

A young woman with dark hair and glasses is looking down at her smartphone. She is wearing a light blue denim jacket over a white and black striped shirt. The background is a blurred green outdoor setting.

INTERIM REPORT

January-June 2023

truecaller

Truecaller Interim Report

April-June 2023 (Q2)

Comparative figures refer to April-June 2022

- **Net sales** increased by 8 percent to SEK 518.4m (480.4).
- **Adjusted EBITDA** amounted to SEK 238.5m (218.5), corresponding to an adjusted EBITDA margin of 46.0 (45.5) percent. Excluding the costs of incentive programs, adjusted EBITDA would have been SEK 249.7m (225.4), equivalent to an adjusted EBITDA margin of 48.2 (46.9) 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 205.9m (172.7).
- **Basic earnings per share** were SEK 0.56 (0.46) and diluted earnings per share were SEK 0.56 (0.46).
- **The average number of active users** (MAU) increased by 34.2 million to approximately 355.6 million (321.4).
- **Net sales** increased by 9 percent in India, decreased by 4 percent in the Middle East and Africa and increased by 13 percent in the rest of the world.

January-June 2023

Comparative figures refer to January-June 2022

- **Net sales** increased by 3 percent to SEK 905.5m (878.7).
- **Adjusted EBITDA** amounted to SEK 388.6m (399.8), corresponding to an adjusted EBITDA margin of 42.9 (45.5) percent. Excluding the costs of incentive programs, adjusted EBITDA would have been SEK 410.8m (410.2), equivalent to an adjusted EBITDA margin of 45.4 (46.7) 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 315.1m (306.4).
- **Basic earnings per share** were SEK 0.86 (0.82) and diluted earnings per share were SEK 0.86 (0.82).
- **The average number of active users** (MAU) increased by 34.2 million to approximately 350.0 million (315.8).
- **Net Sales** increased by 4 percent in India, decreased by 8 percent in the Middle East and Africa and increased by 7 percent in the rest of the world.

FINANCIAL KEY FIGURES

Group, SEKm (unless otherwise stated)	2023	2022	2023	2022	2022
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net sales	518.4	480.4	905.5	878.7	1,772.9
Gross profit	395.3	374.2	686.3	685.4	1,355.2
Gross margin (%)	76.3%	77.9%	75.8%	78.0%	76.4%
Adjusted EBITDA	238.5	218.5	388.6	399.8	717.2
Adjusted EBITDA margin (%)	46.0%	45.5%	42.9%	45.5%	40.5%
EBIT (operating profit)	227.8	212.9	367.6	388.3	688.5
EBIT margin (%)	43.9%	44.3%	40.6%	44.2%	38.8%
Adjusted EBIT	227.8	212.9	367.6	388.3	688.5
Adjusted EBIT margin (%)	43.9%	44.3%	40.6%	44.2%	38.8%
Profit or loss after net financial income or expense	260.0	222.1	407.1	392.2	688.1
Basic earnings per share (SEK)	0.56	0.46	0.86	0.82	1.43
Diluted earnings per share (SEK)	0.56	0.46	0.86	0.82	1.43
Equity	1,827.1	1,745.9	1,827.1	1,745.9	1,804.1
Total assets	2,221.8	2,126.9	2,221.8	2,126.9	2,344.4
Equity to assets ratio (%)	82.2%	82.1%	82.2%	82.1%	77.0%
Employees at the end of the period	400	351	400	351	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.

- **Increased user growth** The improvements made to the user experience in the app, the improved and simplified onboarding flow, a reduced churn of existing users and the concentrated user acquisition strategy have increased user growth. All regions showed solid growth and in regions outside Truecaller's largest markets, India and Africa and the Middle East, growth was the highest to date. The highest relative growth occurred in markets such as Southeast Asia and South and Central America. During the quarter, a record was also broken when it comes to the percentage of users who use the app daily, as 81.4 percent of the monthly active users (MAU) were also daily active users (DAU). Growth continues on both Android and iOS.
- **Increased conversion to the premium offering** Truecaller's positive development with more paying users continues. During the quarter, the rollout of value-creating services from Truecaller's cloud telephony platform continued, including the launch of Truecaller Assistant in Australia, Canada and at the end of the quarter also in India. Voice-recording was launched in the USA and will be launched in more markets during the third quarter. The launch of new paid plans such as the Family Plan also continues to attract new paying users.
- **Truecaller for Business continues to grow with new customers and with existing customers.** During the quarter, Truecaller's business customer base continued to grow. Growth in countries outside India increased. Some of the new customer additions were Volvo, PayTM Lending, National Bank of Kuwait and Domino's. In connection with contract extensions with a couple of Truecaller's largest customers, the contracts were further extended and are now the largest contracts to date. During the quarter, the Business messaging product continued to grow, delivering more than 2.2 billion messages during the quarter, the highest volume to date.

Other significant events

- **On May 26, Truecaller's annual general meeting was held** where the board was re-elected in its entirety and Nami Zarringhalam was elected as the new Chairman of the board. The AGM also authorized the board to issue up to 10 percent of the number of outstanding shares at the AGM. The board was also authorized to repurchase B shares amounting to a maximum of 10 percent of the number of outstanding shares at the time of the AGM, which includes the shares repurchased up to and including the AGM 2023. The AGM also decided on the introduction of a new incentive program for Truecaller's staff, LTIP 2023. All information about the annual general meeting is available on Truecaller's website.
- **On June 7, Truecaller's board decided to use the authorization from the annual general meeting to buy back B shares.** The total number of shares that may be bought back corresponds to 37,905,971 shares (10 percent of outstanding shares at the time of the annual general meeting) and the authorization is valid until the next annual general meeting in May 2024. As of June 30, a total of 15,012,779 B shares have been repurchased, which includes the shares that were repurchased with the previous mandate given by the 2022 Annual General Meeting. See note 6 for more information. 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.
- **On June 16, Truecaller informed that the board used the authorization to issue and buy back C shares to ensure the company's commitments according to LTIP 2023.** A total of 500,000 C shares were issued and bought back, which may later be converted into B shares.



SECOND QUARTER 2023

Record quarter despite macroeconomic headwinds

Truecaller's second quarter was our strongest quarter to date in terms of number of users as well as revenue and profit. I am especially proud that we accomplished this despite macroeconomic challenges which are putting pressure on demand for advertising and declining sales of new smartphones.

Demand for our products are increasing and our user growth has accelerated. During the quarter, we had an average of 355.6 million (321.4) monthly users. Our growth in daily active users is the highest since the end of 2020 and we are attracting more users in all regions and on both iOS and Android. Growth in markets outside our largest markets – India as well as Africa and the Middle East – is at a record high. In selected growth markets like Malaysia, Indonesia, Colombia, Chile and the US the annualized growth rate in Q2 was above 30 percent. User growth is still primarily organic and with lower marketing expenses than the previous year, clearly demonstrating the increased need for our products. Our long term focus to build an even stronger value proposition to increase the daily engagement per daily active user is showing great results, and we see features such as Commenting, AI Assistant, Smart SMS to name a few features, generating significantly higher engagement and long term retention.

Quarterly revenue amounted to SEK 518.4m (480.4). All revenue streams, ads, subscriptions and Truecaller for Business grew healthy. Revenue from Truecaller for Business grew the fastest.

EBITDA amounted to SEK 238.5m (218.5), corresponding to an EBITDA margin of 46.0 percent (45.5). Lower marketing costs and the fact that we have successfully made investments in efficiency improvements to our technical platform, enables us to maintain total costs at the same level as last year. Among other things, the investments in user acquisition have been focused on a smaller number of focus markets where cost effectiveness and ROI is high.

On a seasonal basis, the second quarter is strong for our largest revenue source, ad revenues. In total, ad revenues amounted to SEK 425.2m (414.2). Just like last year, demand for digital advertising grew sharply during India's largest sporting event, the Indian Premier League (IPL) in cricket. This is because Truecaller, as an advertising platform, is well suited for advertisers that want to reach a large audience quickly as Truecaller is used by 216 million people in India each day that on average use Truecaller 30 times a day.

The impact of the IPL was just as strong this year as in 2022, while advertising demand in general remains lower than last year. General demand has stabilized, and at this point we expect neither a further weakening nor a significant improvement compared to the end of the first quarter. We are responding to the lower demand by continuing to invest in a more efficient technical platform and new features to increase engagement in the product and thereby raise the number of ad impressions of performance driven ads. During the second quarter, ad volume on Truecaller's own advertising platform continued to increase, leading to better margins, more control and less dependence on external advertising platforms.

Subscription revenue increased by 21 percent to SEK 50.1m (41.4). We continue to increase conversion to paying customers and the number of subscriptions rose by 21 percent, exceeding user growth, which was 13%. During the quarter, we added more capabilities to the premium subscription with features from our cloud telephony platform. The AI-based Truecaller Assistant was launched in Canada and Australia, and at the end of the quarter in India as well. Call Recording, which is also AI-based, was launched in the US and will gradually be introduced in more markets. These features have already begun to contribute to revenue growth and we are also seeing a positive contribution from users choosing longer subscriptions. Subscribers who are choosing new pricing plans such as Truecaller's family plan and adding the AI assistant beyond the basic package are contributing positively to our revenue.

Truecaller for Business continues to prosper with new features and an increased number of customers. Revenue grew by 75 percent to SEK 41.8m (23.6). We continue to see solid demand in India as well as other regions. While the business is growing, we are working diligently to expand our product portfolio in order to help our customers be more effective in their day-to-day operations. During the quarter, a number of major agreements were renewed and now include a larger share of our customers' operations and/or more features, which has contributed to higher revenue. Truecaller Business Messaging continued to develop well and volumes set a new record during the quarter.

The rise of Artificial Intelligence (AI) is an important change driver for our business. Impersonations, phishing attempts and overall sophistication of scams is increasing rapidly across a wider variety of channels due to the use of AI based technologies. We are adapting our solutions to better enable consumers and businesses to protect themselves. There is no one better positioned than Truecaller to solve this given our distribution, data models and data sources. The development of AI technology and machine learning models continued during the quarter in order to proactively identify texting scam attempts. A Caller ID solution for WhatsApp calls was launched in response to the growing problem in some markets of unwanted communication on this channel. Creating tools to reduce the risk of scams is an area where we will continue to

invest and where we are seeing growing interest in better solutions from both businesses and consumers.

Additionally, AI offers us the ability to do things that delight users and save time. Our AI powered call assistant is a great example. We have been encouraged by the early response of the initial product, and we know there is a lot more that is possible. Additionally we are planning solutions for businesses that enable better understanding of customer interactions, and driving longer term relationships.

” We intend to deliver good profitability through the entire economic downturn, at the same time that we plan to take advantage of opportunities that might arise. We continue to develop our various revenue streams as well as our various regional markets to reduce long-term revenue concentration. ”

Our cash flow from operating activities before tax and changes in operating receivables remains strong and amounted to SEK 249.7m (222.8). We have a stable balance sheet with no debt and with a cash position and holdings in short-term interest-bearing securities that amounted to SEK 1.6bn at the end of the quarter. We also currently hold 20.6 million Class B and C shares, and with the expanded mandate from the Annual General Meeting there is an opportunity to repurchase an additional 17.3 million shares before the 2024 AGM.

In summary, we are reporting Truecaller's strongest quarterly profit ever with accelerating user growth. Seasonally, the second quarter is strong, but in general ad demand is lower than last year and economic conditions and their impact on the advertising market remain difficult to predict. The weaker advertising market that we saw the effects of from the fourth quarter of 2022 persists, but demand has stabilized.

We continue to focus on what we can control to ensure that we are even stronger once demand turns higher again. Our user base continues to grow at a rapid rate since the problems we solve are global, and growing. We continuously develop our world-leading product for our users, and we are increasing engagement among users by adding capabilities. We intend to deliver good profitability through the entire economic downturn, at the same time that we plan to take advantage of opportunities that arise. We continue to develop our various revenue streams as well as our various regional markets to reduce long-term revenue concentration. Taken together, this provides excellent opportunities for a very positive development once economic conditions improve and demand for digital advertising regains momentum.

Alan Mamedi, CEO and Co-founder

Truecaller at a glance

Quarterly review, financial data

FINANCIAL KEY FIGURES

Group, SEKm (unless otherwise stated)	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Net sales	518.4	480.4	905.5	878.7	1,772.9
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Adjusted EBITDA	238.5	218.5	388.6	399.8	717.2
Adjusted EBITDA margin (%)	46.0%	45.5%	42.9%	45.5%	40.5%
EBIT (operating profit)	227.8	212.9	367.6	388.3	688.5
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Profit or loss after net financial income or expense	260.0	222.1	407.1	392.2	688.1
Basic earnings per share (SEK)	0.56	0.46	0.86	0.82	1.43
Diluted earnings per share (SEK)	0.56	0.46	0.86	0.82	1.43
Equity	1,827.1	1,745.9	1,827.1	1,745.9	1,804.1
Total assets	2,221.8	2,126.9	2,221.8	2,126.9	2,344.4
Equity to assets ratio (%)	82.2%	82.1%	82.2%	82.1%	77.0%
Employees at the end of the period	400	351	400	351	395

OPERATIONAL KEY FIGURES

April-June 2023	Total	India	Middle East & Africa	Rest of the world
Monthly Active Users (MAU), quarterly average (millions)	355.6	255.4	72.5	27.7
Daily Active Users (DAU), quarterly average (millions)	289.3	216.3	54.8	18.2
Cost per mille impressions (CPM) for ad sales (SEK)	1.28	1.21	1.38	3.02
Average revenue per user (ARPU) for premium subscriptions (SEK)	8.60	5.18	10.74	13.82

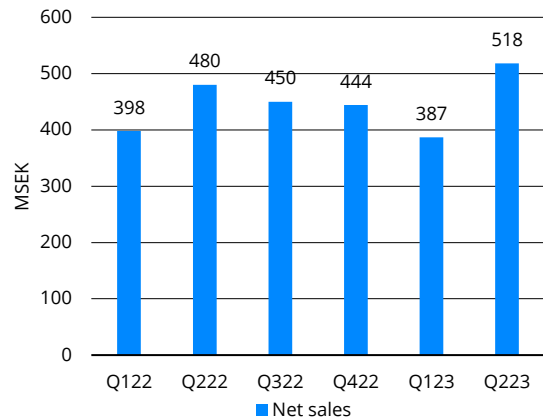
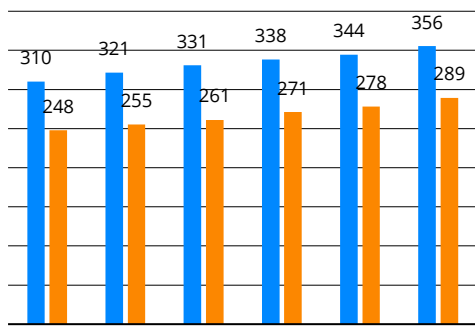
April-June 2022	Total	India	Middle East & Africa	Rest of the world
Monthly Active Users (MAU), quarterly average (millions)	321.4	235.5	62.8	23.1
Daily Active Users (DAU), quarterly average (millions)	255.4	194.4	46.0	15.0
Cost per mille impressions (CPM) for ad sales (SEK)	1.49	1.41	1.64	3.44
Average revenue per user (ARPU) for premium subscriptions (SEK)	8.72	5.15	10.59	12.53

January-June 2023

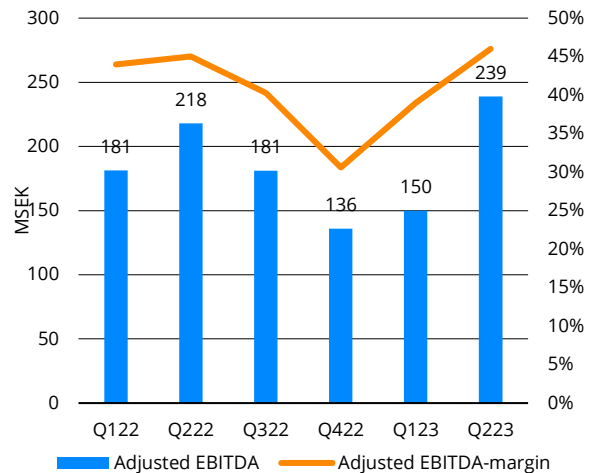
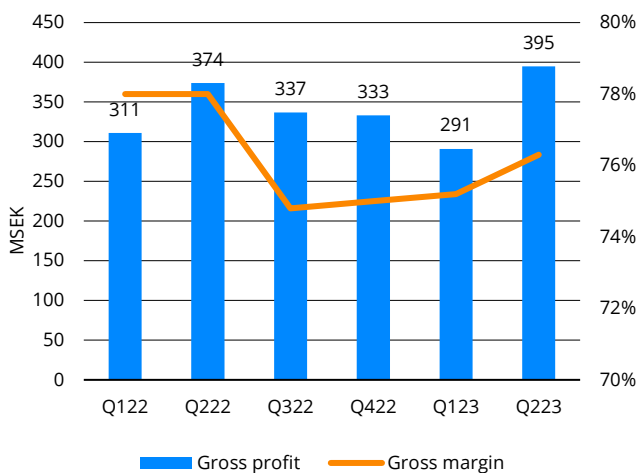
	Total	India	Middle East & Africa	Rest of the world
Monthly Active Users (MAU), quarterly average (millions)	350.0	252.3	71.2	26.5
Daily Active Users (DAU), quarterly average (millions)	283.7	212.6	53.6	17.5
Cost per mille impressions (CPM) for ad sales (SEK)	1.11	1.03	1.37	3.07
Average revenue per user (ARPU) for premium subscriptions (SEK)	8.47	4.98	10.84	13.59

January-June 2022

	Total	India	Middle East & Africa	Rest of the world
Monthly Active Users (MAU), quarterly average (millions)	315.8	231.7	61.5	22.6
Daily Active Users (DAU), quarterly average (millions)	251.6	191.9	45.1	14.6
Cost per mille impressions (CPM) for ad sales (SEK)	1.36	1.27	1.60	3.31
Average revenue per user (ARPU) for premium subscriptions (SEK)	8.39	4.82	10.35	12.18



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



Financial performance

Second quarter 2023 (April-June)

Revenues

Net sales during the second quarter increased by 8 percent compared to the corresponding quarter last year and amounted to SEK 518.4 (480.4) million. Revenue increased for all income streams, ads, subscriptions and the business offering, Truecaller for Business (TfB). Currency effects had a very limited positive effect on revenues during the quarter, see Currency exposure below.

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

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

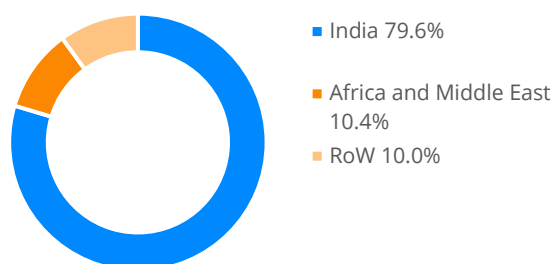
The last year, new smartphone sales declined globally. This has had some impact on the growth in the number of monthly active users (MAU) of Truecaller's app, as many choose to start using the app when they get their first smartphone, or switch to a more modern version.

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

Revenues distributed by region

Net sales in India increased by 9 percent to SEK 412.9 (378.7) million, in the Middle East & Africa it decreased by 4 percent to SEK 53.7 (55.9) million and in the rest of the world it increased by 13 percent to SEK 51.9 (45.8) million. The lower income in

Middle East and Africa is mostly due to lower income in Truecaller's largest market in the region, Egypt. The lower income in Egypt is due to a weaker macro economy which has decreased the demand for Ads and led to a depreciation of the currency.



Revenues distributed by service

Ad revenues increased by 3 percent to SEK 425.2 (414.2) million. Truecaller continuously optimizes the balance between prices (CPM) and utilization (fill rate) of the company's advertising space. CPM therefore varies between quarters, as a consequence of seasonal and macroeconomic variations in demand in different geographies, the mix between different types of ads and the mix between direct sales and sales via partners such as Google and Facebook.

Compared to the corresponding quarter last year, prices (CPM) decreased by approximately 14 percent. The price reduction is due to lower demand in the wake of weak macroeconomic development. Many companies have become more cautious about marketing investments, and have either postponed these, or have chosen to reduce their digital advertising budgets. This effect has become increasingly clear even in markets where the underlying macroeconomic development remains good, such as India. During the second quarter the Indian Premier League in cricket was held which increased demand for digital advertising which impacted prices and income positively.

The effects of the weak demand and price trend have been partially counteracted thanks to investments and improvements in Truecaller's advertising platform, which has enabled a greater number of ads to be displayed than was the case before. This means that the company is even stronger than before once the economy turns upwards and demand increases. The number of impressions increased by 21 percent compared to the same period last year.

On the supply side, the continuous user growth also increases our available advertising space. We are also working on continued optimization of the utilization of advertising space, with the aim of increasing both fill rate and prices. On the demand side, we continue to increase our advertiser base, as well as making it easier for advertisers to use our services

without intermediaries, which has a positive effect on our profitability while helping us to increase fill rates.

Revenue from premium subscriptions increased by 21 percent to SEK 50.1 (41.4) million. This is primarily an effect of more premium subscribers which grew with 22 percent. The growth in the number of subscriptions and subscription revenue occurs in most regions and for both Android and iOS users. During the last year Truecaller has included more features to the premium offering and launched new price plans which has had a positive effect on the growth of number of subscribers.

Revenue from Truecaller for Business (TfB) amounted to SEK 41.8 (23.5) million. The demand for these services is still very high in several of our established markets, as many companies need to maintain a secure communication channel to their customers. The number of connected customers continues to show good growth both in India and in other markets, and in total Truecaller for Business now has active customers in 36 countries. The services are sold through direct sales, through partners and through a self-service portal. In collaboration with CPAAS company Tanla, Truecaller also sends B2C messages to Truecaller's users. The volumes of business messages have gradually increased.

Other income amounted to SEK 1.4 (1.2) million.

Gross profit

The gross profit increased by 6 percent to SEK 395.3 (374.2) million compared to the same period last year. The gross margin amounted to 76.3 (77.9) percent but increased compared to the last three quarters. The gross margin is partly determined by fees to partners such as Google and Apple, partly by costs for verification of new users and for servers used for the company's services. During the second half of 2022, transparency was improved from partners who previously did not specify brokerage costs for advertisements. Truecaller are now receiving information about brokerage costs, which will partly increase revenues somewhat, and partly will be included in the reported costs of goods sold. This has a certain negative impact on the gross margin compared to the comparison period.

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

Verification costs are proportional to growth in the customer base but are also affected by how local telecom operators price their messaging services. The cost of server hosting is, in the short and medium term, relatively independent of traffic volumes, but rises when these reach new volume bands. The costs both for messaging services used for verification of new users and for servers increased compared to the comparison period, which had a certain negative impact on the gross margin. Initiatives to increase efficiency linked to these costs have been taken in 2023 and the cost of server hosting has been stable since the fourth quarter of 2022.

Operating profit

Operating profit before depreciation and write-downs excluding items affecting comparability (adjusted EBITDA) amounted to

SEK 238.5 (218.5) million. The adjusted EBITDA margin amounted to 46.0 (45.5) percent.

Operating profit (EBIT) increased to SEK 227.8 (212.9) million, corresponding to an operating margin of 43.9 (44.3) percent. Operating profit has improved thanks to increases in revenue for all revenue types, with the largest contribution coming from Truecaller for Business. The costs were stable compared to the previous year.

The company will 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. Costs excluding incentive costs is stable compared to the comparison period and decreased compared to the last three quarters as a result of a number of efficiency improvements during the end of 2022 and the first quarter of 2023. Among other things, the investments in user acquisition have been focused on a smaller number of focus markets where the cost effectiveness is high.

Staff costs during the quarter increased to SEK 92.5 (78.6) million. Salary costs increased as an effect of increased number of employees and salary adjustments. 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 10.4 (5.9) million with a corresponding increase in equity and social security contributions of SEK 0.8 (1.0) million reported as a provision in the balance sheet. Salary costs are valued at fair value and amortized over the term of the program. The social security contributions are affected by the share price at the end of each accounting period and may therefore amount to significantly higher amounts in the future and create volatility in the income statement. In order to clarify the distribution of staff costs between staff costs attributable to salaries, and personnel costs related to performance or share price-related incentive programs, the company will continue to report the latter separately. Excluding costs for incentive programs, the EBITDA margin during the quarter would have increased by 2.2 (1.4) percentage points and been 48.2 (46.9) percent. See more info in note 5.

Other external costs decreased to SEK 65.0 (79.2) million compared to the same period last year. The reduction in costs is primarily an effect of investments in user growth and marketing being focused on a smaller number of markets where cost efficiency is high.

Profit and earnings per share for the period

Profit before tax increased by 17 percent to SEK 260.0 (222.1) million. Profit after tax for the period was SEK 205.9 (172.7) million. Net financial income amounted to SEK 32.2 (9.2) million and comprises positive exchange rate differences of SEK 28.3 (11.4) million, interest income of SEK 5.3 (-0.8) million and other financial expenses of SEK -1.3 (-1.3) million.

The total tax amounted to SEK 54.1 (49.4) million which corresponds to an effective tax rate of 20.8 (22.3) percent for the group.

Basic earnings per share were SEK 0.56 (0.46) and diluted earnings per share were SEK 0.56 (0.46).

Cash flow and financial position

Net cash from operating activities amounted to SEK 205.5 (280.9) million of which SEK 2.2 (61.8) million was attributable to

changes in working capital and SEK -45.5 (-3.7) million was attributable to income tax paid. Net cash from investing activities amounted to SEK -45.8 (-2.5) million and included an investment in non-current financial assets of SEK -32.8 (-) million. Net cash used in financing activities was SEK -149.0 (-4.1) million and included purchase of treasury shares SEK -140.7 million in the current period. Net cash for the period was SEK 10.7 (274.3) million. Truecaller had cash and cash equivalents of SEK 714.6 (1,578.3) million at the end of the quarter. The equity to assets ratio was 82.2 (82.1) percent. In excess to the cash and cash equivalents Truecaller had SEK 918.6 (148.6) 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 2,221.8 (2,126.9) million at 30 June 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 (40.2) million and claims on advertising networks and platform owners amounted to SEK 98.5 (97.2) 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. A structured credit review process in combination with non-paying customers being quickly suspended from the company's services and proactive assurance that customers pay their invoices with minimal delay has resulted in limited customer losses. Recognized but unrealized customer credit losses amounted to SEK 3.9 (1.4) million as of 30 June 2023. The increase in claims on advertising networks and platform owners is mainly linked to outstanding claims against Google and Facebook.

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 second quarter of 2023, SEK 0.5 (3.0) 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 very limited positive impact on sales during the second quarter of 2023 compared to the corresponding quarter in 2022. The company's estimate is that exchange rate changes did not affect the EBITDA margin.

Parent company

Parent company income for the quarter amounted to SEK 2.6 (1.8) million which refers to billing of subsidiaries for services rendered. The profit before tax amounted to SEK 401.6 (-7.2) million where the majority of the result is attributable to dividends from subsidiaries. The profit after tax amounted to SEK 401.2 (-5.7) million. Cash and cash equivalents on 30 June 2023 amounted to SEK 41.2 (721.6) million. In excess to the cash and cash equivalents the parent company has SEK 410.4 (148.6) 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 – June 2023

Revenues

Net sales for the period January-June amounted to SEK 905.5 (878.7) million, an increase of 3 percent compared to the same period last year. Net Sales for Truecallers business offering, Truecaller for Business and subscription revenue increased, while advertising revenue decreased slightly. Currency effects had a minor positive effect on revenues during the quarter, see Currency exposure below. revenue, see Currency exposure below.

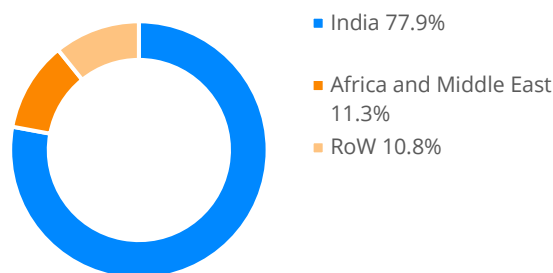
Revenues distributed by region

Net sales in India grew 4 percent during the period to SEK 705.1 (675.4) million, in the Middle East and Africa it decreased by 8 percent to SEK 102.8 (112.2) million and grew in the rest of the world by 7 percent to SEK 97.6 (91.0) million.

Revenues distributed by service

Advertising revenues decreased by 3 percent to SEK 729.1 (753.2) million. Revenues from premium subscriptions increased by 20 percent to SEK 96.6 (80.3) million, primarily an

effect of an increase in the number of premium subscribers. Revenues from Truecaller for Business amounted to SEK 76.1 (41.9) million.



Gross profit

Gross profit was SEK 686.3 (685.4) million, which decreased the gross margin by 2.2 percentage points to 75.8 (78.0) 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. In the second half of 2022, transparency was improved from partners who previously did not specify brokerage costs for ads. We are now receiving information about brokerage costs, which partly increase the income slightly, and partly is included in the reported costs of goods sold. This had a certain negative impact on the gross margin compared to the comparison period. 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 388.6 (399.8) million. The adjusted EBITDA margin amounted to 42.9 (45.5) percent.

Operating profit (EBIT) amounted to SEK 367.6 (388.3) million, corresponding to an operating margin of 40.6 (44.2) percent. EBIT excluding items affecting comparability (adjusted operating profit) amounted to SEK 367.6 (388.3) million with an adjusted operating margin of 40.6 (44.2) percent.

Staff costs amounted to SEK 177.3 (137.3) 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 21.0 (9.3) million with a corresponding increase in equity and social security contributions of SEK 1.2 (1.0) million reported as a provision in the balance sheet. Excluding costs for incentive programs, the EBITDA margin during the quarter would have increased by 2.5 (1.2) percentage points and been 45.4 (46.7) percent. See more info in note 5.

Other external costs amounted to SEK 122.1 (152.6) 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 the first quarter of 2023.

Profit and earnings per share for the period

Profit before tax amounted to SEK 407.1 (392.2) million. Profit after tax for the period was SEK 315.1 (306.4) million. Net financial income amounted to SEK 39.4 (3.9) million and comprises positive exchange rate differences of SEK 32.7 (12.3) million, interest income of SEK 9.4 (-5.8) million and other financial expenses of SEK -2.7 (-2.6) million.

The total tax amounted to SEK 92.0 (85.8) million, which corresponds to an effective tax rate of 22.6 (21.9) percent for the group.

Basic earnings per share were SEK 0.86 (0.82) and diluted earnings per share were SEK 0.86 (0.82).

Cash flow and financial position

Net cash from operating activities amounted to SEK 285.6 (402.4) million of which -29.1 (14.6) is due to changes in working capital and -92.1 (-13.9) is due to income taxes paid. Net cash

used in investing activities amounted to SEK -564.9 (-31.6) million and included an investment in short term interest funds of SEK 500.0 (-) million and an investment in non-current financial assets of SEK -32.8 (-) million. Net cash used in financing activities was SEK -338.1 (-32.8) million and included purchase of treasury shares SEK 322.9 million in the current period. Net cash for the period was SEK -617.4 (338.0) million. Truecaller had cash and cash equivalents of SEK 714.6 (1,578.3) million at the end of the period. The equity to assets ratio was 82.2 (82.1) percent. In excess to the cash and cash equivalents Truecaller had SEK 918.6 (148.6) 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 2,221.8 (2,126.9) million at 30 June 2023. The carrying amounts of financial assets and financial liabilities are estimated to coincide with fair value in all material respects.

Employees

There were 400 (351) employees at the end of the period. The average number of employees during the period of January-June was 401 (329). Truecaller is in a phase of strong growth and the company has identified a need to continue adding skills to the organization.

Investments

The Group began capitalizing development costs in 2021 when certain initiated projects were assessed as meeting the criteria under IAS 38. Development costs for these projects have therefore been capitalized. During the period, SEK 1.7 (5.7) 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 very 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 4.2 (2.9) million which refers to billing of subsidiaries for services rendered. The profit before tax amounted to SEK 403.0 (-12.6) million where the majority of the result is attributable to dividends from subsidiaries. The profit after tax amounted to SEK 402.4 (-10.0) million. Cash and cash equivalents on 30 June 2023 amounted to SEK 41.2 (721.7) million. No investments have taken place in intangible or tangible assets. At the end of the period, 2 (2) people were employed in the parent company.

Product update

Truecaller's second quarter included several important product releases as well as a continued focus on cost-effectiveness. The products from the Cloud Telephony platform have seen significant growth and were expanded regionally. Investments were made in improving the capabilities to combat fraudulent communication and continued building monetization efficiency across the Truecaller Ads platform, Truecaller for Business, and user subscriptions.

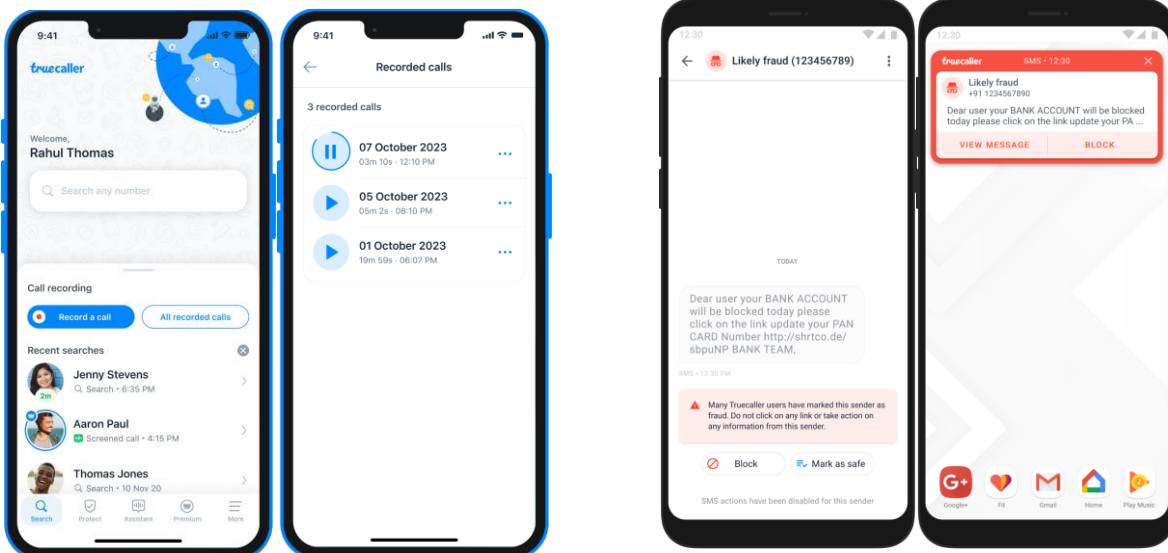
Expansion of products using cloud telephony technologies

Just before the end of Q2, Truecaller Assistant was launched in the Indian market in English and Hindi. The integration of Hindi marked a milestone, being the first time an additional language was incorporated into the product. The process was considerably challenging, especially given the vast complexity of Hindi as a language, such as its grammar, syntax, pronunciation, and its extensive use of transliteration. The product is now available across India on the Android platform as well as in Canada and Australia on both Android and iOS.

Since the US release of Truecaller Assistant in the second half of last year, the team has worked on refining and adapting the product experience to local market needs. Early indicators show that adoption is higher than expected. In addition to the release of the Assistant, the highly requested feature Call Recording was launched on iOS in the US and Australia. Call Recording on Truecaller includes call transcribing, automatic call subject creation, and the choice of saving the recordings on either the local device or on the cloud. Cloud Telephony presents a platform with huge potential. Its flexible and scalable infrastructure allows for the rapid deployment of new features in local markets. With each new release, the company demonstrates its commitment to providing cutting-edge solutions, reinforcing the strategic importance of the Call Hero acquisition.

Focused efforts on stronger fraud protection

As technology advances, so do the tactics of bad actors who seek to deceive and defraud innocent individuals. Truecaller continues to work tirelessly to provide state-of-the-art solutions that address these risks as they become more prevalent. In light of this, the company has ramped up efforts to combat fraud beyond phone calls. Truecaller further leveraged on-device machine learning algorithms to proactively identify and flag fraudulent SMS messages, thereby preventing users from falling prey to malicious content or scams. The service is designed such that potentially unsafe links within SMS messages are automatically disabled, adding an extra layer of security for users. The company continues to develop more features that support fraud prevention across multiple channels to protect users from these growing threats. This initiative is enhanced by partnerships with established players including Tanla, enabling a comprehensive approach to identifying fraudulent senders and messages. Supporting the focused efforts on this, the feature Message ID - Caller ID for SMS, released during the first quarter, to better alert users about the identity and purpose of an incoming message continues to show positive growth, rendering more than 200 million daily impressions. Everyday fraud includes the combination of calls and messages (such as OTPs) and by enhancing the information's relevance the ability to protect strengthens.



Truecaller's advanced Caller Identification technology, including AI Identity and user comments, was expanded, showing increased in-app engagement as a result. During the second quarter, Truecaller released Caller ID for WhatsApp calls - a feature that can identify calls coming from WhatsApp, as a response to a growing issue in certain markets. On iOS, this is possible with the use of Live Caller ID which was introduced in the first quarter of 2023.

The second quarter also included improvements on iOS in this space with enhancements to the block and reporting capabilities. Message filtering was introduced to new markets as well as new more solid capabilities to block and report. The iOS team also made improvements to the Caller ID algorithm for a better Caller ID experience.

Improvements to monetization capabilities

The development of Truecaller's paid services continues to show a positive trend, culminating in an all-time high in subscribers at the end of the quarter. There's an increased interest in annual plans and the average subscriber base grew by 21% in comparison with the second quarter of 2022 (YoY). The focus is to deliver fundamental value with communication technologies to the subscribers, and the Cloud Telephony platform is utilized to achieve this goal. All released products from that platform are now integrated into the paid plans which naturally acts positively to both new sales and retention. The previously released Family Plan has been strengthened during the quarter with improvements to the management of members. There's a noticeable trend that many new subscribers start their journey with Family Plan, indicating a low rate of cannibalization among single plan users. The efforts in improving the paid offering on iOS with Live Caller ID and Call Recording have been well received during the second quarter. Good growth was experienced on the iOS platform with the number of subscribers increasing by 8% quarter on quarter and 25% year on year.

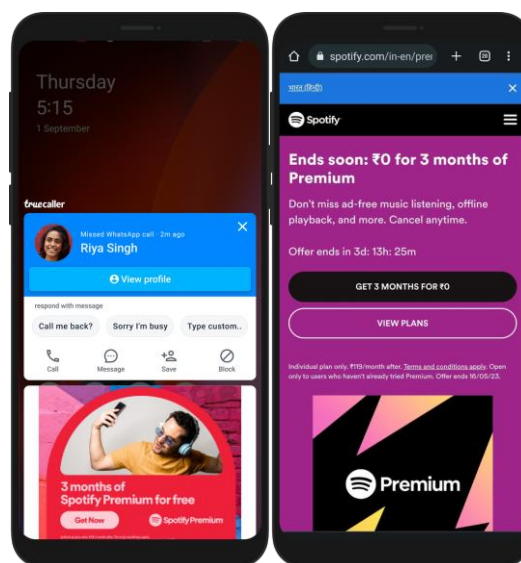
Evolving towards a Full Stack Ads Solution

In the current global climate, marked by sustained macroeconomic uncertainties and muted demand, the second quarter of 2023 still proved to be a strong period for Truecaller in terms of performance and growth. Building on the advancements made in the company's adtech stack capabilities during the first quarter, Truecaller was able to improve its offering to an expanding number of demand partners and advertisers across industries. The enhancement of the Truecaller Ad Server, now supporting sophisticated features like custom targeting and retargeting, has shown potential in boosting conversion rates for objectives like app installs, lead generation, and sales. These developments have all contributed to the results witnessed in the second quarter, with the Indian Premier League (IPL) being a noteworthy highlight. With more than 250 million users in India, Truecaller offers a high degree of overlap with the IPL audience making it an ideal platform for advertisers to target IPL audiences digitally at hyper scale and frequency.

Truecaller offers advertisers a massive reach and scale unparalleled by any other standalone publisher in the country with the ability to deliver 4 Billion impressions within 24 hours globally. The uncommon blend of massive reach, unique insights for precise targeting, high-impact ad solutions, and

dedicated servicing offered by Truecaller Ads has proven to be a successful mix for many brands. In the recent IPL, Truecaller Ads managed to achieve an impressive unique reach of over 100 million users for a notable client during the campaign period.

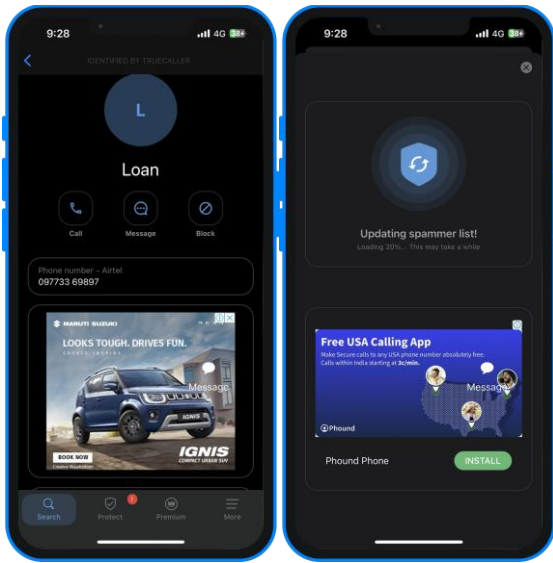
Truecaller's own Ad server has proven to be a trusted partner for advertisers for delivering high impact for their key events be it an online sale event for e-commerce advertisers, a big title launch for OTT advertisers, launch of new smartphone series for a handset manufacturer or creating impact at the start of sporting events like IPL for e.g. gaming clients. For a recent online sale event, Truecaller Ads was able to deliver a click pool of 19 Mn+ clicks within 24 hours driving massive traffic for an e-commerce client on the launch day of the sale.



Truecaller's enhanced product suite comprising the Truecaller Ad server and Truecaller Audience Extension now offers marketers a full range of solutions to meet their marketing objectives across the funnel.

- Through the proprietary ad server, the optimization of features and functionalities directly enhances advertisers' KPIs. It provides transparency, flexibility, and optimization capabilities, maintaining a standard on par with the leading ad servers in the market
- Through the Truecaller Audience extension, advertisers have the power to harness rich first-party insights and achieve greater reach beyond Truecaller on domains that are sought after by users like gaming, news, OTT, and others. A wide variety of ad formats are available, ranging from display banners, interstitials, GIFs, and videos.

The inventory focused efforts continue to show improvements in supply side metrics to drive more ads per opportunity as well as ad engagement via improved click through rates. The time invested in optimizing the ad inventory on the iOS platform has grown the iOS ad revenue by 190 % year on year. The ad setup on iOS is similar to that on Android in terms of Ad slots and ad formats. The team is exploring high-yielding ad formats that would drive higher user engagement with the ads, leading to higher CPMs, and better click-through rates, translating into higher revenue. Key indicators show that this experimentation resulted in higher-quality ads with higher CPMs on iOS vs Android.



On the demand side, the focus has been on improving access and expanding the types of advertising supported through connections with third-party programmatic channels. This ensures a steady demand-supply flow, reinforcing the robustness of the ads platform. The company is aiming to keep up with billions of ad requests and boost important metrics like CPM and Fill Rate.

Truecaller stands committed to delivering robust solutions for advertisers and enhancing the user experience. Building on the milestones reached in the second quarter, Truecaller aims to drive further innovation in the upcoming quarters.

Continued enterprise growth and development innovation

Truecaller for Business experienced consistent growth throughout the second quarter of 2023. While its adoption remains strong in India, there has also been an increase in the RoW segment, which recorded a year-on-year growth of 100%. The RoW segment accounts for 18% of the overall client base, maintaining a steady growth pattern within its own metrics. The account base of companies using Truecaller for Business Verified services grew by 50% year on year with notable brands like Volvo, PayTM, National Bank of Kuwait, Domino's, and Aramco. The range of brands from multiple industries joining Truecaller for Business indicates an upward trend in enterprise interest in the platform's verified business solution and fraud-detection capabilities. An encouraging trend among long-standing customers was observed through expanded contracts and increased utilization of the platform's advanced features. 66% of the active customer base is now on longer-term tenured plans. In Nigeria, a reseller partnership was initiated to market Truecaller for Business products to businesses. This partnership involved Termii, a cPaaS provider backed by Y-Combinator. Nigeria, being Africa's largest economy, serves as a significant market for Truecaller

During the second quarter, Truecaller introduced a new Call Management API and webhook Alerts to empower businesses with the ability to seamlessly manage information and experience for each call. Companies can leverage this new infrastructure to manage a series of processes using the same number and create more personalized communication for their customers. The expanded integration capabilities allow enterprises to connect their CRM and Dialer systems directly to the Truecaller for Business platform, significantly increasing the use of Truecaller in their core workflows.

In partnership with leading CPaaS provider Tanla, Business Messaging experienced a significant scale-up during the quarter. Partly due to seasonal factors, the service reached record levels, setting a new benchmark for the highest volume per quarter yet. Use cases for Business Messaging across industries are for securely sharing OTPs, announcing deliveries, confirming bill payments, and highlighting transactions. Businesses using the service vary including tier 1 banks, leading e-commerce players, B2B companies, as well as travel and ticketing companies, to mention a few. The focus of the product is to enhance the user experience further and to strengthen the way businesses communicate with their customers..

In the second quarter, Truecaller released an upgraded and enhanced version of Truecaller SDK - a solution that provides companies with the tools needed to facilitate user logins through quick and efficient user verification via Truecaller's platform. The focus for the coming quarter is to migrate all existing partners to the new SDK solution which provides a better end-user experience with much more secure authentication. Users now also have the flexibility to choose which information to share with any third party in their verification flow and revoke access at any given point in time. This makes them entirely in control of their profile information at the same time as providing them with an OTP-less and hassle-free verification experience.

Driving cost efficiency through technology optimizations

In both the first and second quarters, Truecaller prioritized delivering products and technology at the lowest possible cost. This has involved identifying a range of cost efficiencies, some of which were small and realized quickly, while others required more effort. Notably, a number of these efficiencies were achieved during this quarter.

Among the projects, Truecaller optimized data management for its core caller identification function, applicable to both Android and iOS. This optimization is related to storage and transaction aspects. Additionally, the company successfully tested new technology to reduce verification costs for new and returning users.

Other disclosures

Annual General Meeting 2023

On May 16, Truecaller's annual general meeting was held in Stockholm

At the general meeting, it was decided, among other things, on authorization for the board to decide on issues of up to 10 percent of the current number of shares in the company and authorization to repurchase and transfer up to 10 percent of the number of outstanding shares in the company. The AGM also decided to introduce a staff option program and a share program for Truecaller's staff. At maximum allocation, the potential dilution of the two programs amounts to 0.86 of the total number of shares in the company.

The AGM also re-elected the incumbent board, Bing Gordon, Alan Mamedi, Annika Poutiainen, Helena Svancar, Nami Zarringhalam and Shailesh Lakhani. Nami Zarringhalam was elected as chairman of the board. The annual general meeting also decided on unchanged board fees and the re-election of the company's auditor Ernst & Young with Jennifer Rock-Bailey as responsible auditor.

All information about the annual general meeting is available at <https://corporate.truecaller.com/governance/general-meetings>

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. Truecaller's focus has been to take care of our employees who have family and friends in Ukraine.

Forward-looking statements

The report presents statements pertaining to matters including Truecaller's financial position and performance as well as statements on market conditions that may be forward-looking.

Truecaller believes the expectations reflected in these forward-looking statements are based on reasonable assumptions. Forward-looking statements are, however, associated with risks and uncertainties and actual outcomes or consequences may differ materially from those presented here. In addition to that required under applicable law, forward-looking statements apply only on the date presented and Truecaller disclaims any obligation to update them in the light of new information or future events.

Outlook

Truecaller does not publish forecasts.

Parent

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

Financial calendar

Interim report, January-September 2023: 27 October 2023 (new date)

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 not been reviewed by the company's auditor.

This information constitutes insider information that Truecaller AB is required to disclose under the EU Market Abuse Regulation. The information was released for publication, through the agency of the contact persons above, on 21 July 2023 at 07.30 CET.

Condensed consolidated statement of profit or loss

Amounts in SEK 000s	Note	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Net sales	3	518,437	480,363	905,501	878,663	1,772,926
Other income		27	14	48	23	7,506
Work performed by the entity and capitalized		632	2,091	1,650	4,336	5,204
Third party fees		-123,126	-106,177	-219,234	-193,227	-417,689
Other external costs		-64,958	-79,191	-122,075	-152,621	-349,750
Employee costs		-92,480	-78,646	-177,310	-137,347	-301,031
Depreciation, amortization and impairments		-10,722	-5,554	-20,941	-11,481	-28,664
EBIT (operating profit)		227,811	212,900	367,637	388,346	688,502
Net financial income or expense		32,228	9,245	39,427	3,866	-381
Profit or loss after net financial income or expense		260,039	222,145	407,065	392,212	688,121
Tax		-54,093	-49,444	-91,999	-85,816	-152,891
Profit for the period ¹⁾		205,946	172,701	315,066	306,396	535,230
Earnings per share						
Basic earnings per share (SEK)		0.56	0.46	0.86	0.82	1.43
Diluted earnings per share (SEK)		0.56	0.46	0.86	0.82	1.43
Average number of shares before dilution		366,451,683	373,959,710	364,407,592	373,829,040	373,273,365
Average number of shares after dilution		366,578,840	374,108,866	364,662,782	374,805,085	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 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Profit or loss for the period		205,946	172,701	315,066	306,396	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		4,392	897	3,439	595	-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		4,392	897	3,439	595	-2,645
Comprehensive income for the period ¹⁾		210,338	173,598	318,505	306,992	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 Jun	2022 30 Jun	2022 31 Dec
ASSETS				
Non-current assets				
Goodwill		34,188	34,367	34,530
Other intangible assets		13,627	16,340	15,200
Property, plant and equipment		18,718	1,721	8,118
Right-of-use assets		130,234	84,980	139,777
Non-current financial assets	4	32,812	-	-
Deferred tax assets		38,083	41,261	39,584
Other non-current receivables	4	12,731	17,704	16,697
Total non-current assets		280,393	196,373	253,906
Current assets				
Current receivables	4	308,229	203,704	362,175
Short-term placements	4	918,635	148,553	400,490
Cash and cash equivalents	4	714,583	1,578,285	1,327,801
Total current assets		1,941,446	1,930,542	2,090,466
TOTAL ASSETS		2,221,839	2,126,915	2,344,372
EQUITY AND LIABILITIES				
Equity				
Equity attributable to owners of the parent		1,827,100	1,745,931	1,804,093
Total equity		1,827,100	1,745,931	1,804,093
Non-current liabilities				
Liability arising from defined-benefit pension plans		7,380	5,111	7,653
Lease liabilities		109,559	71,848	118,208
Deferred tax liability		31,953	19,887	34,563
Other non-current liabilities	4	8,980	12,975	8,395
Total non-current liabilities		157,872	109,821	168,819
Current liabilities				
Lease liability		22,090	12,009	23,307
Other current liabilities	4	214,777	259,154	348,153
Total current liabilities		236,868	271,163	371,460
TOTAL EQUITY AND LIABILITIES		2,221,839	2,126,915	2,344,372

Condensed consolidated statement of cash flows

Amounts in SEK 000s	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Operating activities					
Profit or loss after net financial income or expense	260,039	222,145	407,065	392,212	688,121
Adjustments for non-cash items	-11,215	741	-279	9,433	47,094
Income tax paid	-45,524	-3,735	-92,110	-13,858	-154,078
Cash flow from operating activities before changes in working capital	203,300	219,151	314,675	387,787	581,137
Net cash from changes in working capital					
Change in operating receivables	-4,603	8,531	-11,220	-26,069	-50,434
Change in operating liabilities	6,786	53,239	-17,838	40,716	79,707
Net cash from operating activities	205,482	280,920	285,618	402,434	610,410
Investing activities					
Acquisitions of Group companies, net effect on cash and cash equivalents	-	-52	-	-26,875	-32,158
Purchases of property, plant and equipment	-1,739	-523	-12,290	-523	-7,594
Disposals of property, plant and equipment	-	-	-	-	-
Purchases of intangible assets	-509	-2,985	-1,650	-5,745	-7,146
Purchases of short-term investments	-	-	-500,000	-	-250,000
Change in financial receivables	-10,695	1,052	-18,145	1,513	-425
Investment in non-current financial assets	-32,812	-	-32,812	-	-
Net cash used in investing activities	-45,754	-2,508	-564,897	-31,631	-297,323
Financing activities					
Funds received for warrants	-	772	-	772	3,146
Repurchase of warrants	-310	-345	-310	-719	-872
Amortization of lease liability	-8,008	-4,535	-14,935	-9,683	-19,869
Payout synthetic options	-	-	-	-23,140	-23,140
Buyback of treasury shares	-140,705	-	-322,869	-	-182,389
Net cash from (-used in) financing activities	-149,023	-4,108	-338,113	-32,770	-223,124
Net cash flow for the period	10,705	274,304	-617,392	338,033	89,963
Cash and cash equivalents at the beginning of the period	699,510	1,302,180	1,327,801	1,238,443	1,238,443
Foreign exchange differences in cash and cash equivalents	4,368	1,801	4,175	1,810	-605
Cash and cash equivalents at the end of the period	714,583	1,578,285	714,583	1,578,285	1,327,801

Condensed consolidated statement of changes in equity

Amounts in SEK 000s	Equity attributable to owners of the parent				Total equity attributable to owners of the parent
	Share capital	Other capital contributions	Reserves	Retained profits including profit for the period	
Opening balance at 1 January 2022	747	1,707,864	3,153	-300,354	1,411,410
Profit for the period	-	-	-	306,396	306,396
Other comprehensive income for the period	-	-	595	-	595
Comprehensive income for the period	-	-	595	306,396	306,992
<i>Transactions with owners of the Group</i>					
Share issue after transaction costs	1	-	-	18,152	18,153
Warrants	-	53	-	-	53
Share-based payment	-	-	-	9,324	9,324
Total	1	53	-	27,475	27,529
Closing balance at 30 June 2022	748	1,707,918	3,748	33,517	1,745,931
Opening balance at 1 January 2023	758	1,710,139	2,400	90,797	1,804,093
Profit for the period	-	-	-	315,066	315,066
Other comprehensive income for the period	-	-	3,439	0	3,439
Comprehensive income for the period	-	-	3,439	315,066	318,505
<i>Transactions with owners of the Group</i>					
Share issue	1	-	-	-	1
Treasury shares after transaction costs	-	-	-	-316,344	-316,344
Warrants	-	-310	-	-	-310
Share-based payment	-	-	-	21,153	21,153
Total	1	-310	-	-295,190	-295,499
Closing balance at 30 June 2023	759	1,709,829	5 839	110,673	1,827,100

Condensed parent company income statement

Amounts in SEK 000s	Note	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Operating revenue		2,583	1,827	4,149	2,860	6,734
Other external costs		-2,647	-3,745	-5,188	-6,751	-13,003
Employee costs		-3,077	-2,898	-5,841	-4,595	-12,846
EBIT (operating profit)		-3,141	-4,816	-6,879	-8,486	-19,116
Net financial income or expense		404,697	-2,340	409,878	-4,085	-2,978
Profit or loss after financial items		401,556	-7,155	402,999	-12,571	-22,094
Appropriations		-	-	-	-	102,600
Profit or loss before tax		401,556	-7,155	402,999	-12,571	80,506
Tax		320	1,473	-616	2,589	-16,598
Profit or loss for the period		401,236	-5,682	402,383	-9,982	63,908

Condensed parent company balance sheet

Amounts in SEK 000s	Note	2023 30 Jun	2022 30 Jun	2022 31 Dec
ASSETS				
Non-current assets				
Investments in Group companies		10,297,177	10,247,177	10,247,177
Deferred tax assets		-	19,114	-
Total non-current assets		10,297,177	10,266,291	10,247,177
Current assets				
Current receivables		10,911	14,385	12,357
Receivables from Group companies		412,680	4,575	106,248
Short-term placements		410,398	148,553	400,490
Cash and cash equivalents		41,211	721,642	305,935
Total current assets		875,201	889,155	825,030
TOTAL ASSETS		11,172,378	11,155,446	11,072,207
EQUITY AND LIABILITIES				
Equity and liabilities				
Equity		11,166,384	11,150,759	11,059,499
Liabilities to Group companies		-	74	-
Current liabilities		5,994	4,614	12,708
TOTAL EQUITY AND LIABILITIES		11,172,378	11,155,446	11,072,207

Notes

Not 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 restructured the Group in 2021, whereby the former parent company, True Software Scandinavia AB, became a wholly owned subsidiary of the new parent, Truecaller AB. Truecaller AB was previously a dormant shelf company. The restructuring was accomplished through a non-cash issue directed at shareholders in True Software Scandinavia AB, who retained their relative ownership interests in Truecaller AB. The newly formed Group is a direct continuation of the True Software Scandinavia Group and Truecaller has thus assumed the financial history of the True Software Scandinavia Group unencumbered.

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

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.

Not 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.

Not 3. Revenue from contracts with customers

DISTRIBUTION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

Amounts in SEK 000s	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Geographical region					
India	412,882	378,741	705,096	675,413	1,324,080
Middle East and Africa	53,700	55,860	102,821	112,211	237,096
Rest of the world	51,855	45,762	97,584	91,039	211,750
Revenue from contracts with customers	518,437	480,363	905,501	878,663	1,772,926

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

Amounts in SEK 000s	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Type of service					
Advertising revenues	425,191	414,247	729,115	753,202	1,488,558
User revenues	50,057	41,391	96,603	80,274	170,507
Truecaller for Business	41,767	23,511	76,142	41,928	105,473
Other revenues	1,422	1,214	3,641	3,259	8,388
Revenue from contracts with customers	518,437	480,363	905,501	878,663	1,772,926

Not 4. Financial instruments

Measurement of financial assets and liabilities at 30 June 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	-	12,731	12,731
Non-current financial assets	32,812	-	32,812
Claims on advertising networks and platform owners	-	98,538	98,538
Trade receivables	-	76,031	76,031
Short-term placements	918,635	-	918,635
Cash and cash equivalents	-	714,583	714,583
Total	951,447	901,883	1,853,330
FINANCIAL LIABILITIES			
Trade payables	-	45,290	45,290
Conditional consideration (earnout)	14,266	-	14,266
Total	14,266	45,290	59,556

Measurement of financial assets and liabilities at 30 June 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	-	17,704	17,704
Claims on advertising networks and platform owners	-	97,222	97,222
Trade receivables	-	40,159	40,159
Short-term placements	148,553	-	148,553
Cash and cash equivalents	-	1,578,285	1,578,285
Total	148,553	1,733,371	1,881,924

FINANSIAL LIABILITIES

Trade payables	-	38,129	38,129
Conditional consideration (earnout)	17,998	-	17,998
Total	17,998	38,129	56,127

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-Jun	2022 Jan-Jun	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	18,145	-1,513	424
Closing balance	918,635	148,553	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-Jun	2022 Jan-Jun	2022 Jan-Dec
Balance at 1 January	13,301	-	-
Acquisition value	-	16,785	16,785
Payout	-	-	-5,228
Change in value recognized in profit and loss	965	1,213	1,744
Closing balance	14,266	17,998	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 quarter. The non-current financial assets belong to level 2 in the valuation hierarchy.

Not 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	2022	2023	2022	2022
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Cost of vested warrants per IFRS 2	-10,4	-5,9	-21.0	-9.4	-28.4
Social insurance contributions	-0,8	-1,0	-1.2	-1.0	-1.8
Costs of incentive programs	-11,2	-6,9	-22.2	-10.4	-30.2

Not 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 15,012,779 class B shares had been repurchased for SEK 505.1 million including transaction costs.

Truecaller also issued and repurchased 500,000 class C shares during the quarter for a cost of SEK 0.1 million. The transactions were executed in accordance with the mandate issued by the Annual General Meeting 2023 to secure the commitments under share program 2023, which is part of the Group's "Long-term incentive program 2022." 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 2023.

Distribution of shares at the end of the reporting period:

Share class	Shares
Class A	46,783,800
Class B	327,175,910
Class C	5,600,000
Total number of shares outstanding	379,559,710
- of which Class B shares held by Truecaller	15,012,710
- of which Class C shares held by Truecaller	5,600,000
Total number of shares outstanding, net after shares held by Truecaller	358,946,931

Not 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. The total undiscounted amount that the Group could be obligated to pay if the decision in the proceedings is not in the Group's favor is estimated at between SEK 3 million and SEK 12 million.

Not 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.

Not 9. Related party transactions

A dividend of SEK 400m from the subsidiary True Software Scandinavia AB to Truecaller AB has been decided but not yet paid out. In addition to this, no significant transactions with related parties have been made during the period.

Assurance

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

Stockholm, 2023-07-21

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 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	Used to illustrate the volume of active users of Truecaller's services.

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

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 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Gross profit and gross margin					
Net sales	518.4	480.4	905.5	878.7	1,772.9
Minus brokerage costs	-123.1	-106.2	-219.2	-193.2	-417.7
Gross profit	395.3	374.2	686.3	685.4	1,355.2
Divided by Net sales	518.4	480.4	905.5	878.7	1,772.9
Gross margin	76.3%	77.9%	75.8%	78.0%	76.4%
Adjusted EBITDA and Adjusted EBITDA margin					
Profit before tax	260.0	222.1	407.1	392.2	688.1
Excluding net financial income or expense	-32.2	-9.2	-39.4	-3.9	0.4
Excluding depreciation, amortization and impairments	10.7	5.6	20.9	11.5	28.7
EBITDA	238.5	218.5	388.6	399.8	717.2
Excluding items affecting comparability	-	-	-	-	-
Adjusted EBITDA	238.5	218.5	388.6	399.8	717.2
Divided by Net sales	518.4	480.4	905.5	878.7	1,772.9
Adjusted EBITDA margin	46.0%	45.5%	42.9%	45.5%	40.5%
EBIT (operating profit) and EBIT margin					
Profit before tax	260.0	222.1	407.1	392.2	688.1
Excluding net financial income or expense	-32.2	-9.2	-39.4	-3.9	0.4
EBIT (operating profit)	227.8	212.9	367.6	388.3	688.5
Divided by Net sales	518.4	480.4	905.5	878.7	1,772.9
EBIT margin	43.9%	44.3%	40.6%	44.2%	38.8%
Adjusted EBIT and Adjusted EBIT margin					
EBIT (operating profit)	227.8	212.9	367.6	388.3	688.5
Excluding items affecting comparability	-	-	-	-	-
Adjusted EBIT	227.8	212.9	367.6	388.3	688.5
Divided by Net sales	518.4	480.4	905.5	878.7	1,772.9

Adjusted EBIT margin	43.9%	44.3%	40.6%	44.2%	38.8%
Equity to assets ratio					
Total equity	1,827.1	1,745.9	1,827.1	1,745.9	1,804.1
Divided by Total assets	2,221.8	2,126.9	2,221.8	2,126.9	2,344.4
Equity to assets ratio	82.2%	82.1%	82.2%	82.1%	77.0%