.4) million with a corresponding increase in equity and social security contributions of SEK 4.8 (1.8) million reported as a provision in the balance sheet. Excluding costs for incentive programs, the EBITDA margin during the quarter would have increased by 2.3 (1.7) percentage points and been 43.0 (42.2) percent. For more info see note 5.

Other external costs amounted to SEK 255.2 (349.7) 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.

Total costs (staff costs and other external expenses) decreased with 5 percent compared to the comparison period mainly 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 712.3 (688.1) million. Profit after tax for the period was SEK 536.3 (535.2) million. Net financial income amounted to SEK 54.6 (-0.4) million and comprises positive exchange rate differences of SEK 1.2 (11.8) million, an effect on result from valuation to fair value of SEK 40.8 (0.4) million, interest income of SEK 18.4 (-7.3) million and other financial expenses of SEK -5.7 (-5.3) million.

The total tax amounted to SEK 176.0 (152.9) million, which corresponds to an effective tax rate of 24.7 (22.2) percent for the group.

Basic earnings per share were SEK 1.49 (1.43) and diluted earnings per share were SEK 1.49 (1.43).

Cash flow and financial position

Net cash from operating activities amounted to SEK 582.0 (610.4) million of which 57.4 (29.3) is due to changes in

working capital and -213.8 (-154.1) is due to income taxes paid. Net cash used in investing activities amounted to SEK -626.9 (-297.3) million and included an investment in short-term interest funds of SEK -500.0 (-250.0) million, an investment in non-current financial assets of SEK -32.7 (-) million, acquisition of subsidiaries of SEK -27.4 (-32.2) million and changes in non-current financial assets of SEK -40.8 (-0.4) million. Net cash used in financing activities was SEK -643.1 (-223.1) million and included purchase of treasury shares SEK -659.6 (-182.4) million and a new share issue that added SEK 46.8 (-) million. Net cash for the period was SEK -688.0 (90.0) million.

Truecaller had cash and cash equivalents of SEK 631.3 (1,327.8) million at the end of the period. The equity to assets ratio was 80.7 (77.0) percent. In excess to the cash and cash equivalents Truecaller had SEK 941.3 (400.5) 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 2,160.3 (2,344.4) million at 31 December 2023. The carrying amounts of financial assets and financial liabilities are estimated to coincide with fair value in all material respects.

Employees

There were 419 (395) employees at the end of the period. The average number of employees during the period of January–December was 401 (354).

Investments

During the period, SEK 8.9 (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.

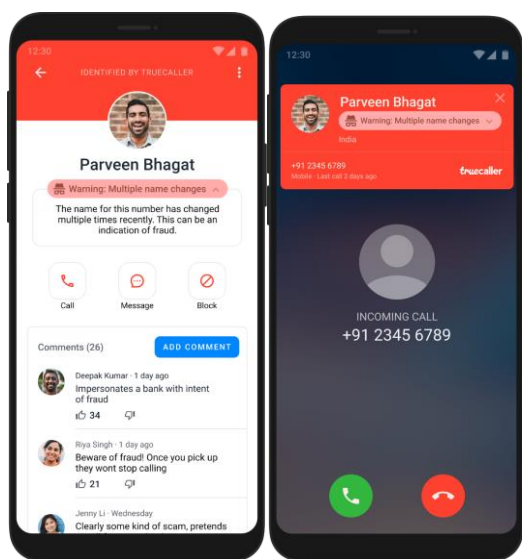
Parent company

Parent company income for the period amounted to SEK 8.2 (6.7) million which refers to billing of subsidiaries for services rendered. The profit before tax amounted to SEK 400.3 (80.5) million where the majority of the result in 2023 is attributable to dividends from subsidiaries and the result in 2022 is attributable to group contribution. The profit after tax amounted to SEK 400.2 (63.9) million. Cash and cash equivalents on 31 December 2023 amounted to SEK 176.5 (305.9) million. In excess to the cash and cash equivalents the parent company has SEK 400.0 (400.5) 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.

Product update

Continued development of core product and fraud protection capabilities

Truecaller's focus on cost optimization throughout the year not only ensured financial resilience, but also enabled further reinvestment in the product offering. Truecaller continues to improve AI Identity, which leverages machine learning to deliver the most up-to-date information about unknown numbers to users in real-time. Machine learning initiatives introduced in the quarter drove continued improvements in identifying spammers even more accurately, with over a million additional spam calls identified on a daily basis. Other AI Identity initiatives introduced in previous quarters have continued to scale well. Contextual Search, which enables the app to provide relevant information about an unknown number (e.g., "Someone you may know"), expanded during the quarter and was made available to more markets. User contributions received through comments and other engagement points in the app have grown in relevance, and the share of user contribution input to AI Identity has expanded, underscoring the increasing importance of user feedback in delivering a relevant user experience.



As fraudulent activity conducted over mobile communication continues to grow globally, Truecaller has increased focus on product initiatives that combat this problem. In the fourth quarter, Truecaller completed its acquisition of Trustcheckr, a service that verifies customer information and detects fraudulent activity. The integration of Trustcheckr's data into Truecaller's consumer platform has further strengthened the app's ability to identify suspicious numbers and alert users in real-time. Other AI-driven fraud prevention initiatives include the introduction of algorithms that distinguish between regular users and potential threats (e.g., fraudulent actors or bots). This not

only reinforces the security of Truecaller's platform, but also addresses emerging threats, reinforcing the company's commitment to ensuring a trusted user experience. Efforts in proactive prevention to inform users about ongoing fraudulent activities continued, with a special focus during the quarter on localization in terms of both content and languages offered.

Other initiatives in the fourth quarter focused on innovation and delivering the best user experience possible. Performance optimization remains a priority, particularly in consideration of catering to Truecaller's growing user base and ensuring smooth functionality on all devices, including those with lower-end specifications. Other benefits from efforts to improve the user experience include better integration with other platforms, enabling seamless communication across apps.

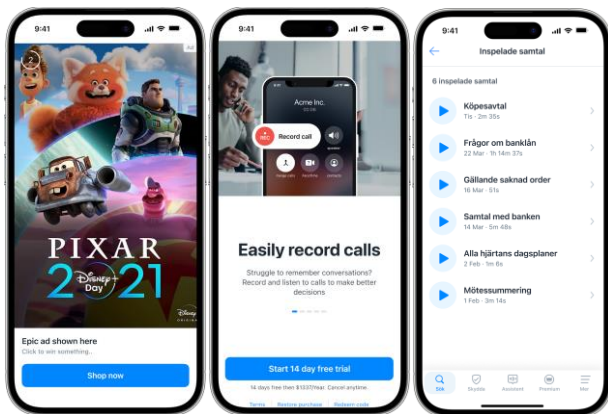
Truecaller continues to build out its machine learning capabilities for further automation and increased fraud protection. Initiatives to expand machine learning applications beyond the core use case of spam and unknown number identification also progressed during the quarter and are expected to facilitate a more intuitive user experience inside the app. One such initiative is Zipzip, Truecaller's AI chatbot deployed on its website, which was built to support Truecaller's expanding user base more efficiently. Early results demonstrate a significant reduction in support ticket volume, nearly halving support workload in the fourth quarter. Product development efforts have also extended beyond the mobile app, and experimentation on other devices such as desktop and wearables have demonstrated promising results. Truecaller's continuous innovation and improvements to the core product have yielded positive results, and by the end of the fourth quarter, in-app engagement grew by 21%

Enhanced monetization on Truecaller for iPhone and Premium offering

Throughout 2023, Truecaller refined its monetization strategy for the iPhone product and overall Premium offering. This shift positions Truecaller to better optimize its revenue streams while improving the user experience across different user journeys, and results from its execution began to materialize in the fourth quarter.

On iPhone, previously an undermonetized platform for Truecaller, the company has achieved substantial progress in revenue growth across both the free and paid versions of the app. The successful introduction of ad inventory in new formats has proven scalable in the fourth quarter, contributing significantly to a notable uplift in advertising revenue from iPhone users, which grew by 76% compared to the same quarter last year. Other targeted

monetization initiatives have yielded positive results, facilitating growth in both subscribers and recurring revenue, particularly in markets with more favorable pricing structures. As the share of iPhone users continues to expand, Truecaller remains committed to investing in product enhancements on the platform, with ongoing improvements ensuring the best search and Caller ID experience in all markets.



Consumer subscriptions more broadly continue to demonstrate robust growth, witnessing year on year growth in both revenue and subscriber base, at 23% and 19% respectively. Truecaller continues to invest in Assistant, a call screening and voice-based virtual assistant available to Premium users on Android and iOS. In the fourth quarter, large language models (LLMs) were integrated into the Premium experience, laying the foundation for deeper integration and smarter products. On Assistant, LLM integration has enabled smart answer detection and handling, in which the caller's response is analyzed to determine its relevance, after which the virtual assistant prompts further investigation. Improved customization opportunities were also introduced, allowing users to type responses during calls, or alternatively create preset replies in lieu of the predefined responses that come with the product. Truecaller also made substantial improvements to transcription quality, with plans to improve the service in other languages. Truecaller continues to expand its market reach for the Assistant, which is now available in seven markets, with South Africa as the latest addition in the fourth quarter. Given encouraging user traction, further market expansion of this product remains a priority, and progress is underway to make Truecaller Assistant available in more countries in the coming months.

Another Premium feature, Call Recording, enables voice-to-text transcriptions of calls and has expanded its availability to seven countries. The true innovation achieved during the quarter, however, is powered by the integration of advanced large language models (LLMs) which take these transcriptions and adeptly condense them into precise summaries and bullet points. This pioneering feature allows users to instantly capture the essence of their calls, transforming extensive dialogues into concise, actionable insights, with the added

convenience of generating subject lines for quick reference. Over time, the integration of LLM models into Truecaller's Assistant technology could enable other exciting use cases, for example live language translation during calls.

Investments in Truecaller's User Monetization Engine (UME), have begun to yield solid returns. Originally developed to target users within the app using various segmentation capabilities, the engine's functionalities were expanded in the fourth quarter not only to enhance subscription conversion, but also to improve subscriber retention. In the fourth quarter, Truecaller witnessed a notable increase in conversion, surpassing previous rates and growing at a noticeably accelerated pace compared to prior this investment was made. Efforts are currently underway to replicate the same tool for iPhone users, further extending the benefits of Truecaller's enhanced monetization strategy to a broader audience.

Continued development of AdTech capabilities

Truecaller's advertising monetization strategy hinges on enhancing supply quality and quantity, access to demand and the ability to effectively match demand with supply to drive revenue goals and deliver return on investment for demand partners. During the fourth quarter, Truecaller continued to execute in this direction, with focused initiatives on both the supply and demand side.

On the supply side, Truecaller continued to optimize the number of ad opportunities created over and above the growth of aggregate app engagement. Foundational metrics such as ad request efficiency, render rate, viewability and ad engagement continue to demonstrate satisfactory gains. The improvement in the quality of Truecaller's supply was recently recognized by Picalate, a leading publisher measurement platform, in their December 2023 ranking of top apps for programmatic advertising in APAC. The introduction of higher-CPM into the iOS experience has led to promising growth in iOS advertising revenue. The impact of such supply side improvements is expected to amplify once the external demand situation improves.

On the demand side, efforts are underway to address broader market challenges by further expanding offerings to direct advertisers through more innovative solutions, payments and pricing models, tailored to their unique advertising objectives. Performance advertising, a key focus within Truecaller's advertising offerings, is facilitated by investments in Truecaller's in-house advertising technology, and has been received very well by existing partners. Truecaller also continues to expand its scope of partnerships with programmatic demand partners globally in order to maximize yield from each ad opportunity.

Investments in Truecaller's inhouse ad server play a pivotal role in facilitating the ability to match the right demand with the appropriate ad opportunity in a timely manner.

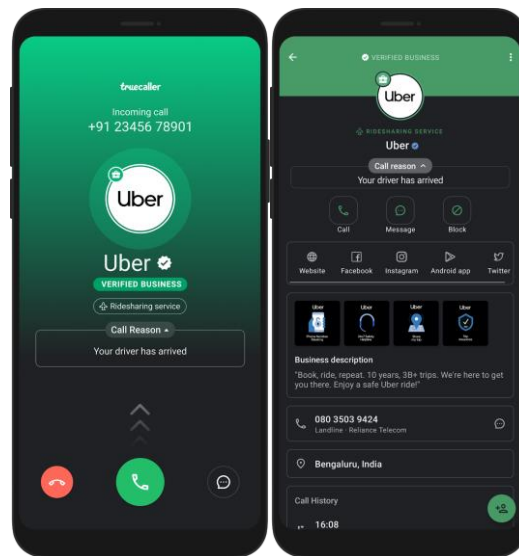
Additionally, the capabilities of the ad server directly influence Truecaller's ability to cater to various advertisers' objectives efficiently. Truecaller is committed to further investing in its in-house ad server, with a focus on evolving into a comprehensive, full-stack advertising solutions partner that caters to a wider range of use cases across the advertising funnel. Performance ads, which help advertisers improve return on investment for different business outcomes such as driving app installs, closing sale transactions, and capturing prospect leads, remained a focal point in 2023. Apart from refining AdTech capabilities, successful delivery on performance campaigns requires close collaboration with other ecosystem players. In the fourth quarter, Truecaller further strengthened its collaboration with ecosystem partners like mobile measurement partners, thereby enhancing its performance offering. Additionally, investments in first-party data continues to augment Truecaller's ability to target, re-target and re-engage users with the most relevant offers and campaigns.

Truecaller's investments in capabilities that enable more customized solutions have scaled well, with meaningful impact delivered to advertisers. For example, Games 24x7, one of India's leading gaming companies, engaged Truecaller to support its user acquisition efforts during the fourth quarter. With a focus on driving lower funnel marketing objectives, Truecaller offered custom targeting, consistent optimization, and customized creatives. This ultimately resulted in over 50,000 installs, translating into 2X growth as compared to previous campaigns executed prior to the partnership with Truecaller. .

"Truecaller's excellent targeting capabilities & creative optimisations have helped us (Games24x7) to acquire high LTV players with impressive performance metrics. We look forward to the exciting growth opportunities ahead"

Expansion of enterprise business and product offering

Truecaller for Business (TfB) developed at a good pace throughout the year, and the fourth quarter witnessed particularly strong growth. In the fourth quarter, TfB's revenue grew by 42% year on year, while the portfolio of accounts surpassed 2,500 business customers, underscoring the growing relevance of Truecaller's solutions. The introduction of new pricing plans and updates to the reseller program structure contributed to Truecaller's success in securing larger, longer-term deals. Demand for TfB's flagship product, Verified Business Caller ID, has developed very well, with large enterprises beginning to dominate the portfolio of business customers. In the fourth quarter, Truecaller also expanded its roster of Verified Business reseller partners to include telecommunication operators, with Tata Teleservices marking the initial collaboration beyond CPaaS players.



The overall client base continues to evolve in a positive direction, and the fourth quarter witnessed even more customers growing their existing business with TfB. In contrast to the same period last year, a large majority of Truecaller's portfolio now comprises customers on long-term plans, indicating the stickiness and relevance of the offering. The fourth quarter also saw notable revenue growth in markets outside of India, with the majority of RoW business customers also committing to longer-term plans.

Business Messaging, a service delivered in partnership with Tanla Platforms Limited, that helps buses distribute messages to end customers in a more reliable and cost efficient way, scaled significantly throughout the year. In the fourth quarter alone, over two billion messages were delivered through the platform, marking over 100% growth in volume compared to the same period last year. The success of this partnership has further strengthened collaboration with Tanla, ensuring growing volumes and enabling opportunities to serve other partners and more business customers via Tanla's network. Truecaller also continued to enhance the offering in the fourth quarter. Rich media capabilities driving dynamic interaction with end users were fully integrated, and are expected to drive increased engagement for businesses.

In the third quarter, Truecaller introduced its new Risk Intelligence offering for businesses, a scoring engine leveraging proprietary machine learning to evaluate the risk associated with phone numbers. In the fourth quarter, the technology of recently acquired Trustcheckr was fully integrated into Truecaller's offering, enhancing the effectiveness of TfB's risk assessments. The offering is currently available to select business customers participating in TfB's Early Access Program, which serves as a testing ground for nascent products ahead of full commercialization. Early results from pilots are encouraging, demonstrating strong relevance to players in the payments and lending sector as these verticals witness demonstrable growth in India.

Other disclosures

Change of number of shares and votes in Truecaller AB

During November 2023 the number of shares and votes in Truecaller AB has changed as a result of exercise of employee stock options of series 2021:6 in accordance with Truecaller's incentive programs. Through the exercise of the employee stock options, the number of shares increased by 25 and the share capital increased by SEK 0.05. As of 31 December 2023, the number of shares in Truecaller amounts to 381,187,529, of which 46,783,800 are ordinary shares of series A with 10 votes per share, 328,803,729 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 762,375.058 SEK. The total number of votes in Truecaller amounts to 802,241,729.

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
- Mattias Lampe, appointed by Peak XV (former 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.

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

Annual report published: during the week that includes 26 April 2024

Interim report January-March 2024: 7 May 2024

Annual General Meeting: 23 May 2024

Interim report January-June 2024: 19 July 2024

Interim report January-September 2024: 7 November 2024

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Auditor's review

This year-end report has not been reviewed by the company's auditor.

This year-end report 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 20 February 2024 at 07.30 CET.

Condensed consolidated statement of profit or loss

Amounts in SEK 000s	Note	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Net sales	3	424,723	444,133	1,728,895	1,772,926
Other income		2,537	7,463	2,598	7,506
Work performed by the entity and capitalized		7,280	-	8,930	5,204
Third party fees		-101,713	-111,094	-421,203	-417,689
Other external costs		-73,968	-120,549	-255,209	-349,750
Employee costs		-90,341	-84,098	-361,127	-301,031
Depreciation, amortization and impairments		-12,208	-9,130	-45,207	-28,664
EBIT (operating profit)		156,310	126,726	657,677	688,502
Net financial income or expense		915	-17,000	54,616	-381
Profit or loss after net financial income or expense		157,226	109,726	712,293	688,121
Tax		-40,993	-24,239	-175,960	-152,891
Profit for the period ¹⁾		116,233	85,486	536,333	535,230
Earnings per share					
Basic earnings per share (SEK)		0.33	0.23	1.49	1.43
Diluted earnings per share (SEK)		0.33	0.23	1.49	1.43
Average number of shares before dilution		353,287,951	371,511,520	359,728,698	373,273,365
Average number of shares after dilution		353,287,951	371,511,520	359,728,698	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 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Profit or loss for the period		116,233	85,486	536,333	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		-12,009	-5,266	-10,533	-753
<i>Items that will not be reclassified to profit and loss in subsequent periods</i>					
Remeasurements of defined-benefit pension plans		3,140	-1,891	3,140	-1,891
Other comprehensive income for the period		-8,868	-7,157	-7,393	-2,645
Comprehensive income for the period ¹⁾		107,364	78,329	528,941	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 31 Dec	2022 31 Dec
ASSETS			
Non-current assets			
Goodwill		45,432	34,530
Other intangible assets		24,993	15,200
Property, plant and equipment		18,352	8,118
Right-of-use assets		118,805	139,777
Non-current financial assets	4	32,698	-
Deferred tax assets		34,878	39,584
Other non-current receivables	4	26,584	16,697
Total non-current assets		301,742	253,906
Current assets			
Current receivables	4	285,995	362,175
Short-term placements	4	941,256	400,490
Cash and cash equivalents	4	631,347	1,327,801
Total current assets		1,858,599	2,090,466
TOTAL ASSETS		2,160,340	2,344,372
EQUITY AND LIABILITIES			
Equity			
Equity attributable to owners of the parent		1,743,703	1,804,093
Total equity		1,743,703	1,804,093
Non-current liabilities			
Liability arising from defined-benefit pension plans		6,608	7,653
Lease liabilities		98,176	118,208
Deferred tax liability		38,731	34,563
Other non-current liabilities	4	9,150	8,395
Total non-current liabilities		152,665	168,819
Current liabilities			
Lease liability		22,763	23,307
Other current liabilities	4	241,208	348,153
Total current liabilities		263,972	371,460
TOTAL EQUITY AND LIABILITIES		2,160,340	2,344,372

Condensed consolidated statement of cash flows

Amounts in SEK 000s	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Operating activities				
Profit or loss after net financial income or expense	157,226	109,726	712,293	688,121
Adjustments for non-cash items	15,447	36,176	26,047	47,094
Income tax paid	-58,876	-122,738	-213,822	-154,078
Cash flow from operating activities before changes in working capital	113,796	23,163	524,519	581,137
Net cash from changes in working capital				
Change in operating receivables	21,714	-26,365	19,066	-50,434
Change in operating liabilities	35,050	49,287	38,377	79,707
Net cash from operating activities	170,559	46,085	581,962	610,410
Investing activities				
Acquisitions of Group companies, net effect on cash and cash equivalents	-22,136	-5,283	-27,422	-32,158
Purchases of property, plant and equipment	-1,243	-5,788	-17,070	-7,594
Purchases of intangible assets	-7,280	-	-8,930	-7,146
Purchases of short-term investments	-	-250,000	-500,000	-250,000
Change in financial receivables	-10,169	-1,511	-40,766	-425
Investment in non-current financial assets	-	-	-32,679	-
Net cash used in investing activities	-40,829	-262,582	-626,868	-297,323
Financing activities				
New share issue	66	-	66	-
Funds received for warrants	-	168	46,718	3,146
Repurchase of warrants	-114	-54	-450	-872
Amortization of lease liability	-7,543	-6,458	-29,869	-19,869
Payout synthetic options	-	-	-	-23,140
Buyback of treasury shares	-173,267	-162,634	-659,548	-182,389
Net cash from (-used in) financing activities	-180,859	-168,978	-643,082	-223,124
Net cash flow for the period	-51,128	-385,474	-687,988	89,963
Cash and cash equivalents at the beginning of the period	694,003	1,718,912	1,327,801	1,238,443
Foreign exchange differences in cash and cash equivalents	-11,528	-5,637	-8,466	-605
Cash and cash equivalents at the end of the period	631,347	1,327,801	631,347	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	-	-	-	535,230	535,230
Other comprehensive income for the period	-	-	-753	-1,891	-2,645
Comprehensive income for the period	-	-	-753	533,339	532,586
<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
Total	11	2,275	-	-142,188	-139,903
Closing balance at 31 December 2022	758	1,710,139	2,400	90,797	1,804,093
Opening balance at 1 January 2023	758	1,710,139	2,400	90,797	1,804,093
Profit for the period	-	-	-	536,333	536,333
Other comprehensive income for the period	-	-	-10,533	3,140	-7,393
Comprehensive income for the period	-	-	-10,533	539,473	528,941
<i>Transactions with owners of the Group</i>					
Share issue	4	46,781	-	-	46,785
Treasury shares after transaction costs	-	-	-	-653,022	-653,022
Warrants	-	-18,622	-	-	-18,622
Share-based payment	-	-	-	35,529	35,529
Total	4	28,159	-	-617,494	-589,331
Closing balance at 31 December 2023	762	1,738,298	-8,133	12,776	1,743,703

Condensed parent company income statement

Amounts in SEK 000s	Note	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Operating revenue		2,003	1,921	8,191	6,734
Other external costs		-2,097	-3,344	-9,918	-13,003
Employee costs		-2,655	-3,062	-11,675	-12,846
EBIT (operating profit)		-2,749	-4,486	-13,403	-19,116
Net financial income or expense		-15,341	2,018	400,695	-2,978
Profit or loss after financial items		-18,090	-2,468	387,292	-22,094
Appropriations		13,000	102,600	13,000	102,600
Profit or loss before tax		-5,090	100,132	400,292	80,506
Tax		1,019	-20,630	-131	-16,598
Profit or loss for the period		-4,071	79,502	400,162	63,908

Condensed parent company balance sheet

Amounts in SEK 000s	Note	2023 31 Dec	2022 31 Dec
ASSETS			
Non-current assets			
Investments in Group companies		10 297 177	10,247,177
Total non-current assets		10 297 177	10,247,177
Current assets			
Current receivables		6,124	12,357
Receivables from Group companies		13,688	106,248
Short-term placements		400,000	400,490
Cash and cash equivalents		176,479	305,935
Total current assets		596,291	825,030
TOTAL ASSETS		10,893,468	11,072,207
EQUITY AND LIABILITIES			
Equity and liabilities			
Equity		10 870 265	11,059,499
Current liabilities		23 203	12,708
TOTAL EQUITY AND LIABILITIES		10 893 468	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.

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 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Amounts in SEK 000s				
Geographical region				
India	311,174	315,089	1,309,882	1,324,080
Middle East and Africa	52,996	62,769	206,366	237,096
Rest of the world	60,553	66,275	212,647	211,750

Revenue from contracts with customers	424,723	444,133	1,728,895	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 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Type of service				
Advertising revenues	318,082	362,284	1,346,114	1,488,558
User revenues	55,689	45,104	206,219	170,507
Truecaller for Business	49,634	34,951	170,198	105,473
Other revenues	1,319	1,794	6,363	8,388
Revenue from contracts with customers	424,723	444,133	1,728,895	1,772,926

Note 4. Financial instruments

Measurement of financial assets and liabilities at 31 December 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	-	26,584	26,584
Non-current financial assets	32,698	-	32,698
Claims on advertising networks and platform owners	-	86,020	86,020
Trade receivables	-	75,965	75,965
Short-term placements	941,256	-	941,256
Cash and cash equivalents	-	631,347	631,347
Total	973,954	819,916	1,793,870
FINANCIAL LIABILITIES			
Trade payables	-	46,149	46,149
Conditional consideration (earnout)	8,404	-	8,404
Total	8,404	46,149	54,553

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. 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-Dec	2022 Jan-Dec
Balance at 1 January	400,490	150,066
Investment in short-term placements	500,000	250,000
Change in value recognized in profit and loss	40,766	424
Closing balance	941,256	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 is classified as a non-current liability.

Conditional consideration (earnout), SEK 000s	2023 Jan-Dec	2022 Jan-Dec
Balance at 1 January	13,301	-
Acquisition value	-	16,785
Payout	-5,550	-5,228
Change in value recognized in profit and loss	653	1,744
Closing balance	8,404	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 2023. 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 has two previously implemented incentive programs, LTIP 2021 and LTIP 2022. Refer to the 2022 annual report for detailed information about the programs.

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.

Costs of incentive programs, SEKm	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Cost of vested warrants per IFRS 2	-0.9	-9.5	-35.1	-28.4
Social insurance contributions	-1.0	-0.3	-4.8	-1.8
Costs of incentive programs	-2.0	-9.9	-39.9	-30.2

Note 6. Treasury shares

Through the share buyback program that was decided on at the annual general meeting on May 26, 2023, Truecaller has bought back 5,875,670 of its own B shares for SEK 173.3 million including transaction costs during the fourth quarter. Truecaller's total holding of own shares thus amounts to 25,267,203 B shares and 5,600,000 C shares. Distribution of shares at the end of the reporting period:

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 32.7 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 5.6 million was paid regarding the acquisition of CallHero. The additional purchase price was paid according to the agreement and had no impact on the group's result.

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 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

Note 9. Related party transactions

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

Note 10. Events after the reporting date

After the end of the reporting period Truecaller has repurchased an additional 243,000 Class B shares for SEK 8.2 million including transaction costs. Truecaller's total holding of treasury Class B shares thus amounts to 25,510,203.

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, 2024-02-20

Nami Zarringhalam
Board Chair

Alan Mamedi
Director and CEO

Annika Poutiainen
Director

Helena Svancar
Director

Bing Gordon
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 non-recurring items affecting comparability.	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 non-recurring items affecting comparability.	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 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Gross profit and gross margin				
Net sales	424.7	444.1	1,728.9	1,772.9
Minus third party fees	-101.7	-111.1	-421.2	-417.7
Gross profit	323.0	333.0	1,307.7	1,355.2
Divided by Net sales	424.7	444.1	1,728.9	1,772.9
Gross margin	76.1%	75.0%	75.6%	76.4%
Adjusted EBITDA and Adjusted EBITDA margin				
EBITDA	168.5	135.9	702.9	717.2
Excluding items affecting comparability	-	-	-	-
Adjusted EBITDA	168.5	135.9	702.9	717.2
Divided by Net sales	424.7	444.1	1,728.9	1,772.9
Adjusted EBITDA margin	39.7%	30.6%	40.7%	40.5%
EBIT (operating profit) and EBIT margin				
EBIT (operating profit)	156.3	126.7	657.7	688.5
Divided by Net sales	424.7	444.1	1,728.9	1,772.9
EBIT margin	36.8%	28.5%	38.0%	38.8%
Adjusted EBIT and Adjusted EBIT margin				
EBIT (operating profit)	156.3	126.7	657.7	688.5
Excluding items affecting comparability	-	-	-	-
Adjusted EBIT	156.3	126.7	657.7	688.5
Divided by Net sales	424.7	444.1	1,728.9	1,772.9
Adjusted EBIT margin	36.8%	28.5%	38.0%	38.8%
Equity to assets ratio				
Total equity	1,743.7	1,804.1	1,743.7	1,804.1
Divided by Total assets	2,160.3	2,344.4	2,160.3	2,344.4
Equity to assets ratio	80.7%	77.0%	80.7%	77.0%