

ANNUAL REPORT 2021



truecaller

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The Annual Report encompasses pages 6–7, 44–45 and 57–96 and is published in Swedish and English. The Swedish version is the original and has been audited by Truecaller AB's (publ) auditor. In the event of any discrepancies, the Swedish version shall govern.

Our business



Truecaller is making communication smarter, safer and more efficient, today and tomorrow

Truecaller is the leading global platform for verification of contacts and blocking unwanted communication. We enable safe and relevant person-to-person conversations and efficient business-to-consumer calls. Scams and unwanted communications are par for the course in digital economies, and making trustworthy communication happen is our job. Truecaller is a natural element of daily communication for more than 300 million active users and has been installed more than a half a billion times. The app identified and blocked almost 38 billion unwanted calls in 2021. Headquartered in Stockholm since 2009, we are an entrepreneurial business led by the co-founders and a highly experienced management team.

306

EMPLOYEES AS OF 31 DEC 2021

> 770

BILLION IDENTIFIED CALLS & SMS

285 million

MONTHLY ACTIVE USERS ON AVERAGE

> 110

BILLION CALLS AND SMS FROM TRUECALLER USERS

758 million

DOWNLOADS OF THE APP
(SOURCE: APP ANNIE)

> 20

NATIONALITIES WORKING IN THE COMPANY

What we offer

Truecaller for consumers: A smart, integrated communications control centre

More than 300 million people all over the world use Truecaller every month to manage their calls and texts.

A FEW OF TRUECALLER'S CALL SERVICES:

- ▶ **Caller ID** – ID absolutely anyone in real-time when they call
- ▶ **Spam Blocking** – Filter and block annoying spam/scam calls
- ▶ **VoIP Calling** – Seamless switching between mobile and VoIP calls when the network is shaky
- ▶ **Call Recording** – Save important calls to your phone
- ▶ **Call Me Back** – Ask the recipient to call back if they are busy or have no signal
- ▶ **Availability** – Check if the person you are trying to call is busy or has their phone on silent

A FEW OF TRUECALLER'S MESSAGING SERVICES:

- ▶ **Intelligent Inbox** – AI organises important messages, transactions and spam into different folders
- ▶ **SMS and Chat Messages** – Seamless messages using data or SMS, such as iMessages
- ▶ **Smart Notifications** – Highlight important information and suggested actions
- ▶ **Schedule SMS** – Schedule SMS/messages to be sent later
- ▶ **Privacy First** – Messages that auto-delete as soon as they have been read or displayed
- ▶ **Flash Message** – Send urgent messages that are shown to the recipient in full screen mode

Truecaller for Business: Helping businesses reach their customers

Truecaller for Business was launched at the end of 2020 based on a clear need for companies to be able to reach consumers with important and sometimes critical messages.

By verifying a call or message using Truecaller, the consumer can feel confident that the information is genuine, which creates trust. At the end of 2021, Truecaller reached a milestone when the number of customers exceeded 1,000 companies.

A FEW TRUECALLER FOR BUSINESS SERVICES:

- ▶ **Verified Business Caller** – Truecaller for Business customers are given a verified ID on Truecaller so that their ID is presented as a trusted green profile.
- ▶ **Truecaller Chat** – Truecaller offers the Truecaller Chat messaging service to businesses to create a safe, cost-effective and reliable solution for their messaging needs.
- ▶ **Partner Authentication** – Truecaller offers a free software development kit (SDK) for app developers.

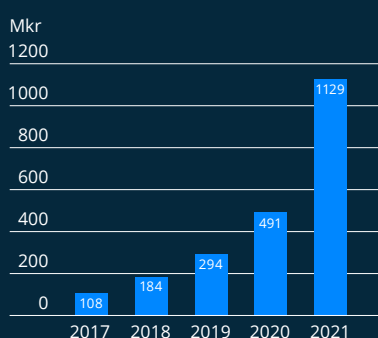


The year in brief.

2021 was a historic year for Truecaller as it developed with strong growth and profitability. At Truecaller, we are making communication smarter, safer and more efficient today and tomorrow by offering a communications platform that helps businesses and consumers the world over identify who is calling them, verify contacts and block unwanted communications. Truecaller reached a milestone in its history on 8 October 2021 when the share was listed on Nasdaq Stockholm.

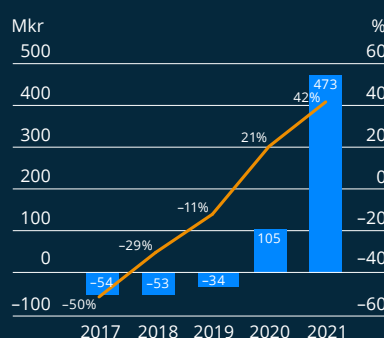
Key financial data, Group SEKm (unless otherwise stated)	2021	2020	2019	2018	2017
Net sales	1,129	491	294	184	108
Gross profit	856	322	171	125	81
Gross margin (%)	76%	65.5%	57.9%	67.8%	74.6%
Adjusted EBITDA	473	105	-34	-53	-54
Adjusted EBITDA margin (%)	42%	21%	-11%	-29%	-50%
EBIT (operating profit)	328	-31	-98	-64	-57
EBIT margin (%)	29%	-6.2%	-33.5%	-35.0%	-52.0%
Adjusted EBIT	456	-14	-47	-64	-57
Adjusted EBIT margin (%)	40%	-2.8%	-15.9%	-35.0%	-52.0%
Profit or loss after net financial income or expense	300	-54	-97	-65	-59
Equity	1,411	146	151	76	72
Total assets	1,693	436	275	144	98
Debt to equity ratio (%)	83%	33.5%	54.8%	52.8%	73.5%
Employees at the end of the period	306	241	210	172	108
Monthly Active Users (MAU), average	285	238	210	177	117
Daily Active Users (DAU), average	225	186	161	126	73

Net sales



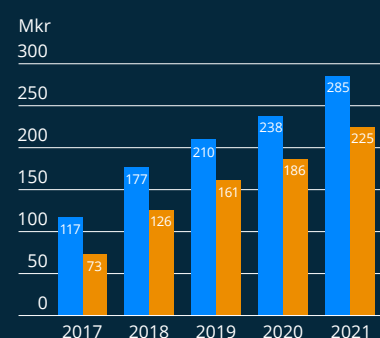
■ Net sales (SEKm)

Adjusted EBITDA



■ Adjusted EBITDA (SEKm)
— Adjusted EBITDA margin (%)

Active users



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



CALLS AND TEXTS IN 2021¹

- ▶ **37.8 billion** identified and blocked spam calls
- ▶ **771 billion** identified unknown calls and SMS
- ▶ **99.7 billion** calls made by Truecaller users
- ▶ **7.8 billion** texts sent by Truecaller users

¹ Source: Truecaller Insight Report, 14 December 2021

Significant events in 2021:

- ▶ **Truecaller made significant investments** in machine learning during the year, including more comprehensive analysis of call patterns aimed at more effective blocking of unwanted calls. Development of the machine learning model is a key strategic parameter for Truecaller's further development of the user experience.
- ▶ **Truecaller is continuing** to develop business services, such as Business Call Reason, which makes it possible for businesses to integrate their communication with Truecaller using special application programming interfaces (APIs). At the end of 2021 Truecaller reached the milestone of more than 1,000 customers.
- ▶ **Truecaller has introduced** new tech for iPhone through the Advanced Caller ID feature. With this feature, Truecaller can now offer an enhanced real-time caller ID service to iPhone users, similar to the Android experience. The technology is being rolled out gradually to our premium customers, with the US as the first market.
- ▶ **About 35 percent** of Truecaller's active users are women who use Truecaller to make their lives safer and more efficient. Truecaller launched Guardians, an app intended to give peace of mind to vulnerable people and help users stay safe in both new and familiar locations. The app helps users pinpoint the locations of friends and family and seek help when they need it.
- ▶ **The board of directors was reinforced** during the year when Helena Svancar and Annika Poutiainen were elected as new directors by an EGM held 2 June 2021. Bing Gordon was appointed Chariman of the Board on 12 August 2021.
- ▶ **Company history was written on 8 October** when trading in the Truecaller share (TRUE B) opened on Nasdaq Stockholm. The offering was oversubscribed several times and about 10,000 Swedish and foreign institutional shareholders and private individuals became new owners of Truecaller.
- ▶ **Truecaller entered into a new partnership** with Commercial International Bank of Egypt ("CIB"), the largest private bank in Egypt. The partnership is aimed at establishing security and instilling trust in CIB's customers through Truecaller's verification technology and is aligned with CIB's commitment to provide secure, high-quality services to its customers and protecting their personal data.
- ▶ **At the end of the year** Truecaller and the Indian Railway Catering & Tourism Corporation ("IRCTC") initiated a partnership to increase trust in communications with Indian rail passengers. Truecaller-verified ID reduces the risk of scams by assuring people that critical information, such as booking details and PNR status (Passenger Name Record), has been delivered by IRCTC and nobody else.
- ▶ **Truecaller reached an important milestone** on 21 November, when the number of MAU reached 300 million globally.
- ▶ **In late November**, Truecaller launched a major update of the product on Android: Truecaller Insight 12. Version 12 includes features like Video Caller ID, Call Recording, Ghost Call, Call Announce and a completely redesigned user interface.

Truecaller is making interaction between people and businesses all over the world safer and more secure

A look in the rear-view mirror shows a 2021 that was historic in many ways for Truecaller. The investments in previous years to enhance the user experience and the offering to customers and ad partners have paid off in the form of vigorous and profitable growth. At the same time, we have taken important steps in our development to continue creating unique services and a trustworthy communication platform for the millions of consumers and businesses that use Truecaller on a daily basis. Despite the continued challenges brought by the pandemic, Truecaller grew revenues by 130 percent to SEK 1,129 million combined with an Adjusted EBITDA margin of 42 percent. Average MAU was 285 million and exceeded 300 million by the end of the year.

Truecaller's mission is to create a safe communications channel with no risk of scams or unwanted calls and texts. We are working every day to create an environment in which consumers and businesses can build relationships and interact in a safe and reliable way. In many countries, junk mail, harassment and unwanted calls and texts are as common a part of everyday life as they are an unwelcome one. The Truecaller Global Spam and Scam Report was published at the end of 2021. It shows that Truecaller ID'd more than 770 billion calls and texts during the year – of which about 220 billion were blocked as spam. The number of ID'd spam calls rose by 27 percent compared to the preceding year.

An evolving product

Constantly developing our services and clarifying the value to our users is important to us at Truecaller. We are a young company and our organisation is characterised by strong drive and determination to constantly develop and improve our offering and ourselves as a company, which drives growth. We introduced several new features

in 2021 that enhance the user experience in various ways and make Truecaller a more significant channel for safe and secure communication.

Developing our model for AI and machine learning was a high-priority during the past year. By continuously improving our capacity to analyse call patterns based on new and additional identified data signals, we can help our users block unwanted calls more effectively. The Commenting feature launched in 2021 is one example, which allows users to comment on a phone number in the app. The comments help us analyse sentiment and behaviours to help our users understand who is calling them and why, based on a huge set of de-identified data.

While Android is used by the majority of Truecaller users, creating an equally stunning user experience for iPhone users will be a key focus area as we move forward. We introduced several important features for iPhone during the year including Advanced Caller ID, which offers an improved caller ID service to the iPhone community. We also launched a brand new design for Truecaller for iPhone

at the end of the year, featuring an updated user interface and an enhanced user experience that makes it easier for users to find the information they need about people and businesses.

We acquired CallHero in early 2022, an Israeli company that has developed a unique technical solution for both Android and iOS with a Smart Agent – a digital assistant that helps users verify and accept calls. The solution is currently offered to US consumers and businesses and will thus accelerate Truecaller's expansion plans in the important American market. At present, CallHero has better and more advanced features for iPhone users, which is important in a market like the US, but is also a valuable complement to our efforts to make Truecaller more efficient and user-friendly for iPhone users the world over.

A business model setting the stage for continued growth

Truecaller generates revenues via advertising, subscriptions and business services. Continuously developing these three revenue streams was a high priority during the year

“We are a young company and our organisation is characterised by strong drive and determination to constantly develop and improve.”



and will remain so. Ad revenues, which account for about 84 percent of Truecaller's total revenues, grew by about 160 percent in 2021, largely due to investments in increased capacity and further development of the adtech platform that generated the results we were after. We have, for example, made it possible for our advertising partners to optimise their access to Truecaller's ad space by including the platform in the bidding process, which optimises inventory for our advertisers while helping us further scale up our ad business.

The Truecaller Premium subscription service is available to users who prefer an ad-free experience in the app and want access to additional features. Truecaller Premium accounted for about 12 percent of our revenues in 2021 and we see strong potential to continue growing the subscription business as the willingness to pay for subscriptions increases in the markets where Truecaller is active.

Our business offering, Truecaller for Business, is aimed at large and small businesses that are dependent on reaching their customers by phone call or text. The first services

were launched in late 2020 and we experienced keen interest in 2021 from businesses seeking help to reach their customers. By the end of the year, more than 1,000 customers had signed up for Truecaller for Business. They are delighted that the Verified Business, Call Reason, Priority Calling and Priority Messaging services give them the opportunity to gain a verified and sometimes prioritised ID to ensure that they reach their customers.

Our first ESG/sustainability report

We are proud to be an important part of the lives of millions of people all over the world. Helping people communicate safely, securely and efficiently is our mission, and as a global enterprise we are also responsible for the impact we have on our planet and its people. We are striving to be a force for good in society by creating a secure environment for transactions and communications in a digital world. We are proud to publish our first ESG/sustainability report based on a materiality analysis carried out in 2021. The entire report is presented on pages 22–42.

Thanks for a historic year

Trading in the Truecaller Class B share began on Nasdaq Stockholm on 8 October 2021. This was a historical milestone for all of us who have worked so hard to develop our company from the embryo that my co-founder, Nami Zarringhalam, and I created in 2009 and that is now a global market leader helping more than 300 million people and businesses all over the world communicate safely, securely and efficiently. I am proud and gratified by the huge interest that our listing process generated and was delighted to welcome a large number of new owners to Truecaller. My heartfelt thanks to all of our employees, customers, partners and owners for a historic 2021.

Alan Mamedi
Chief Executive Officer

Vision and strategy.

Truecaller is the leading global platform for identifying contacts and blocking unwanted communication. In this way, we are creating a safe channel for businesses to interact with consumers. We were founded with a purpose: ID incoming calls from unknown numbers. And as the problem with scams and unwanted communication grew, we grew too.

Smartphone use is accelerating rapidly, driven by large increases in the number of users in emerging markets. Better connectivity has made it easier to reach smartphone users, which is exploited by scammers and telemarketers, for example, which in turn leads to negative and potentially harmful experiences for mobile users all over the world.

Our vision is to make communication smarter, safer and more efficient, today and tomorrow. We give users the opportunity to take control over their mobile experience by offering a space that lets them communicate with the people and the businesses they want to interact with.

Truecaller is a key part of day-to-day communications for more than 300 million active users, with more than a half billion downloads since launch and nearly 38 billion unwanted calls ID'd and blocked in a single year.

Three strategic focus areas for continued growth

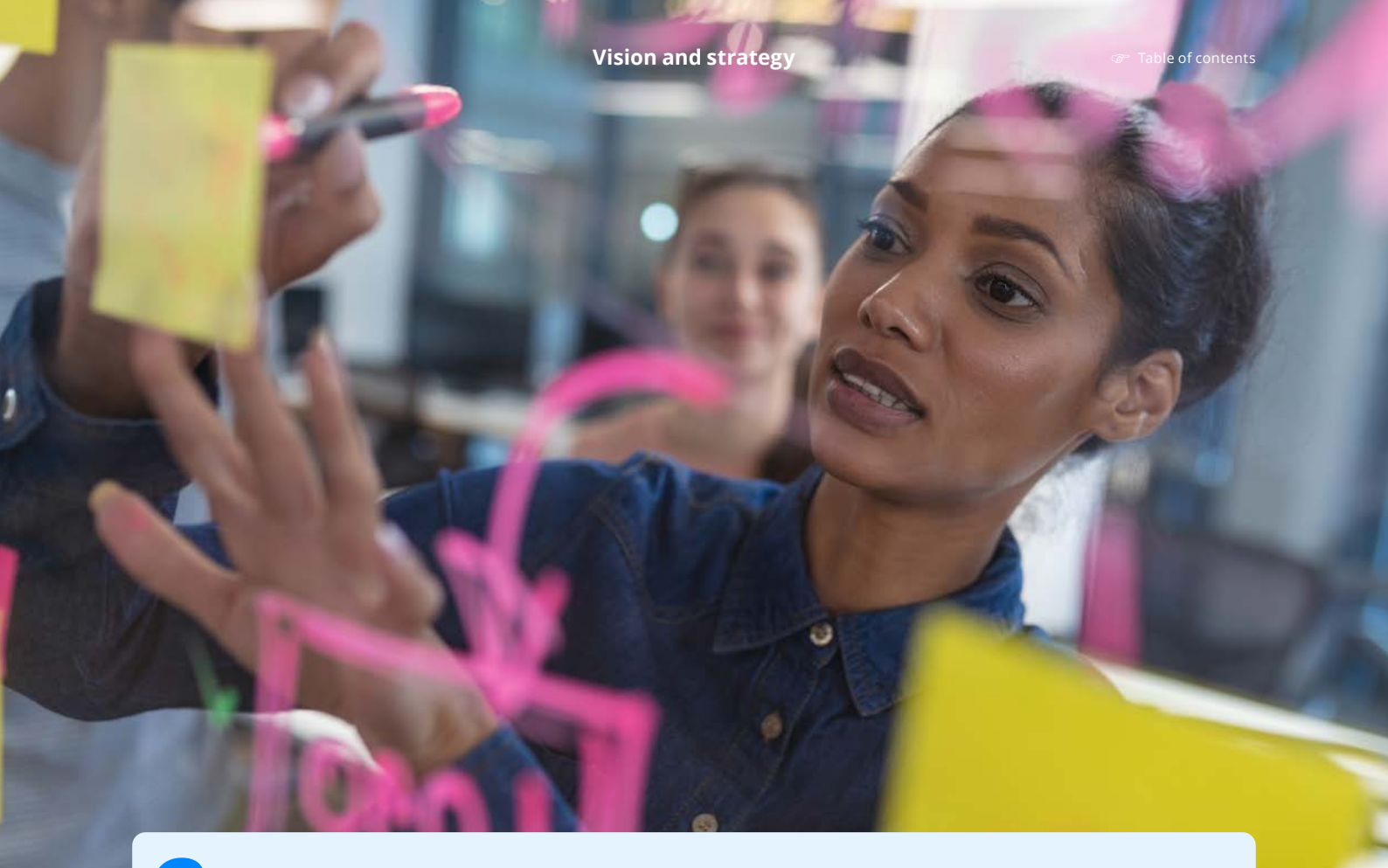
Truecaller does business in a market with substantial long-term growth potential. To achieve our financial targets, the opportunities created by global growth in smartphone usage have helped us formulate an ambitious growth strategy centred around three focus areas:

- ▶ **1. We will maintain our market leadership in trustworthy communication** for consumers and businesses through continued investments in our core product and by strengthening Truecaller as an all-in-one app for trustworthy communication.
- ▶ **2. We will build further on our existing revenue streams** by continuing to invest in our ad platform and our premium service.
- ▶ **3. We will grasp new growth opportunities** by, for example, scaling up Truecaller for Business and accelerating our growth in new and existing markets.

1 Maintain market leadership in trustworthy communication

Truecaller has established the company as the market leader in creating opportunities for consumers and businesses to interact in a trustworthy way. We have proven our capacity to create trust in communication through all of the innovative products and features that have been implemented in the platform and that heighten the user experience.

Going forward, we will continuously strengthen our core offering to increase user commitment, remain the dominant alternative when it comes to protection from unwanted communications (by means including implementing artificial intelligence, AI, and machine learning models) and deepen the integration with external partners and businesses.



2 Build further on existing revenue streams

Truecaller has two thoroughly proven revenue streams: ads and premium subscriptions for consumers.

Sustained growth in advertising

To enable sustained growth in advertising, we will continue further developing our ad platform. The results will include a higher ad load. Freeing up additional ad space and increasing user engagement with the app to increase opportunities to display ads is a key part of the strategy.

Additionally, there is substantial potential to improve revenues per ad displayed (CPM, Cost Per Mille) through the development of ad formats, such as ads in other formats and video display ads. The expansion into markets where CPMs are high is another way to achieve this.

The majority of Truecaller's ad revenues are generated via Google Open Bidding and Facebook. Future collaboration with other global and regional partners is an opportunity to increase demand and improve CPM.

We are also working with ad display frequency at Truecaller (the number of ad displays that Truecaller successfully delivers to users out of the total number of ad displays from programmatic ad partners like Google and Facebook), which has huge potential to improve when users upgrade from

2G to 3G/ 4G/5G. In addition to the infrastructure improvements, Truecaller intends to continue improving display frequency through technology optimisation and product enhancements to reduce the time required to load ads.

Demand from advertising customers to work directly with Truecaller for customised ads rose in 2021 after a temporary dip in 2020 caused by pandemic restrictions. Such campaigns are attractive to buyers due to Truecaller's capacity to reach a target group of millions of users in short timeframes of one to two days and its ability to target specific groups.

Build further on a successful premium subscription model for consumers

More Truecaller users are choosing to pay for a Premium subscription. In spite of the increase in subscriber numbers, Premium users account for less than 1 percent of MAU, which gives us several ways to bump revenues from Premium subscribers going forward.

- ▶ Increase the customer benefit of Premium subscriptions by adding new services
- ▶ Increase conversion and loyalty among Premium users
- ▶ Expand local offerings to core markets

3 Grasp new growth opportunities

Accelerate growth in new and existing markets

One of Truecaller's growth drivers will be to increase user numbers in current markets where we see good opportunities for growth, especially as regards CPM, which increases opportunities for higher ad revenues. These markets, such as Indonesia and Malaysia, are usually characterised by relatively large populations and significant smartphone penetration.

► EXISTING MARKETS

Truecaller is already one of the largest communication platforms for consumers in many emerging markets, India above all. But India is still in its infancy as regards ad maturity, exemplified by relatively low CPM (revenue per displayed ad) compared to more mature advertising markets like the US, where CPM rates can be as much as 3-4 times higher. Regardless, India remains an important market for us and we will maintain our strenuous efforts to build a trustworthy brand that is loved by Indian consumers. Truecaller will also continue growing organically in countries where we have achieved good market penetration, such as Egypt, Nigeria, Algeria, South Africa and Kenya.

► NEW MARKETS

In 2022 and beyond we intend to grow in markets where awareness of Truecaller is currently limited but where we see strong potential based on market size and how well the Truecaller offering fits the

market. These include the US, Indonesia, Malaysia and selected markets in Latin America.

► SCALE UP TRUECALLER FOR BUSINESS

A significant portion of daily calls made all over the world do not come from a number in the recipient's contacts. All told, they add up to about 700 million calls from unknown callers globally – every single day. We estimate that as much as 70 percent of these calls are missed or rejected because the recipient assumes that they are unwanted spam calls rather than legitimate business calls. As a result, services that can help businesses achieve a higher call acceptance rate become very attractive. Truecaller for Business offers call, messaging and authentication products to businesses.

We will be developing and growing Truecaller for Business by further developing the product range, including with attractive features designed to increase the answer rate. These include Video Caller ID, Call Feedback and Call Reason, as well as prioritised messages.

In addition, we will develop our self-service portal so that customers can swiftly and easily sign up for the service, automate reporting and billing and provide a full-spectrum analysis solution.

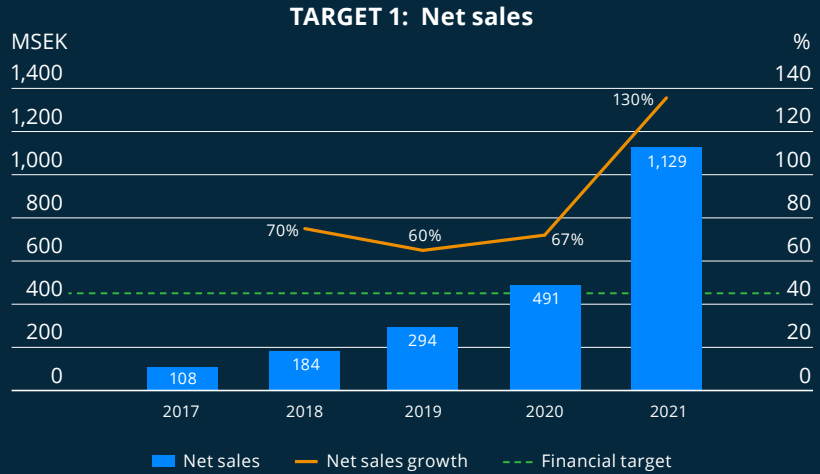
In 2022, we will maintain efforts to expand Truecaller for Business to new markets – countries where we see potential to increase revenue over the medium and long terms.

Financial targets

The Board of Directors of Truecaller AB (publ) has adopted financial targets aimed at increasing understanding of the company's growth strategy and long-term development potential.

Net sales

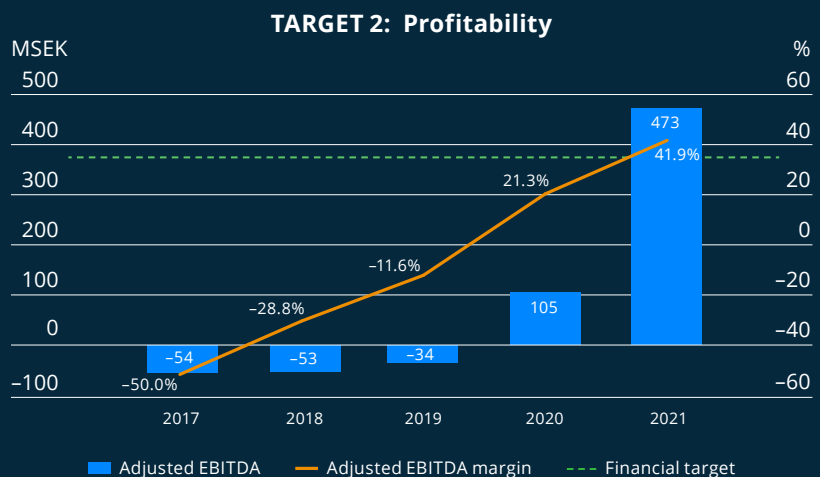
Truecaller will achieve sales growth above 45 percent annually between 2021 and 2024.



Profitability

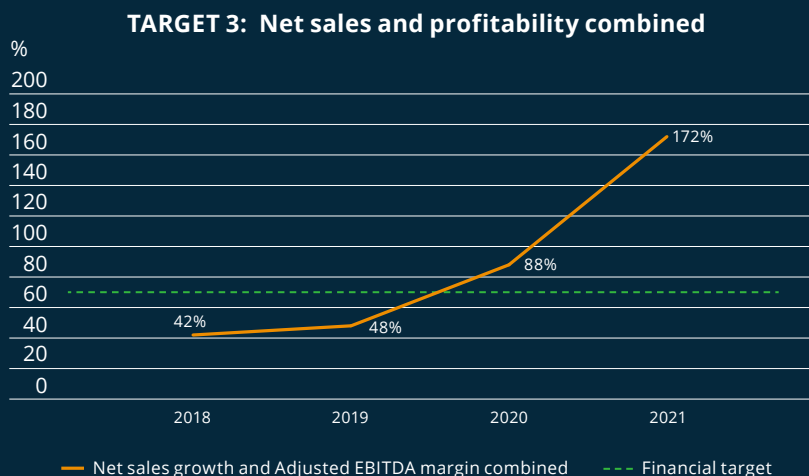
Truecaller will have an EBITDA margin above 35 percent after 2024.

EBITDA in 2020 and 2021 was adjusted for costs related to the IPO in October 2021 and the synthetic options arising from the acquisition of Backwater Technologies.



Net sales and profitability combined

Combined net sales growth (expressed as a percentage) and EBITDA margin will exceed 70 percent between 2021 and 2024.



Dividend policy

The board of directors does not intend to propose dividends over the medium term.

A market filled with opportunities

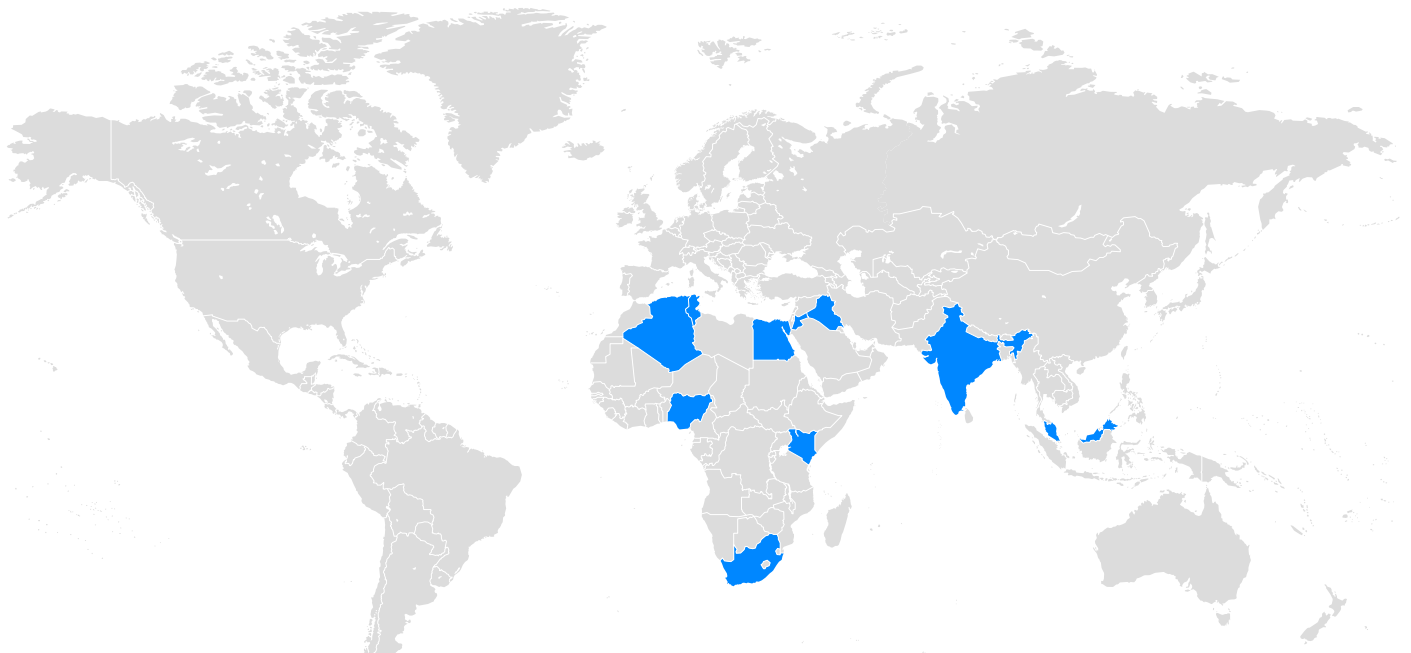
The digital economy is creating unique challenges, especially in emerging markets, where scams and spam are more common than in other markets. Truecaller publishes the **Truecaller Insights U.S. Spam & Scam Report**¹ annually. The 2021 report shows that an estimated USD 30 billion was lost to online scams in the US in 2020 alone, a figure that is expected to grow in upcoming years.

Smartphones are currently the main route into the digital economy. Smartphone usage is expected to rise as connectivity improves and mobile telephony and data rates become more affordable. The number of

smartphones in use has skyrocketed and is expected to top four billion globally by 2025, an increase of about 700 million users compared to 2020².

Truecaller's 10 largest markets

based on MAU



Truecaller does business in the market for voice calls, messaging, caller ID and spam blocking. The total market was worth an estimated USD 40 billion in 2021 and is expected to grow to about USD 70 billion by 2025.² The market can be divided into three sub-categories: the ad market, consumer subscriptions market and the business verification market.

TOTAL MARKET:

Approx. USD 40Bn 2021–approx. USD 70Bn 2025

AD MARKET:

Approx. USD 26Bn 2021–USD 40Bn 2025

CONSUMER SUBSCRIPTIONS MARKET:

Approx. USD 12Bn 2021–USD 20Bn 2025

BUSINESS VERIFICATION MARKET:

Approx. USD 2.4Bn 2021–USD 7.5Bn 2025

¹ The study was conducted in partnership with Harris Poll, Truecaller Insights 2021 U.S. Spam & Scam report.

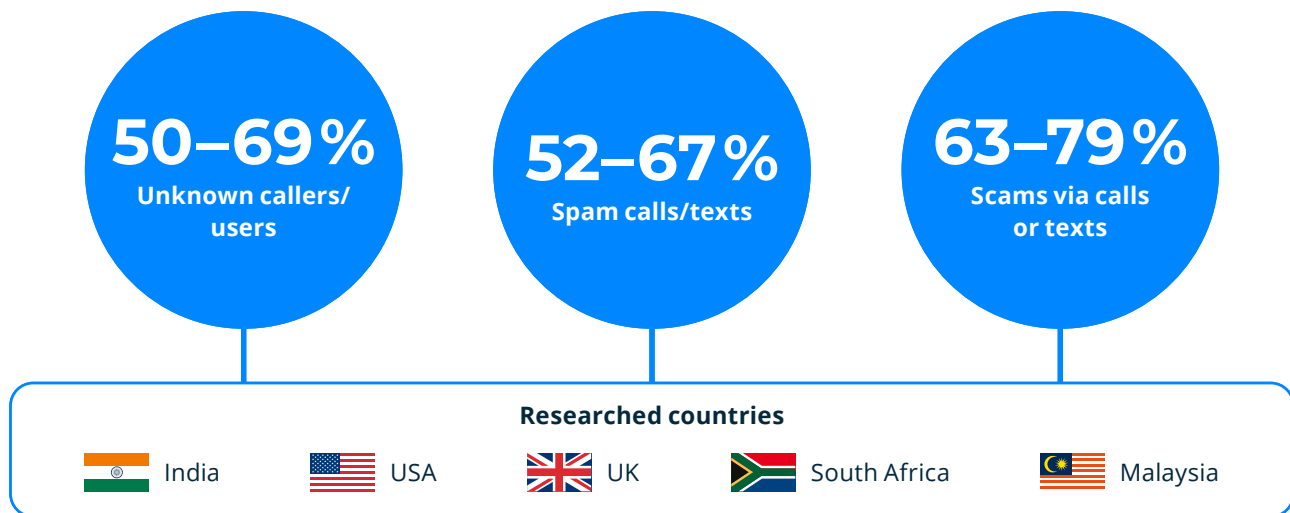
² According to a market study conducted by Boston Consulting Group in 2021.

The spam and scam problem is widespread across the entire world. Consumers and businesses alike suffer the negative effects of unwanted communication, including wasted time, annoyance, harassment and scams. In addition, businesses suffer a loss of trust,

which makes it more difficult for them to reach their customers and work efficiently. Truecaller's data show that as much as 70 percent of all business calls are rejected or missed because recipients choose not to answer when they do not recognise the number.

Spam, scams and unknown identities are huge concerns for users

% of users worried about important issues



Key market drivers and trends

Growth in the Caller ID market and the communications app market in a wider sense is governed by four key trends:

- ▶ Growth in the population and average lifespan
- ▶ Growth in smartphone usage
- ▶ Increased spam volumes
- ▶ Greater awareness of Caller ID apps

Growth in the population and average lifespan

Steady population growth is a factor in many emerging markets that is contributing to an increased need for safe and secure communication. The population has grown by about 1 percent a year in Truecaller's biggest markets over the past three years and the trend is expected to continue for the next five years. Higher expected lifespan is one of the most important underlying drivers.

Growth in smartphone usage

The number of smartphone users is expected to rise by about 700 million to 4.1 billion globally between 2021 and 2025 and the majority of new users (about 400 million) are expected to reside in Truecaller's core markets.³

There are three main drivers behind global growth in smartphone usage – rising incomes, falling smartphone costs and lower data costs.

Rising incomes lead to higher purchasing power and more people have been able to afford and are expected to be able to afford to buy/prioritise buying a smartphone.

Smartphone costs as a percentage of income are falling globally. The greater affordability of smartphones has been enabled by technological advances that have led to lower prices for phone components and devices, as well as new local and global players in the smartphone market. As a result, a larger share of the population is able to afford a smartphone.

Data costs are also dropping as a percentage of income in most markets. Greater affordability reduces the cost of using a smartphone.

Increased spam volumes

The technology behind robocalls – calls that use a computerised autodialer to deliver a pre-recorded message – has made remarkable progress in recent years.

Certain robocalls use personal audio messages to simulate an actual personal phone call.

³ India, Egypt, Nigeria, Algeria, South Africa, Israel, US, UK, Malaysia, Indonesia, Sweden, Morocco, Kenya, Colombia, Bangladesh, Iraq and Jordan.



The phenomenon further improves opportunities for spam and scam calls. This is happening in a time when telephone systems worldwide have not been drastically improved and when legislation is not sufficiently consistent to fight the spammers' "success" and access to technical tools. This rising tide of unwanted calls and messages is increasing the user value of having a Caller ID app like Truecaller.

Greater awareness of Caller ID apps

The main reason that consumers do not use an app is a lack of awareness among people who are affected by spam but currently do not use a third-party Caller ID app.

Greater awareness of Caller ID is expected to increase the spread of spam-blocking communications platforms. Online posts about number presentation and spam/spam blocking apps increased by 10 percent between 2016 and 2020, which indicates rising consumer awareness.²

Truecaller's competitors

The Caller ID and spam blocking market is fragmented. To easily clarify which market players compete with

Truecaller, they have been divided into four main categories:

- ▶ Smartphone manufacturers
- ▶ Telecom operators
- ▶ Suppliers of smartphone operating systems
- ▶ Third-party apps

Hiya "Smart Call", Jio Security, Phone by Google, Call App and Eyecon are examples of competitors in these categories.

As Truecaller was very early to develop its offering, there is a limited threat from new players in the Caller ID market because privacy-focused policies for mobile operating systems are preventing competitors from rapidly developing the necessary ID database. Truecaller's database includes more than 5.7 billion identified consumer and business phone numbers. It was built through the Truecaller community and machine learning technology in all parts of the world where the app has been used Truecaller began doing business. The Truecaller database identifies about 80 percent of all calls in the company's core markets.

Products and business model

The problem of spam and scam calls in people's everyday lives is growing in pace with the increasing dominance of mobile devices as a means of communication. Truecaller does business in markets where scams and fraud in various forms are a widespread problem caused by unwanted calls and texts from unknown sources. In addition, important communications are often missed, which causes problems for both consumers and businesses.

Truecaller offers **consumers** a communications tool that provides all features in a single app.

For **businesses**, Truecaller offers verified ID and authentication APIs that increase the call answer rate.

Truecaller for consumers

Calls

Truecaller processes about 3.2 billion unique calls every day – about two million calls a minute. The Caller ID service is the main reason new users opt to download Truecaller. Our users receive numerous calls every week from people not found in their saved contacts and our Caller ID feature helps identify who is calling.

Truecaller's Caller ID is driven by a steadily growing database, which is reinforced by machine learning algorithms and the vast Truecaller community that provides constant feedback, which helps the algorithms improve their accuracy.

Android is the dominant platform in most Truecaller markets. Truecaller identifies the call in real time on Android devices the instant it is initiated. Truecaller's Caller ID shows all available information: caller name, profile picture, company name, professional title, city and telephone operator. The Caller ID service includes additional features such as Call Alert and Call Reason (the option to state why the caller is calling). In 2021, Truecaller devoted intense effort to enhancing the user experience for iPhone users. This included introducing Advanced Caller ID for iPhone users, which is similar to the Android experience. The technology is being rolled out gradually to our premium customers, with the US as the first market.

Protecting users from scams is another key focus area for the call product. Truecaller alerts users that the caller is not trustworthy, along with giving the name of the spammer, the type of spam (sales, scam, robocall) and the number of people who have reported the number as a spammer to Truecaller.



Truecaller helps users boost productivity and communicate efficiently by using smart tools that modernise the user call experience, such as by letting them see whether the person they are trying to call is busy with another call or has their phone on silent, as well as a Call Me Back feature that lets users immediately ask the recipient to return the call.

In addition to smarter mobile calls, the Truecaller product also enables seamless switching between mobile calls and Truecaller Voice (IP-based). This is particularly useful in countries where network coverage is unreliable, which is the case in many emerging markets.



Messaging

Truecaller messaging features are used by 160 million users every month. Communicating by text (SMS) is becoming increasingly common, both person-to-person and B2C. Businesses use SMS to communicate important events to their customers in most countries where Truecaller operates. In India alone, Truecaller users receive a total of about 1.1 billion texts every month, including one-time codes to verify bank transactions, bank and credit card messages, train/bus/plane tickets, online shopping deliveries and other services. There is risk, however, that all of these important messages will get lost in the tsunami of unwanted texts – and make it impossible to find important messages later. Truecaller makes the user’s SMS “smart” by using artificial intelligence to conveniently sort different types of texts into different folders.

Truecaller handled 586 billion text messages in 2021, including 7.8 billion sent by Truecaller users. For example, consumers can easily find all transactions using a specific credit card or bank account, or have a ticket sent by SMS at their fingertips on the date of travel, thanks to the sorting into folders.

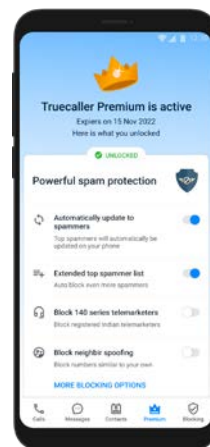
Truecaller also provides smart notifications that retrieve the most relevant information and summarises it for the user. This gives the user a neatly formatted notification that contains only the most important information and conveniently suggests appropriate actions, instead of having to try and figure out a long text message. Truecaller does this locally on the phone, without endangering the user’s privacy.

Truecaller also modernises text messages by providing tools such as scheduling texts to be sent later and flash messages for texts that need to be communicated to someone fast.

Truecaller Premium

In addition to Basic Access, Truecaller offers a paid Premium level that provides an ad-free experience and unlocks added features. The Premium level is designed to attract users who regularly use the free product. The advantages vary from e.g. unlimited usage of advanced spam blocking to call recording, while the user avoids all ads.

Truecaller Premium: Advanced features for Power Users



NO ADS

Use Truecaller with no ads

WHO VIEWED MY PROFILE

Notification when someone looks at your profile

PREMIUM ICON

Look super-professional when you call

MORE CONTACT REQUESTS

Send up to 30 contact requests per month

INCOGNITO MODE

Display others’ profiles privately

CALL RECORDING

Keep track of important conversations

Truecaller packages

BASIC

FREE

- ✓ Caller ID
- ✓ Spam Blocking
- × No Ads
- × Who Viewed My Profile
- × Premium Icon
- × More Contact Requests
- × Incognito Mode
- × Call Recording
- × Gold Profile
- × Premium Support

FREE DOWNLOAD

PREMIUM

- ✓ Caller ID
- ✓ Spam Blocking
- ✓ No Ads
- ✓ Who Viewed My Profile
- ✓ Premium Icon
- ✓ More Contact Requests
- ✓ Incognito Mode
- ✓ Call Recording
- × Gold Profile
- × Premium Support

**PAID IN ADVANCE
AUTO RENEWAL**

GOLD

- ✓ Caller ID
- ✓ Spam Blocking
- ✓ No Ads
- ✓ Who Viewed My Profile
- ✓ Premium Icon
- ✓ More Contact Requests
- ✓ Incognito Mode
- ✓ Call Recording
- ✓ Gold Profile
- ✓ Premium Support

**PAID IN ADVANCE
AUTO RENEWAL**



Truecaller for Business

Truecaller for Business is a volume-based subscription product supplied in an SaaS (Software-as-a-Service) model. The product was launched in Q4 2020 to give businesses a tool for efficient interaction with their customers.

Business calls

Truecaller for Business customers are given a verified ID on Truecaller so that their ID is presented as a trusted green profile. The Verified ID is displayed to users when the business calls them, which accurately identifies the business and assures the consumer that it really is the business calling and not an imitator out to fool them.

Verified Business ID has quickly gained the appreciation of Truecaller's customers and is currently used by several significant customers in India, the US and Egypt. Customers like the significant increase in the answer rate as well as the protection against scams that the product offers.

Businesses can also request a prioritised number status in addition to Verified Business ID. This is useful when they call customers about time-sensitive activities, such as grocery deliveries, online shopping deliveries, translation verification, shipping orders or similar services.

Business messages

Truecaller offers the Truecaller Chat messaging service to businesses to create a safe, cost-effective and reliable solution for their messaging needs. This business messaging solution provides valuable multimedia features as well as interactive communication, which traditional media like SMS cannot offer.

Partner authentication

Truecaller offers a free software development kit (SDK) for app developers. The tool has an interface for programming authentication tests that can verify a customer ID with a single click. This reduces the need for app developers to verify names and phone numbers, which thus also reduces the number of customers who leave the service before buying.

Truecaller's authentication SDK is used by 600 leading brand apps globally, including Pharmeasy, The Times of India, Unacademy and Home Credit. Thus far, more than 750 million log-ins have been made with Truecaller and about 15-20 percent of Truecaller for Business customers have been generated from existing SDK partners.

Business model

Truecaller has a robust and diversified revenue model with three main revenue streams.

- 1) Free subscription with ad revenues
- 2) Paying premium subscribers
- 3) Subscriptions with services for businesses (Truecaller for Business)



ADVERTISING REVENUE 2021:

SEK 949m

USER REVENUE 2021:

SEK 139m

OTHER INCOME 2021:

SEK 41m*

Ads:

FREE PRODUCTS WITH AD-BASED REVENUE GENERATION

A large majority of users choose Truecaller's free services, which are supported by ads. In 2021, ad revenues accounted for 84 percent of total revenues. User interactions with Truecaller via the app generate a plethora of opportunities to display ads during some of these interactions, which creates opportunities for businesses to reach out to current and potential customers with the help of Truecaller. Our advertisers include Spotify, Vivo, Disney Hotstar and Motorola.

Consumer subscriptions:

PREMIUM PAYING SUBSCRIBERS

Truecaller has a growing share of loyal users who pay monthly or annually for Truecaller's premium features. Consumer subscriptions accounted for 12 percent of revenues in 2021. There is tremendous potential for further growth, as fewer than 1 percent of Truecaller's MAU are subscribers.

Truecaller for Business

BUSINESS SUBSCRIPTION WITH ADDED VALUE

Truecaller for Business was launched initially in Q4 2020 and publicly in April 2021. As of 31 December 2021, Truecaller for Business had more than 1,000 active business customers including Airtel, Uber India, HDFC Bank, Swiggy, Commercial Bank of Egypt (CIB), Unacademy, Axis Bank and Mercedes Benz.

The service has demonstrated strong pull since the launch and has received good customer feedback. Truecaller sees strong potential to increase the growth of this revenue stream.



*Other income include revenues from Truecaller for Business and partner revenues

Sustainability



Sustainability report Truecaller



Letter from our Chairman

At Truecaller, we aspire to make tomorrow's communication smarter, safer and more efficient. Thirteen years ago, our founders wanted to create a service that would easily identify incoming calls from unknown phone numbers, regardless of where in the world it came from. But as the problems with fraud and unwanted communication grew, so did we. Today, Truecaller is the world's leading provider of phone number verification and safe communications and an essential part of everyday communication for over 300 million active users.

2021 was an extraordinary year for Truecaller and the world as a whole. Not only did the pandemic lead to severe consequences to both people and businesses, it has also affected communication behavior including spam, sales and scam patterns around the world.

As a company with a global reach, we influence our surroundings and our stakeholders in terms of both our environmental impact and social footprint. When

we now publish our first sustainability report, we do so with all our stakeholder groups at heart. Truecaller has a responsibility to understand how spam works and use that information to better protect people, to improve user experience and to make communication between people and companies safer and more efficient. And when taking that responsibility we must continuously ask ourselves what we can do, as a company, as a partner and as an employer to address, improve and create sustainable value.

At Truecaller we strive to be a force for good in society by creating a safe environment for transaction and communication in the new digital world. We are proud and committed to making communication safe and efficient – whether at the start of a call, in the middle of a transaction or at the end of a signature.

Bing Gordon
Chairman of the Board

2021 sustainability highlights

396 billion

calls and text messages identified and blocked (page 35)

Over three million

people accessing the COVID-19 Healthcare Directory on the Truecaller app within one month at the height of the second wave in India (page 28)

>3 million

downloads of the Guardians – an app for personal safety that was launched in 2021 (page 27)

Provider of Critical medical supplies

through the Sweden-India help group (page 28)

#ItsNotOK

– campaign around women’s safety against harassment, which generated over 179 million impressions and over 10 million views across digital platforms (page 27)

6.4 million INR

saved in Covid-related scams through partnership with the Indian Ministry of Home Affairs and the Indian Cyber Crime division (page 28)

Sustainability at Truecaller

The mission of Truecaller is to build trust in communication. By this we mean that people and businesses should be able to connect and communicate without risk of fraud or spam that in turn create nuisance, mistrust and hinders economic activity.

A continuous and transparent dialogue with our stakeholders is important to understand where our sustainability work is most beneficial, and prepares the organization to deal with external factors that may affect the business. With the aim of developing our sustainability work, we carried out a materiality analysis in 2021 that takes into account different sustainability perspectives. We have had a dialogue with our various stakeholder groups, including our users, corporate customers, employees, owners and suppliers who have all contributed with their approach to Truecaller from a sustainability perspective. We have also implemented several policies and our code of conduct that dictates how both we and our suppliers should work with each other.

This year's sustainability report, which is Truecaller's first, lays the foundation for continued work

“Building a business around the individual, like Truecaller has done, provides more social sustainability than many other companies”

Stakeholder from the materiality analysis

in the coming years. The report summarizes how Truecaller works to maximize a positive impact based on society, our employees, governance and climate – what we call our four pillars for sustainable impact. The report contains four

sustainability targets, one for each pillar and in 2022 we will further develop our sustainability strategy and investigate what measurable targets that best serve the purpose of Truecaller.

We strive for transparency and clarity in our sustainability work and our impact. To foster comparability and our own accountability we have chosen to apply the recognised Global Reporting Initiative (GRI) standard. We have been a publicly listed company since October 2021. Accordingly, we have expanded our responsibility to encompass new stakeholders – our new shareholders who, like all of our existing stakeholders, expect and deserve clear, comparable and reliable reporting on sustainability. This report is an important part of our continuous dialogue with all our stakeholders, which we see as an essential part of Truecaller's on-going long-term effort to generate value.



Four pillars for a sustainable impact

Society





Sustainable development lies at the core of Truecaller's business. We strive to be a good force in society by creating a safe environment in a digital world. In everything we do, we work towards our goal of making tomorrow's communication safer, smarter and more efficient.

Fraud and unwanted communication are endemic to digital economies, especially in emerging markets. It has accompanied digital progress, creating mistrust and hindering economic activity. We contribute to local communities around the world by increasing safety and trust for our users, and thereby for society at large. We enable safe conversations for more than 300 million active users globally. Moreover, our wide reach gives us a unique capacity to help communities and individuals in urgent circumstances.

Sustainability target

Our goal is to drive safety and positive change in local communities.

"The public benefit is that they are not just a phone book, but that they can actually prevent fraud"

Stakeholder from the Capital Market

How we impact

Data & Privacy

Information security and customer safety is the foundation of our work and our license to operate. We strive to be at the forefront of data security by constantly evolving our processes for managing data in a secure manner through our agile organization.

As a leading global platform for verifying contacts and blocking unwanted calls, we have access to data related to our users. Our service is built on trust, and we are committed to securing all user data that we have been authorized to process.

We always seek to make sure that Truecaller's users understand which permissions and data our solution requires for the app to work as efficiently as possible. Users have the power to control how their personal information is displayed on the app, and they can edit or deactivate their profile at any time. When a new user registers, their profile details are private by default. Users can also easily have their personal information deleted from Truecaller.

We do not sell user information to third parties. To ensure that Truecaller's services are free to use, we do however share user data on an anonymized and aggregated level with our trusted partners for advertising purposes. Partners who we have given the permission to process our data are listed in the app. Only analytical insights on an anonymized and aggregate level are shared.

For more details about our work with data and privacy see page 40.

Creating awareness about sexual harassments

Sexual harassment of women and girls through calls and texts is a growing problem. To spread awareness about the issue, which has previously been insufficiently researched, we leverage our unique insight into unwanted communication to publish recurrent reports about the topic, including several editions of "Truecaller Insights: Understanding Impact of Harassment, Spam Calls and SMS for Women".

In 2021, we produced an extensive awareness campaign around women's safety against harassment. Our research in previous years highlighted the alarming extent of SMS and call harassment and its normalization within Indian society. In 2021, we expanded the research to four more countries across two additional continents, and the results brought the same issues to light. The #ItsNotOK campaign brought these women to light and reinforced our strong stance against women's harassment. The viral campaign generated over 179 million impressions, and over 10 million video views across digital platforms. While this is the fourth consecutive year that we have published an extensive educational campaign on this topic, this is only the beginning of our efforts.

Enhancing safety through the Guardians app

People sometimes feel unsafe when walking home alone, exploring new places, or meeting with strangers. Smartphone usage means that phones can be a last line of defense in uncomfortable or dangerous situations. We contribute to making the daily lives of our users safer through a certain security feature in our app.

After building an app that safeguards people in their digital lives, we made a commitment to safety in the physical world. In March 2021, we launched our new personal safety app, Guardians, as a concrete development from the women's safety campaigns we have invested in over the years. Over three million people have downloaded the Guardians app. This initiative was further developed with the establishment of volunteer communities, giving users the ability to signal for help in real time to volunteer users nearby.

Facilitating access to healthcare

During the Covid-19 pandemic, we leveraged our resources to help users in India quickly find a health care provider by launching the Truecaller Covid-19 hospital directory. The service is available in the Truecaller app for all our Indian users. The service includes contact details such as telephone numbers and addresses of COVID designated hospitals across India. The service was launched at a time when India was in the midst of a deadly COVID-19 wave when healthcare facilities were stressed to the limit. The information is sourced from official government databases and users were able to search within the database to find the hospital details needed. The COVID Hospital Directory is available for all Truecaller users in India, irrespective of whether you are on the free-tier or have a Truecaller Premium or Truecaller Gold subscription. For more information about COVID-related initiatives, see page 28.

Public policy

Protecting the personal information of our customers and ensuring that we follow the highest standards of privacy and data protection, as well as any other obligations, as required by the law of the land remains a top priority.

We stay committed to working with governments to support their digital transformation efforts in countries where we operate. We engage regularly with our key policy stakeholders on important policy issues like privacy, safety and security to create a safer digital experience for our users.



Impact on local communities: COVID

COVID directory.

As the second wave of COVID hit India, extreme shortages in hospital beds and medical supplies became a significant concern in India. We took action quickly and launched the COVID-19 Healthcare Directory, giving hundreds of millions of users in India an easy way to find COVID designated hospitals and critical supplies in shortage such as oxygen tank providers. This new feature made it easy for users to find help quickly. To further expand this resource, we partnered with FactChecker, ensuring that users got the most accurate information relevant to their location. An additional partnership with MapMyIndia, India's oldest digital mapping company, further enriched our database with over 60,000 COVID-related points of interest. At the peak of the second wave in India in

the month of May alone, over three million people accessed the COVID-19 Healthcare Directory on the Truecaller app.

COVID relief fundraising.

Given the significant reach that Truecaller has, we used our platform to raise awareness and share resources on where users could send donations. We supported the fundraising efforts of GiveIndia, Goonj, Vibha, Milaap, Akshaya Patra and Feeding India, trusted non-profit organizations focused on COVID relief, by giving their causes visibility on the Truecaller app via in-app notifications to our users, as well as donated ad inventory.

Critical medical supplies.

A significant shortage of oxygen concentrators in India during this crisis motivated us to take action and support local communities quickly. Through our partnership with the Sweden-India Help Group, Truecaller procured oxygen concentrators from Sweden and shipped these to different cities in India, where they were deployed in hospitals and temporary hospitals in need. As the situation in India became more severe with 300,000 new single-day cases and over 2,000 deaths a day, Truecaller partnered with GiveIndia to protect frontline workers and critical patients by providing oxygen supply, N-95 masks, PPE kits, vaccinations and essential care at COVID-19 centers and charitable healthcare facilities.

Fighting COVID-related scams.

In India, a phenomenon emerged in which fraudsters took advantage of the pandemic by falsely peddling life saving medicines, oxygen cylinders and other critical resources on social media. These fraudsters promised to supply the goods and asked for hefty cash advances, leaving hundreds of citizens duped without the resources they needed. We partnered with the Ministry of Home Affairs (MHA) and the Cyber Crime division in India to tackle this. Based on information provided by the MHA, we marked up to 300 phone numbers known as deploying these tactics and identified them as "COVID Scam" in our app. This initiative resulted in the suspension of at least 230 bank accounts with amounts of up to INR 6,400,000 that were linked to such scams.

Four pillars for a sustainable impact

Our People

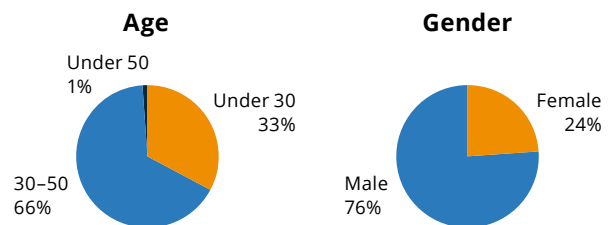


At Truecaller, we want to create an inclusive environment where everyone feels welcome, safe, and supported to express their opinion. We strive to be the best employer for all, regardless of nationality, gender, sexual orientation, and religion. Across our five offices, over 300 people represent more than 20 different nationalities.

We put pride in our work to be a fair employer. Diversity and inclusion are not just important values for us. Our ability to ensure that all our people feel included and satisfied with their work is also vital for our capacity to attract and retain talent who can continue to develop our services.



Percentage employees



Our values

At Truecaller, the main aspects of a strong work ethic are professionalism, integrity, respect for the work and our colleagues, delivering as agreed and on time and discipline. Our core values are a strong driver of the work ethic. To guide us in our efforts, we worked together to identify a number of core values, which are

essential tools for developing in the same direction as a company, fulfilling our vision and achieving our goals. The values are the foundation for building and upholding a strong company culture that works as a compass at all levels, from the individual to our various teams to top management.



BE FEARLESS

We are committed to creating a safe and secure environment where individuals are encouraged to take risks and try new ideas without fear of failure. Constant change is in our DNA and an asset in our work.



GET SH*T DONE

Acting fast and decisively is important to us. We want to meet our goals and are not afraid to roll up our sleeves and get it done.



NEVER GIVE UP

We should be patient and respectful towards each other while aiming to constantly better ourselves, learn from our mistakes and from how other people do things when we need to. We motivate each other and support each other even when times are tough.



HELP EACH OTHER

We build trust, develop relationships and get to know each other. We respect each other's differences and are enriched by our diversity. We are not afraid to give or receive feedback and we think it is important to celebrate victories.

Sustainability target

Our goal is to create the most inclusive environment and workplace for everyone, regardless of ethnicity, religion, gender or age.

How we impact

Diverse and inclusive workspace

Our approach to diversity and inclusion is defined in our dedicated Equal Opportunities policy. We strive to be an equal employer in all aspects of our business, including recruitment, pay, promotion, benefits, training, and parental leave. We take our duty not to discriminate because of gender, age, sexual orientation or any other personal characteristic very seriously. Moreover, we take action to ensure that appropriate facilities and amenities are provided for employees with disabilities.

At Truecaller, it is our aim to ensure that our people are given promotion opportunities solely on the basis of their ability and performance. All qualified employees normally have the opportunity to apply for promoted posts. We strive to offer our people the opportunity to continuously take on new challenges and develop in their careers.

We value the competence and experience that each individual employee brings to Truecaller. One of our challenges is to constantly attract new talent that can contribute to our company continuing to flourish. In 2021, we introduced a referral system to give our employees the opportunity to recommend people who they think

Total number of employees

2021	Female	Male	Total
Number of permanent employees	79	225	304
Number of temporary employees	2	0	2
Number of non-guaranteed hours employees	0	0	0
Number of part time employees	0	0	0
Number of full-time employees	81	225	306
Number in senior management	1	6	7
Total number of managers	8	48	56

“Truecaller’s culture is very humane and inclusive. They see themselves as one group of people more than a company”

Truecaller Board Member

would thrive with us and contribute to Truecaller’s development. The system is designed to increase the proportion of women in tech-related roles in the company and thereby create a balance in the various teams. The share of women in the company increased from 21 percent as per the 31 December 2020 to 24 percent as per the 31 December 2021. In 2021 salaries of female employees was 87 percent of male salaries (based on median salaries during the year). This ratio is expected to even out as the share of females in the company increases.

Fair, safe and healthy working conditions

Truecaller complies with all applicable legislation and regulation concerning fair, safe and healthy

working conditions. We continuously work to improve the health and safety of our workplace. We also provide support for our employees to maintain a good balance between work and personal life.

At Truecaller, all employees are required to participate in health and safety trainings that cover topics such as risk exposure and safe evacuation. The health and safety of our people must never be compromised.

The launch of the project “TC as Employer of Choice” means an initiative to further strengthen the corporate culture, to increase the understanding of employees’ ways of identifying with the company’s core values and the launch of various types of development programs within the company. In 2021, staff turnover amounted to 18.2 percent.

Truecaller’s employees are not bound by collective agreements. Ensuring that all employees have fair and generous employment terms is a priority, where market salaries and generous benefits in the form of private health insurance, health care allowance and no qualifying day are included. The benefits include full-time employees as well as short-term employees or part-time employees. In 2021, two cases of possible discrimination were reported, one of which turned out to be a mistake. Relevant measures have been taken.

2021	Sweden	India	Kenya	Total
Number of permanent employees	132	171	1	304
Number of temporary employees	2	0	0	2
Number of non-guaranteed hours employees	0	0	0	0
Number of part time employees	0	0	0	0
Number of full-time employees	134	171	1	306

Three voices from the Truecaller team



Irene Onyango, Associate Sales Manager, Truecaller for Business (Nairobi office)

Hi! I am Irene Onyango, born and raised in Kenya. I am currently based out of Truecaller's Nairobi Office. My current role at Truecaller involves interacting with businesses primarily across key markets in Africa, South-East Asia and Sweden to evangelize about Truecaller's business communication products and developer solutions.

I have always enjoyed meeting new people and it comes naturally to me to maintain a lot of relationships. I am a typical extrovert, which has really helped me in my career. I enjoy working with Truecaller as it gives me the opportunity to do what I enjoy, while working and interacting with a diverse team of professionals from various backgrounds and cultures who are self driven and are after successful outcomes. I also love the growth and versatility of being able to work on multiple products and tasks.

Within my two years of being in Truecaller I have interacted with two key products that help solve users' daily hassles saving them time and allowing them to focus on what's important to them. I am excited to come to work every day as it keeps challenging me to learn and relearn everyday.



Antia Bagni, Content Creator, Employer Branding (Stockholm office)

Hej! My name is Antía, I'm from Spain, and I'm a content creator focused on employer branding at Truecaller. If you ask me why I like working at Truecaller, I would not be able to pick just one thing because every day is a new adventure. Each project presents unique challenges, so no day is like any other at Truecaller. I love coming in every day and seeing the never-ending amount of fun things that happen every day. Truecaller has a light-hearted atmosphere and a collaborative culture essential to feel motivated and inspired at work.

I truly believe that teamwork makes the dream work. I admire my colleagues, and I am happy to learn from them. We support each other and work together to bring our ideas to life.

Another rewarding aspect of my job is collaborating with people from different backgrounds and nationalities. Talking with them helps me explore new angles of solving problems.

Truecaller is a place that encourages individual creativity and skills development. I appreciate that I have freedom and flexibility in my job. I can manage my autonomy over my responsibilities, and I feel trusted by my teammates. They always encourage me to be bold and try out new initiatives.



Tulika Nandy, Senior Programmatic Manager, Ads Product (Bangalore office)

The best decision I have ever made in my eight-year career was to join Truecaller almost three and a half years ago! As this is one of the best tech companies, our daily goal is to make communication safe and efficient resulting in more than 300M users trusting Truecaller all over the world. I am very proud to be a member of the Truecaller family, where people from several different nationalities have come together to create an amazing calling experience for our users! #HelpEachOther is one of Truecaller's core values, which we live up to every day by assisting our users in identifying the caller and the reason for the call, allowing them to avoid wasting their time.

What I appreciate most is our workplace culture, which is amazing. Everyone in Truecaller is very welcoming, which gives anyone who joins Truecaller a sense of belonging. With such a diverse workforce, Truecaller's faith in each employee makes it one of the best places to learn, work, grow together and have fun! Everyone here shares an utmost amount of respect and admiration for their colleagues, and are always willing to lend a helping hand in order to work together and be able to make an impact on the society by making our users' lives a little easier in the simplest way possible. Here at Truecaller we are proud of #nevergivingup, #helpingeachother, #gettingsh*tdone and #beingfearless.

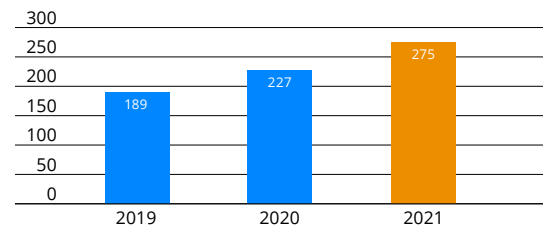
Total number and rate of new employee hires in 2021

Age	#	%
Under 30	57	51 %
30-50	54	49 %
Total	111	100 %

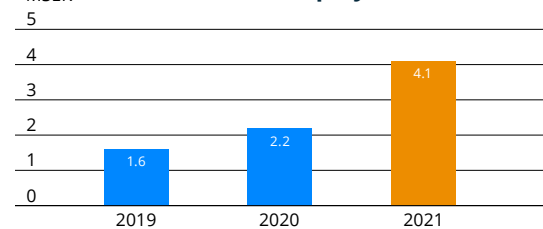
Gender	#	%
Female	41	37 %
Male	70	63 %
Total	111	100 %

Region	#	%
Sweden	41	37 %
India	70	63 %
Kenya	0	0 %
Total	111	100 %

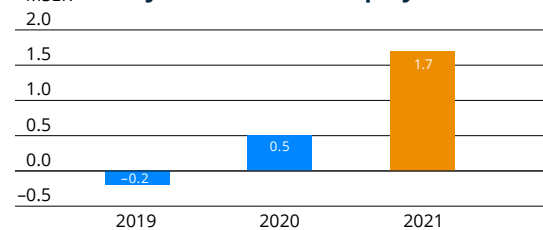
Average number of employees



Revenue/employee



Adjusted EBITDA/employee



2021

Share of employees that were on parental leave	19,6%
Average number of educational hours/employee	6,4 h
Share of employees that had employee evaluations	90%
Number of consultants working in the organisation	22

Four pillars for a sustainable impact

Governance



Winning is not just about results. It's also about how you get there. Ethics and compliance are a fundamental part of every successful company's performance. At Truecaller, we are committed to high standards of ethical business conduct. We aspire to be leaders in operating our business responsibly and see it as our duty to uphold the value of uncompromising integrity, both towards our customers and for ourselves. Our strong ethics and values are integral to our operations across the globe.

Truecaller has robust processes and policies in place to ensure that we always comply with laws and regulation in our local markets. We have established a Code of Conduct which lays the foundation for our work with ethical leadership. It encompasses the principles that govern our ethical and legal obligations. It also provides clarity and guidance on how Truecaller

expects our people to operate in their daily work.

The standards in our Code of Conduct apply to all our employees and board members worldwide. Each of us has a personal responsibility to understand and practice them in our day-to-day work. Read more about our Code of Conduct on page 39.

Sustainability target

Our goal is to provide a safe calling experience and enforce privacy-by-design for the Truecaller community.

“At the end of the day they take information they need to help people and they don't sell it, that to me inserts trust”

Stakeholder from the Capital Market



Consumer protection

Protecting consumers from scams, fraud and unwanted communication is at the heart of our mission. Fraud and scam calls have become an increasingly salient issue in recent years, and reports suggest that billions of dollars have been lost to these calls. We are proud that we have helped protect over 300 million users on our app from potentially fraudulent and scam calls. In 2021 alone, we blocked and identified 37.8 billion spam calls and 182 billion text messages.

How we impact

Transparent governance structure

The Annual General Meeting is the company's highest decision-making body, where the shareholders have the opportunity to exercise their influence and where they elect the Board of Directors. At an Extra General Meeting on 2 June 2021 Helena Svancar and Annika Poutiainen were elected as new members of the board and at the Annual General Meeting on 17 June 2021 they were re-elected together with Bing Gordon, Nami Zarringalam, Alan Mamedi, Shailesh Lakhani and Joen Bonnier (Joen Bonnier decided to leave the Board in connection with the IPO on October 8 2021).

Both Annika Poutiainen and Helena Svancar bring extensive experience from leading positions within governance, finance and telecommunication and thus complement the remaining board members in terms of skills, knowledge as well as gender balance, strengthening the Board as well as the Company.

The Board of Directors appoints the CEO who in turn appoints the Senior Management Team.

Truecaller strives for an open and inclusive culture with fast decision-making paths and a non-hierarchical organizational structure governed by the company's core values.

For more information about the corporate governance structure of Truecaller, please read the Corporate Governance Report on pages 48-52.

Cyber Security

Truecaller is a data- and technology-driven company. All software developed to operate our core services has been developed in-house, primarily using open-source technologies.

Safety is an important aspect of our IT strategy. We have robust processes in place to protect our assets from unauthorized access, alteration or destruction during storage, transmission, and dissemination. Through our information security work, we aim to ensure that our systems and networks are protected against intrusion and unauthorized use, theft or damage, or malfunction. Furthermore, we have established clear guidelines for how employees should handle procedures such as incident management, continuity planning, procurement and development, and external operations and service.

We employ over 140 technical professionals focused on IT security, managing a system that processes data robustly and in compliance with applicable laws. Furthermore, given our fully automated operations, most of our engineers can focus on development rather than operations. As a result, we believe that we are at the forefront of cyber security. In accordance with the highest security standards, we utilize redundant, replicated deployments, including hybrid private-public cloud in Europe and multi-zonal cloud in India.

In 2021 we had no incidents related to cyber security.

Anti-Corruption

Truecaller always complies with all relevant laws and rules in the markets where we operate, including the Swedish anti-bribery legislation, the U.S. Foreign Corrupt Practices Act, the Indian Prevention of Corruption Act, and the Prevention of Money Laundering Act. We require all our business partners to adhere to and comply with equivalent standards.

We have a clear and robust zero-tolerance for corruption policy in place. Training in the policy is part of the training program for all new employees at Truecaller. We protect employees who refuse to take part in any violation of applicable law and our anti-corruption policy as well as employees who report suspected breaches. In 2021 the company had no confirmed incidents of corruption.

Human Rights

We recognize that businesses such as ours have the responsibility to respect human rights and the ability to contribute to positive human rights impacts.

Our Code of Conduct establishes that Truecaller and its employees should respect all internationally recognized human rights, including the International Bill of Human Rights. We should avoid causing, contributing to, and being linked to adverse human rights impacts, and should adequately address such impacts if they should occur.

Whistleblowing

All Truecaller's employees as well as consultants, sub-contractors and other stakeholders are encouraged to report any suspected violations of laws or unethical behavior. We have established a dedicated whistleblowing policy through which we provide a protected channel for our employees and other stakeholders to raise their concerns about suspected wrongdoing without the fear of being subjected to an unfair dismissal or detrimental treatment.

All reports filed according to the Whistleblowing Policy via the company's whistleblowing channel go primarily to the Chief Legal Officer and Chief HR Officer who then create an investigation team based on local needs and the type of suspected violation that the notification relates to. The investigation team evaluates the reported misconduct in accordance with our internal guidelines and informs the reporting individual on the status of the investigation on a continuous basis.

Reporting individuals may be completely anonymous for as long as they wish. Truecaller applies a strict policy of non-retaliation against individuals who report wrongdoings. It is strictly forbidden for all Truecaller's employees and Truecaller's other representatives to search for the identity of the reporting individual or to subject a reporting individual to any form of special treatment or other negative penalty due to the notification.

Four pillars for a sustainable impact

Climate



As a digital platform and service provider, Truecaller has a limited direct impact on the environment from our operations. Nevertheless, we do our best to contribute to a zero-carbon world. All companies have an important role to play in the climate transition.

We work actively to limit our carbon footprint and minimize the emissions resulting from our operations, workplaces, and suppliers. We also seek to improve our infrastructure for resource use and waste management. Truecaller should continuously improve the environmental performance of our business activities.

Sustainability targets

Our goal is to reduce our carbon footprint and do our part to contribute to a sustainable future.

How we impact

Our headquarters in central Stockholm is in a building which has been certified by LEED, a global green certification program which was launched by the U.S. Green Building Council in 1998. The LEED certification provides a framework for green buildings and is recognized globally as a symbol of sustainability achievement and leadership.

LEED aims to promote transformation of the construction industry to contribute to reducing global emissions and protecting the environment as well as individuals' health and well-being. LEED rates buildings according to their performance across various sustainability parameters. Our

office premises in Stockholm are certified with LEED's highest rating.

Our datacenter in Stockholm has also been recognized for its limited environmental impact. It is certified as compliant with ISO 14001:2015, an international standard that sets out a framework for effective environmental management systems.

Even before the Covid 19 pandemic, we preferred digital meetings before flying across the globe. We strive to be conscious about the travel that we do and always choose the lowest emitting alternative. In 2022 we will look into offsetting programs that will help us to participate in the transition to a world with net zero emissions.



“We adjust our server system according to use – we scale up during the evenings because that is when many of the users use the app and then we scale down when the activity is low. We invested in this system in 2014 and it saves energy”

Founder

Sustainability governance

The Board of Directors is the highest governing body of Truecaller's sustainability work and responsible for implementing effective governance practices. That includes, but is not limited to, promoting responsible decision-making, monitoring the performance and the delivery of Truecaller's sustainability strategy and outcomes.

The Senior Management Team is responsible for the implementation of the sustainability strategy in the company including long term ambitions and targets. The Management Team take initiatives and ensure that targets are met with the help of departments and teams across the company.

During the IPO process in 2021, Truecaller's governance models were reviewed by the company's auditors, who certified that Truecaller has a satisfactory system of governance and control. A thorough policy structure is in place, and several company policies were developed or updated during 2021. Where appropriate, certain of these are obligatory for all employees and consultants to read and confirm they have read and understood the information.

Policies and Code of Conduct

The Code of Conduct is our foundation of ethical leadership and encompasses the basic principles that govern our ethical and legal obligations to Truecaller. It aims at ensuring the promotion of fair employment conditions, safe working conditions, responsible management of environmental issues, protection of human rights and high ethical standards.

The Code of Conduct sets out the fundamental principles of law and ethics governing the way that Truecaller does business. These principles demonstrate our adherence to the highest standards of business ethics and apply to every member of Truecaller community – directors, executives, managers, employees, and business partners.

The Code of Conduct is not the exclusive source of guidance and information on Truecaller's expectations, but they serve as the basis for other Truecaller policies and

guidelines. Our business is also governed by a set of policies which guide us in our work and express our view on specific key issues.

In this respect, each employee is required to review and acknowledge their compliance with our Code of Conduct and the accompanying policies below when joining Truecaller.

- ▶ Anti-Corruption Policy
- ▶ Data Breach Response Policy
- ▶ Equal Opportunities Policy
- ▶ Global Business Amenities Policy
- ▶ Investor Relations and Communication Policy
- ▶ Information Security Policy
- ▶ Insider Policy
- ▶ Social Media Policy
- ▶ Whistleblowing Policy
- ▶ Work Environment and Health Policy
- ▶ Group Data Governance Policy

Truecaller has appropriate grievance mechanisms that are available to employees and other stakeholders, including affected communities, to make comments, recommendations, or complaints concerning the workplace, the environment or business practices. Unethical or illegal business conduct on the part of Truecaller is simply unacceptable and will not be tolerated.

Compliance and compliance system

1. Privacy and Data Protection

Building a trusted environment for communications means having

a responsibility to keep personal user data safe. Indeed, with over 300 million monthly active users worldwide Truecaller has access to a significant amount of personal data. Since the inception of Truecaller application privacy has been the foundational principle. When consumers use our service, they place their trust in us – and it is a valued trust we intend to maintain.

The following briefly highlights the compliance efforts we make as part of our compliance program.

Truecaller is committed to complying with applicable data protection laws

- ▶ Truecaller is subject to many different data protection regulations in the markets where we are present and closely track the data privacy landscape in these markets to make sure that we proactively adopt good practices and stand ready to comply with. We also allocate significant resources to take the necessary steps to become compliant.

Truecaller processes personal information in a transparent manner for legitimate purposes

- ▶ Truecaller care deeply about its users and their data and to securely handle data and process it as per our Privacy Policy is a top priority. All users have the power to control and protect how their personal information is displayed for others even in the markets where Truecaller is not required to do so.

Users can easily exercise their rights and get support

- ▶ Users can edit their profile in the application at any time, access the personal information we hold about them, rectify it if it is inaccurate or incomplete, or deactivate their account via Truecaller's Privacy Centre. The company also have built a data portability feature that allows users to download a copy of all user information in a readable digital format. There is also a dedicated team to address any questions or complaints related to the application or the processing of personal information.

Truecaller makes every effort to implement the data protection principles effectively and safeguard individual rights

- ▶ **PRIVACY BY DESIGN AND DEFAULT** – Truecaller considers privacy implications at an early stage and embeds privacy into the design and architecture of IT systems and business practices. Privacy is integral to the system and all components of Truecaller are proactive in looking at the privacy implications of any new features.

Truecaller seeks to deliver the maximum degree of privacy by ensuring that personal data are automatically protected in any given IT system or business practice and that no action is required on the part of the individual to protect their privacy – it is built into the system, by default.

For example, when users register, by default the profile details are private to users who search by name. Users cannot access the phone number by looking up a name unless a user approves this contact request. This enables us to confidently use our users' data in a way that is compliant, ethical, and trusted. It is also easy to un-list if a person does not want their information to be on Truecaller unless identified as a spammer.

- ▶ **DATA MINIMIZATION** – Truecaller is committed to limiting the personal data collection, storage, and usage to data that is relevant, adequate, and necessary to carry out the purpose for which it is processed, for the shortest period to achieve it.
- ▶ **DATA SECURITY** – Truecaller has stringent measures in place and a strong DNA in the company to do what is best for our users. Truecaller data is safe and has the highest levels of protection. All software developed to operate its core services has been developed in-house primarily using open-source technologies. Safety is an important aspect of Truecaller's IT strategy. Truecaller aims to protect its assets against unintentional or unauthorized access, alteration or destruction during storage, transmission, and dissemination.

For example,

- All data we hold is encrypted at rest and Truecaller maintain strong encryption methods to avoid and reduce the surface of any attacks.
- No credentials are stored and a one-time password (OTP) is applied for logging on to the application.
- Communication is encrypted when transmitting data via Transport Layer Security (TLS).
- Truecaller regularly run vulnerability scans on its IT systems and networks.

- ▶ **INCIDENT RESPONSE PLAN:** Truecaller has guidelines for how employees should handle, for example, incident management, continuity planning, procurement and development, and external operations and service. We adopted a well-established incident response plan to make it clear for all our employees how to recognize and deal with a cybersecurity incident like a data breach or cyber-attack.

- ▶ **AWARENESS:** Truecaller makes relevant training documents such as Employee Handbook, Group Data Governance Policy, Data Breach Response Policy and Code of Conduct available via company intranet to ensure that employees have access to such documents in a simple and accessible way. We will continue to hold awareness activities across the company and make sure that Truecallers receive continuous training on data protection and security.

2. Communication and training about anti-corruption policies and procedures

Truecaller has a robust Anti Corruption Policy to ensure that no employee acts in any way that is inconsistent with Truecaller's objectives or with the integrity of the business. The policy intended to provide support and guidance to those acting for or on the Truecaller's behalf in their efforts to prevent bribery and corruption.

Each employee is required to review and acknowledge their compliance with our Anti Corruption Policy. Going forward Truecaller will strengthen its anti-corruption efforts by enhancing and holding regular anti-corruption training sessions as a top priority.

3. Whistleblowing function

It is of great importance for Truecaller to protect the company, our employees, suppliers, customers, the environment, and society against serious irregularities that Truecaller could in any way be involved in. Truecaller has therefore introduced an opportunity to report serious incidents through several different reporting channels where individuals may anonymously report serious incidents in accordance with the Whistleblowing Policy.

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GRI 2: GENERAL DISCLOSURES 2021				
The organization and its reporting practices	Disclosure 2-1	Organizational details	88	Note 19
	Disclosure 2-2	Entities included in the organization's sustainability reporting	-	The whole organisation is included
	Disclosure 2-3	Reporting period, frequency and contact point	57, 105	
	Disclosure 2-4	Restatements of information	-	The company's first report
	Disclosure 2-5	External assurance	-	External assurance not available
Strategy, policies and practices	Disclosure 2-22	Statement on sustainable development strategy	24	
	Disclosure 2-23	Policy commitments	39-40	
	Disclosure 2-24	Embedding policy commitments	36, 39-40	
	Disclosure 2-25	Processes to remediate negative impacts	39	
	Disclosure 2-26	Mechanisms for seeking advice and raising concerns	36, 40	
	Disclosure 2-27	Compliance with laws and regulations	39-40, 48	
	Disclosure 2-28	Membership associations	-	Internet & Mobile Association of India
Stakeholder engagement	Disclosure 2-29	Approach to stakeholder engagement	24	Materiality analysis made in cooperation with Kekst CNC
	Disclosure 2-30	Collective bargaining agreements	31	
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	Disclosure 2-10	Nomination and selection of the highest governance body	49-50	
	Disclosure 2-11	Chair of the highest governance body	49-50	
	Disclosure 2-12	Role of the highest governance body in overseeing the management of impacts	39-40, 48	The Board of Directors is responsible for the ESG report
	Disclosure 2-13	Delegation of responsibility for managing impacts	39-40, 48	
	Disclosure 2-14	Role of the highest governance body in sustainability reporting	39	
	Disclosure 2-15	Conflicts of interest	48, 50	
	Disclosure 2-16	Communication of critical concerns	51-52	Communication has not been relevant
	Disclosure 2-17	Collective knowledge of the highest governance body	-	Nasdaq's board education in connection to the IPO
	Disclosure 2-18	Evaluation of the performance of the highest governance body	50	
	Disclosure 2-19	Remuneration policies	46-47	
	Disclosure 2-20	Process to determine remuneration	46-47	
	Disclosure 2-21	Annual total compensation ratio	80	Note 7

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Anti-corruption	Disclosure 205-2	Communication and training about anti-corruption policies and procedures	36, 40	
	Disclosure 205-3	Confirmed incidents of corruption and actions taken	36	
Public policy	Disclosure 415-1	Political contributions	27	
Customer Privacy	Disclosure 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	27, 35-36, 40	
OUR PEOPLE				
Activities and workers	Disclosure 2-6	Activities, value chain and other business relationships	4-5, 17-20	
	Disclosure 2-7	Employees	30-33, 80	
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Employment	Disclosure 401-1	New employee hires and employee turnover	31, 33	
	Disclosure 401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	31	All employees are included in the benefit program
	Disclosure 401-3	Parental leave	33	
Training and education	Disclosure 404-1	Average hours of training per year per employee	33	
	Disclosure 404-2	Programs for upgrading employee skills	31, 33	
	Disclosure 404-3	Percentage of employees receiving regular performance reviews	33	
Diversity and equal opportunity	Disclosure 405-1	Diversity of governance bodies and employees	31	
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SOCIETY				
Non-discrimination	Disclosure 406-1	Incidents of discrimination and corrective actions taken	31	
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	Disclosure 417-3	Incidents of non-compliance concerning marketing communications	-	No reported incidents of non-compliance
CLIMATE				
Energy use and intensity	Disclosure 302-1	Energy consumption within the organization	-	Measurement of energy consumption and emissions will be made in 2022
	Disclosure 302-2	Energy consumption outside of the organization	-	
	Disclosure 302-5	Reductions in energy requirements of products and services	-	
Supplier and environmental assessments	Disclosure 308-1	New suppliers that were screened using environmental criteria	-	
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Governance

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The share and shareholders

Class B shares in Truecaller have been listed on Nasdaq Stockholm under the stock ticker "TRUE B" since 8 October 2021. Market value at the end of 2021 was SEK 42,523 million. The section on the Share and the owners forms part of the Director's report.

Share capital

Share capital in Truecaller at 31 December 2021 amounted to SEK 747,328.14 distributed among a total of 373,664,070 shares, including 46,783,800 Class A shares and 326,880,270 Class B shares. Each share has a quotient value of SEK 0.002. Each Class A share carries the right to ten votes and each Class B share carries the right to one vote. A 100:1 split was executed in August 2021 that increased the number of shares outstanding. A non-cash issue was also executed in August 2021 that increased share capital and a new issue was executed in conjunction with the listing on 8 October, which further increased share capital. See Note 20 for details of changes in share capital. Each shareholder entitled to vote at the shareholders' meeting may vote for the full number of shares owned and represented by the shareholder. All shares carry equal rights to a share in the company's assets and profit.

Price performance and trading volume in 2021

Truecaller AB (publ) has been listed on Nasdaq Stockholm since 8 October 2021. During the period the share was traded in 2021, the price rose from the listing price of SEK 52 to SEK 114 at 31 December. During the same period (8 October until close of trading on 31 December 2021), the Nasdaq Stockholm OMXS PI index rose by 12.9 percent. The highest price paid (at close) was SEK 136 on 9 December and the lowest

price paid was SEK 50 on 21 October. A total of 47.5 million shares worth SEK 3,683 million were traded during the period.

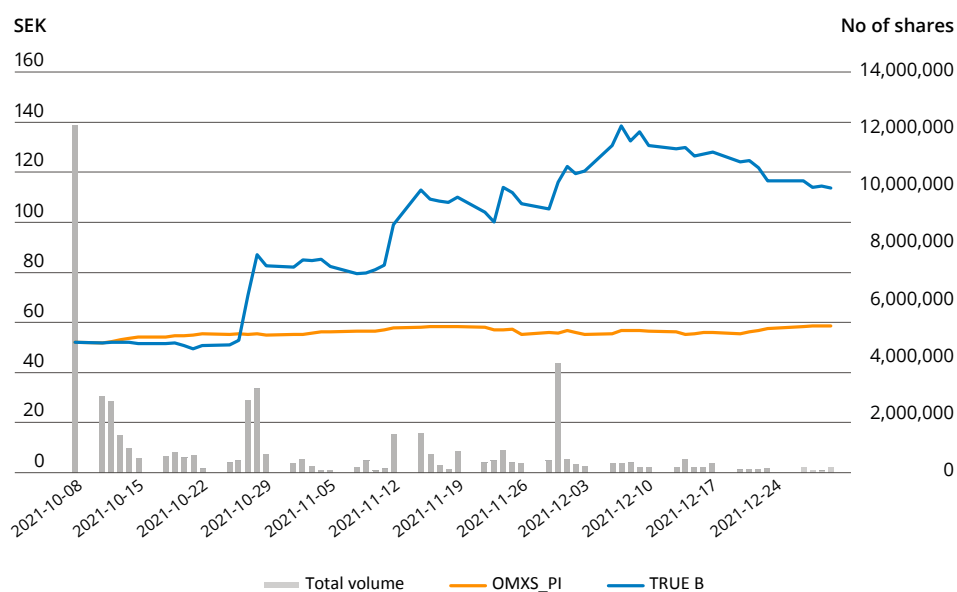
Ownership structure

Truecaller had 8,734 shareholders at 31 December 2021. The ten largest shareholders controlled 65.7 percent of equity and 83.7 percent of voting rights. Swedish ownership, including institutions such as insurance firms and investment funds, represented 42.4 percent of equity and 72.6 percent of voting rights at the end of the year. Foreign ownership represented 57.6 percent of equity and 27.4 percent of voting rights.

The seven members of Group management owned 62.1 million shares combined (of which 46.8 million Class A shares owned by the founders Alan Mamedi and Nami Zarringhalam) and 7.7 million warrants. The board of directors of Truecaller owned 54.4 million shares combined (of which 46.8 million Class A shares owned by the founders Alan Mamedi and Nami Zarringhalam) and 2.2 million warrants. Subsequent to the listing, Truecaller has focused on communicating with owners, investors, analysts and the business media to increase understanding of the company and its business.

Dividend policy

The board of directors of Truecaller does not intend to propose dividends over the short- or medium-term. The company intends to invest profits generated in its continued growth and development.



Ownership distribution by country

31 December 2021

	Country	No of shares	Equity	Votes
1	Sweden	161,794,092	42.44%	72.60%
2	USA	118,127,765	31.01%	14.73%
3	UK	31,478,663	8.29%	3.93%
4	Finland	15,684,224	4.11%	1.95%
5	Hong Kong	7,000,000	1.87%	0.88%
6	India	4,952,080	1.30%	0.62%
7	Luxembourg	4,754,379	1.27%	0.60%
8	Liechtenstein	600,000	0.16%	0.07%
9	Brazil	422,500	0.11%	0.05%
10	Norway	230,081	0.06%	0.03%

Largest shareholders

31 December 2021

	Country	TRUE A	TRUE B	Equity	Votes	Country
1	Sequoia Capital	0	71,082,105	18.61%	8.85%	USA
2	Kleiner Perkins Caufield & Byers LLC	0	31,682,435	8.29%	3.95%	USA
3	Nami Zarringhalam	23,391,900	3,693,587	7.09%	29.59%	Sweden
4	Alan Mamedi	23,391,900	3,693,587	7.09%	29.59%	Sweden
5	Atomico Partners	0	22,043,490	5.77%	2.75%	UK
6	Zenith Group	0	20,216,393	5.29%	2.52%	Sweden
7	Futur Pension	0	17,690,293	4.63%	2.20%	Sweden
8	Open Ocean Capital Oy	0	14,821,508	3.88%	1.85%	Finland
9	Handelsbanken Fonder	0	9,504,048	2.54%	1.20%	Sweden
10	First National Swedish Pension Fund	0	9,615,384	2.52%	1.20%	Sweden

Disclosures on lock-up agreements by existing owners in connection with the 2021 IPO

In conjunction with the IPO of Truecaller on 8 October 2021, the senior management and directors, including Nami Zarringhalam and Alan Mamedi, agreed not to sell shares in the company for a period of 360 days.

In that same connection, all shareholders who (i) held more than 5 percent of shares in the company agreed not to sell their shares for 180 days and (ii) all shareholders who held more than 400,000 shares in the company agreed not to sell their shares for 90 days. The lock-up periods under the agreements have expired and thus no longer apply.

Information of special agreements between the founders

On 28 September 2021, the two founders of Truecaller, Nami Zarringhalam and Alan Mamedi, and William Gordon in his capacity as board chair of Truecaller, entered into an agreement on the exercise of voting rights. Under the agreement, Nami Zarringhalam agreed to vote in concert with Alan Mamedi at general meetings, except in situations where this would have adverse effect on him personally in relation to other shareholders. The agreement has been terminated by the parties and is no longer in force.

Remuneration report

Introduction

This compensation report describes the application during the 2021 financial year of key management personal compensation guidelines ("KMP compensation guidelines" of Truecaller AB (publ) ("the company" or "Truecaller") adopted by the EGM held 12 August 2021. The report also contains information about compensation paid to the company's CEO and the employed Director. As well, the report contains a summary of the company's outstanding long-term share-related incentive programmes. The report was prepared in compliance with chapter 8, sections 53(a) and 53(b) of the Swedish Companies Act and the Swedish Corporate Governance Board's Rules on Remuneration of the Board and Executive Management and on Incentive Programmes of 1 January 2022.

The KMP compensation guidelines endorsed by the 2021 AGM are presented on pages 80–82 of the company's Annual Report 2021. Information about the work of the Remuneration Committee in 2021 is provided in the corporate governance statement on page 48–52 of the Annual Report 2021.

Information required under chapter 5, sections 40–44 of the Swedish Annual Accounts Act is provided in Note 7 on pages 80–82 of the Annual Report 2021. The report does not cover directors' fees. Such fees are decided annually by the AGM and are disclosed in Note 7 on pages 80–82 of the Annual Report 2021.

KMP compensation guidelines do not apply to compensation decided by a shareholders' meeting.

Company development in 2021

Information about the company's development in 2021 is presented in the CEO's message on pages 8–9 of the Annual Report 2021.

Compliance with KMP compensation guidelines

Successful implementation of the company's business strategy and safeguarding of the company's long-term interests, including its sustainability, depends upon the company's capacity to recruit and retain qualified and skilled employees. Compensation to the CEO and other KMP should therefore

reflect Truecaller's need to recruit and motivate qualified employees by means of a compensation package that is perceived to be fair and competitive.

KMP compensation consists of the following components:

- ▶ Fixed base pay
- ▶ Short-term and long-term variable pay
- ▶ Pension benefits
- ▶ Other benefits
- ▶ Pay during period of notice

Base pay must be market-based and reflect the employee's position, qualifications, experience and individual performance.

Short-term variable pay must be measured against pre-determined financial performance targets. Non-financial targets can also be used to strengthen focus on achieving Truecaller's strategic plans.

The targets must be specific, clear, quantifiable and time-limited and must be set by the board of directors. They must also be designed to promote the company's business strategy, long-term interests and sustainability.

The company has complied with the KMP compensation guidelines endorsed by the EGM on 12 August 2021. There have been no departures from the guidelines and no deviations from the decision process that must be applied to determine compensation according to the guidelines. The auditor's opinion concerning the company's compliance with the guidelines is available at corporate.truecaller.com.

In addition to the compensation covered by the KMP compensation guidelines, the company's shareholders' meetings have endorsed the implementation of long-term share-related incentive programmes, which are described under "Long-term share-related incentive programmes" in this report.

Compensation to the CEO and the employed Director

Compensation to the CEO and the employed Director in 2021

The table below shows base pay, variable pay, pension and other benefits covered by the compensation guidelines paid in the 2021 financial year.

Name	Fixed pay		Variable pay		Extra-ordinary expenses	Pension costs ²⁾	Total compensation	Ratio of fixed to variable pay
	Fixed base pay ¹⁾	Other compensation	Single-year	Multi-year				
Alan Mamedj, CEO, Board member	2,241,250	-	-	-	-	362,916	2,604,166	100/0
Nami Zarringhalam, CSO, Director	2,173,261	-	-	-	-	362,916	2,536,177	100/0

¹⁾ Insurance policies and wellness allowance

²⁾ Defined contribution pension in accordance with guidelines adopted by the board of directors.

The CEO and the employed Director also participated in one of the company's long-term share-related incentive programmes. See "Long-term share related incentive programmes" below.

Compensation to the CEO was paid until the end of August 2021 by the subsidiary True Software Scandinavia AB and from September 2021 by the parent company of the Group, Truecaller AB (publ). Compensation to the employed Director was paid by the subsidiary True Software Scandinavia AB. None of the other Group companies paid compensation to the CEO or the employed board Director in 2021.

No claims for repayment of compensation paid to the CEO or the employed Director were made to the company in 2021.

Short-term variable pay

In 2021, no short-term variable remuneration was included in the terms of employment of the CEO or the employed Director.

Long-term share-related incentive programmes

Long-term share-related incentive programmes

The company has the following long-term share-related incentive programmes.

LTI 2021: The EGM held 21 July 2021 endorsed the board proposal of an incentive programme covering key management personnel and other key employees and resolved in favour of issuing a maximum of 19,500,000 warrants and approved the transfer of warrants.

A total of 19,500,000 warrants have been subscribed for by the subsidiary and 13,352,830 warrants and employee stock options have been acquired by or granted to participants. No warrants or employee stock options had been exercised as of the reporting date and no further warrants or employee stock options will be offered from LTI 2021. The subscription price for warrants and employee stock options in series 1, 2 and 5 was set at SEK 57,40 per share. The subscription price for warrant in series 3, 4 and 6 was set at SEK 28,70 per share. Upon full exercise of all warrants and employee stock options that are acquired or granted to participants, a maximum of 13,352,830 shares will be issued by the company, corresponding to estimated dilution of 3,5 percent.

For more information about the company's long-term share-related incentive programmes, including applicable performance conditions, see the company's website, corporate.truecaller.com.

Compensation to the CEO under share-related incentive programmes

Name	Principal conditions					Information for the reported financial year					
	LTI	Performance period	Grant date	Vesting date	Exercise period	Exercise price per share	Balance at 1 January	During the year		Balance at 31 December	
							Options at the beginning of the year	Granted	Exercised	Options subject to performance conditions	Granted options that have not been exercised
Alan Mamedj, CEO	2021	N/A	2021	N/A	Sep-Oct 2023 Sep-Oct 2024 Sep-Oct 2025	57,40 SEK	0	1,000,000	N/A	N/A	1,000,000
Total								1,000,000			1,000,000

Changes in compensation to the CEO and the employed director compared with the company's financial results and compensation to other Group employees

In order to put compensation to the CEO and the employed director in a wider context, the table below shows the annual change in total compensation to the CEO and the employed director in relation to the Group's financial results and average compensation paid to other FTE employees of the Truecaller Group during the four preceding financial years.

Name	2021	2020	2019	2018	2017
Alan Mamedj, CEO	2,604,166	2,706,315	2,442,733	1,952,409	1,687,732
Nami Zarringhalam, Director	2,536,177	2,694,135	1,835,497	1,950,489	1,701,732
Other employees (Sweden)	787,673	778,100	772,637	737,503	680,978
Adjusted EBITDA, consolidated (SEK million)	472,5	104,8	-33,8	-52,9	-54,2

Stockholm, 21 April 2022

Truecaller AB (publ)
Board of directors

Corporate governance statement

Introduction

Truecaller AB (publ) ("Truecaller") is the parent company of the Truecaller Group ("the Group") and has been listed on Nasdaq Stockholm since 8 October 2021. The current structure of the Group was created on 22 July 2021 when the present parent Truecaller decided to acquire 100 percent of the shares in True Software Scandinavia AB through a non-cash issue. The ownership base in Truecaller after the non-cash issue was the same as in True Software Scandinavia AB before the non-cash issue.

The board of directors of Truecaller hereby presents the corporate governance statement for the 2021 financial year.

This corporate governance statement was endorsed by the board of directors on 21 April 2022 and is an account of how governance was pursued at Truecaller during the 2021 financial year. The corporate governance statement is not part of the board of directors' report.

Principles of corporate governance

In addition to the principles of corporate governance based on law or other statute, Truecaller complies with the Swedish Corporate Governance Code ("the Code"). See the website of the Swedish Corporate Governance Board at bolagsstyrning.se. Internal regulations for governance of the company comprise the Articles of Association, the Board Charter (including instructions to Board Committees), the CEO's Instructions, Financial Reporting Instructions and other policies and guidelines.

Voting rights

The Articles of Association for Truecaller impose no limits on the number of votes each shareholder may cast at a shareholders' meeting.

Deviations from the Code

The Code states that long-term incentive programmes shall be designed so that the vesting period or the period from the commencement of an agreement to the date for acquisition of shares is to be no less than three years. Truecaller's long-term incentive programme for employees, LTI 2021, is structured in such a way that shares can be acquired after two, three and four years, respectively. The purpose of this is that the programme should be perceived as attractive to employees and potential employees in Sweden and India, the countries in which the majority of Truecaller's personnel are located. The durations of incentive programmes in India are commonly shorter than those which normally apply in Sweden and LTI 2021 was designed to be an appropriate compromise that makes the programme sufficiently attractive in both countries.

According to the Code, no more than one of the Board members elected by the Annual General Meeting may work in the company's senior management or in the management of its subsidiaries. This position is usually taken by the CEO. As Truecaller's two founders are active in the company and make all decisions concerning the company in unison, the owners have agreed to appoint both Alan Mamedi and Nami Zarringhalam as members of Truecaller's board.

Articles of Association

The current Articles of Association were adopted by the EGM held 22 July 2021 and are posted on the company's website, corporate.truecaller.com. The Articles of Association include no special provisions concerning the appointment and dismissal of directors or amendments to the Articles of Association.

Shareholders' meetings

The shareholders' meeting is the company's highest decision-making body. The shareholders' meeting is the forum in which shareholders exercise their influence. According to the Swedish Companies Act, several matters are under the purview of the shareholders' meeting, such as adoption of the income statement and balance sheet, allocations of the company's profits/treatment of losses, discharge of liability, election of directors and election of independent auditors.

The board of directors is also authorised to convene extraordinary general meetings during the year. This occurs when, for example, decisions must be made on matters that can only be decided by a shareholders' meeting and it would be inappropriate to wait until the next AGM. Shareholders who wish to participate in a shareholder' meeting must be recorded as shareholders in the printout or other presentation of the entire shareholder register representing conditions five weekdays prior to the meeting and must notify the company of their intention to participate by the date specified on the notice of the meeting. That date cannot be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and cannot occur earlier than five weekdays before the meeting.

Annual General Meeting

Truecaller's 2021 AGM was held 17 June 2021 per capsulam. Two shareholders representing 100 percent of equity and voting rights participated in the meeting. The AGM voted to adopt the statement of profit and loss and statement of financial position for 2020, resolved upon allocation of profit/treatment of loss and resolved to discharge the CEO and board of directors of liability for the past financial year. The AGM also elected directors and auditor.

The 2022 AGM will be held Tuesday, 24 May 2022 in Stockholm.

Extraordinary General Meetings

Truecaller held four EGMs during the year. This was consequent upon Truecaller AB having been designated the new parent company of the Truecaller Group prior to the IPO on 8 October 2021, which required a number of measures to address share ownership, the transition to public company status, etc. This process also included an EGM held before the ordinary AGM in 2021. See below.

- ▶ Truecaller held an EGM on 2 June 2021 to elect a new board of directors and to adopt new Articles of Association.

- ▶ Truecaller held an EGM on 21 July 2021 for resolutions on a share split, the new Articles of Association and implementation of an incentive programme and issue of warrants and options to employees and directors.
- ▶ Truecaller held an EGM on 22 July 2021 for resolutions on the new Articles of Association and a non-cash issue by which, post-execution, shareholders in True Software Scandinavia AB (which was then the parent company of the Truecaller Group) became shareholders in Truecaller and Truecaller acquired 100 percent of the shares in True Software Scandinavia AB.
- ▶ Truecaller held an EGM on 12 August 2021 to elect a new board chair (Bing Gordon) and resolutions on directors' fees, adoption of KMP compensation guidelines, adoption of principles for appointing the Nomination Committee and authorisation of the board to decide to issue shares, convertibles and/or warrants until the close of the next AGM.

Authorisations

The EGM held 12 August 2021 resolved to authorise the board of directors to decide, on one or more occasions prior to the close of the next AGM, to increase the company's share capital by the issuance of new shares in the company. According to the authorisation, the company's share capital may be increased by no more than SEK 83,086 to a maximum of SEK 830,963. The board is authorised to decide to issue shares with a waiver of shareholders' pre-emptive rights and/or including provisions on non-cash consideration, offsetting or similar.

The Nomination Committee

The AGM appoints the Nomination Committee and decides which tasks the Nomination Committee must carry out before the next AGM. In accordance with the decision of the EGM held 12 August 2021, the three largest shareholders or shareholder groups (referring both to directly registered shareholders and nominee-registered shareholders) as per the printout of the shareholder register kept by Euroclear Sweden AB ("Euroclear") dated 30 September 2021 shall each appoint one representative to constitute the Nomination Committee, in addition to the board chair, for a term ending when a new Nomination Committee has been appointed as mandated by the 2022 AGM.

The majority of Nomination Committee members shall be independent in relation to the company and its management. At least one Nomination Committee member shall be independent in relation to the company's largest shareholder in terms of votes or any group of shareholders who act in concert in the governance of the company. The CEO or another member of Group management is permitted to be a member of the Nomination Committee. Directors may be members of the Nomination Committee but may not constitute a majority of its members. If more than one director is on the Nomination Committee, no more than one of these directors may be dependent in relation to a major shareholder in the company.

If one or more shareholders who appointed representatives to the Nomination Committee are no longer among the three largest shareholders in the company at a point in time more than two months before the AGM, the representatives of these shareholders must step down and new members must be appointed by the new shareholder or shareholders that are then among the three largest shareholders. If a member of the Nomination Committee resigns from the Committee before its work is concluded, the same shareholder that appointed the resigning member shall, if it is deemed necessary, have the

right to appoint a new member, or, if that shareholder is no longer among the three largest shareholders, the next largest shareholder in line shall have that right, according to the principles above, but based on the shareholder register printed by Euroclear Sweden AB as soon as possible after the committee member has stepped down.

Changes in the composition of the Nomination Committee shall be immediately publicised.

No compensation shall be paid to members of the Nomination Committee. The company shall pay the necessary expenses that the Nomination Committee may incur within the framework of performing its duties.

The term of office for the Nomination Committee shall end when the subsequent Nomination Committee has been publicly announced.

The Nomination Committee shall present proposals on the following matters for decision by the 2022 AGM:

- a) Nomination of the chair of the meeting;
- b) Nominations of directors;
- c) Nomination of board chair;
- d) Nomination of auditors;
- e) Proposal on directors' fees, including distribution thereof among the board chair and other directors;
- f) Proposal on fees to the company's auditors; and
- g) Proposal on principles for the appointment of the Nomination Committee ahead of the 2023 AGM.

Prior to the 2022 AGM, the composition of the Truecaller Nomination Committee is as follows:

- ▶ Kamjar Hajabdolahi, appointed by Nami Zarringhalam
- ▶ Sven Törnkvist, appointed by Alan Mamedi
- ▶ Piyush Gupta, appointed by Sequoia Capital
- ▶ Bing Gordon, board chair of Truecaller AB (publ)

Diversity policy

The Nomination Committee applies Rule 4.1 of the Swedish Corporate Governance Code as its diversity policy for the board, which states that, "The board is to have a composition appropriate to the company's operations, phase of development and other relevant circumstances. The board members elected by the shareholders' meeting are collectively to exhibit diversity and breadth of qualifications, experience and background. The company is to strive for gender balance on the board."

In the opinion of the Nomination Committee, the board of directors reflects good diversity in terms of age, experience and background. Two of the directors elected in 2021 are women and make up 33 percent of the board.

Board compensation

The Nomination Committee presents a proposal on directors' fees to the AGM for decision. The Nomination Committee's proposal on board compensation is presented in the notice of the AGM.

Board of directors

Board composition

Bing Gordon, Nami Zarringhalam, Alan Mamedi, Shailesh Lakhani, Helena Svancar, Annika Poutiainen and Joen Bonnier were elected to the board of directors by the EGM held 2 June 2021. All directors were re-elected by the ordinary AGM held 17 June 2021. Joen Bonnier resigned from the board prior to the IPO on 8 October 2021. Bing Gordon has served as

board chair since the EGM held 12 August. The board chair presides over and assigns board tasks, maintains continuous contact with the CEO and CFO, ensures that board meetings are thoroughly prepared and monitors the decisions taken by the board.

Board independence

The positions of dependency of directors in relation to the company, management, and shareholders is shown on the table on page 110. As shown in the table, Truecaller complies with applicable rules concerning the independence of directors in relation to the company, management, and the company's major shareholders.

Board duties

The duties of the board of directors are carried out in the manner required by the Swedish Companies Act, the Code and other ordinances and rules applicable to the company.

The board works according to a charter and yearly plan, which are adopted annually.

The company's CEO and CFO attend board meetings. The company's Chief Legal Officer normally acts as the recording secretary. Other group management members and group officers participate at board meetings as required.

In addition to the statutory meeting held after election by the ordinary AGM held 17 June 2021, the board of directors met 15 times in 2021 (of which 10 meetings were held per capsulam). The primary focus of the board during the year was on the listing on Nasdaq Stockholm as well as strategy, the business plan and budget.

The board of directors met with the auditor once during the year without the presence of the CEO or any other management representative.

The work of the CEO and the board of directors is externally assessed annually. Such an assessment was performed in 2022 as a basis for the work of the Nomination Committee ahead of the 2022 AGM. The assessment was performed through a self-assessment of the work of the board by giving directors the opportunity to express their views on working methods, board materials, their own work and that of other directors and the scope of the board assignment.

The board of directors also receives reports from the Audit Committee and the Remuneration Committee and evaluates their work. The evaluation has been presented to the Nominating Committee.

The board of directors monitors the work of management by means of monthly reports covering financial performance, key financial data, progress in prioritised activities, etc.

Board meetings

The board holds ordinary meetings according to the plan below:

- ▶ February – Year-end report
- ▶ April – Agenda and notice to attend the AGM, corporate governance statement, annual report, sustainability report, review of insurance policies
- ▶ May – Interim report for the first quarter, statutory board meeting, decisions on the board charter, CEO instructions and financial reporting instructions, the board's yearly plan.
- ▶ July – Interim report for the second quarter
- ▶ August/September – Strategy meeting, financial targets
- ▶ October/November – Interim report for the third quarter
- ▶ December – Evaluation of board and CEO, KMP compensation

The CEO presents an operations report at the ordinary meeting.

The board of directors engages in discussions in connection with review of auditor's reports.

Board committee duties

The board of directors has two committees: the Audit Committee and the Remuneration Committee. The work of the committees is governed by the board charter. Board committees deal with the matters within their respective purview and issue reports and recommendations upon which board decisions are based. The committees have defined decision authority within the frameworks of board directives. The minutes of committee meetings are made available to the board of directors.

Audit Committee

The members of the Audit Committee are Annika Poutiainen (chair) and Shailesh Lakhani. The company's CFO attends meetings of the Audit Committee. The company's Chief Legal Officer and Chief HR Officer attend meetings as required. In addition to the four meetings held after the AGM held 17 June 2021, the Audit Committee met three times when True Software Scandinavia AB was still the parent company of the Group. The company's auditor attended two out of four meetings of the Audit Committee held after the AGM.

Remuneration Committee

The members of the Remuneration Committee are Helena Svancar (chair) and Bing Gordon. The Remuneration Committee met once in 2021. Directors' and committee members' attendance at board meetings during the year is shown in the table on page 51.

Auditors

The audit firm elected for term of one year by the AGM held 17 June 2021 is Ernst & Young AB. Jennifer Rock-Baley, authorised public accountant, is the auditor in charge.

The auditors' remit is to examine the company's annual report and accounting records and management of the company by the board of directors and the CEO, on behalf of the shareholders. The auditors report regularly to the Audit Committee and the board of directors. Auditor's fees are specified in Note 5 to the annual report.

Name	Year elected*	Independent of the company	Independent of the owners	Position	Committee	Attendance board meetings	Attendance Audit Committee	Attendance Remuneration Committee	Director's fee (SEK 000s)**	Number of shares/warrants in Truecaller, direct and indirect holdings***
Bing Gordon	2020	Yes	Yes	Board chair, member of Remuneration Committee	Remuneration Committee	16 (16)	-	1 (1)	391,000	58,000 warrants
Helena Svancar	2021	Yes	Yes	Director, chair of Remuneration Committee	Remuneration Committee	14 (16)	-	1 (1)	347,000	3,800 Class B shares, 58,000 warrants
Shailesh Lakhani	2013	Yes	No	Director, member of Audit Committee	Audit Committee	16 (16)	4 (4)	-	0	0
Alan Mamedi	2009	No	No	Director, founder		16 (16)	-	-	0	23,391,900 Class A shares, 3,693,587 Class B shares, 1,000,000 warrants, 1,920 class B shares indirectly through employee owned companies
Annika Poutiainen	2021	Yes	Yes	Director, chair of Audit Committee	Audit Committee	15 (16)	3 (4)	-	435,000	58,000 warrants
Nami Zarringhalam	2009	No	No	Director, founder		16 (16)	-	-	0	23,391,900 Class A shares, 3,693,587 Class B shares, 1,000,000 warrants, 1,920 class B shares indirectly through employee owned companies

* Refer to True Software Scandinavia AB.

** Disclosures on directors' fees refer to the board year beginning at the close of the 2021 AGM and ending at the close of the 2022 AGM.

*** Holdings per 31 December 2021.

Group management

The board of directors appoints the CEO. The CEO oversees Group management and makes decisions in consultation with other members of Group management. As of 31 December 2021, the management team was comprised of CEO Alan Mamedi, COO Fredrik Kjell, CFO Odd Bolin, CSO Nami Zarringhalam, CHRO Petra Weslien, CPO and MD, India Rishit Jhunjunwala and CLO Ola Espelund.

Work of Group management

The CEO meets regularly with all members of the Group management team for business updates, to receive reports, set objectives and for general business discussions. This includes weekly management team meetings, which are documented. In addition, the CEO holds several personal meetings with each member of the management team every year for more in-depth discussions and planning.

Governance and monitoring of the management team is based on the charter adopted by the board, the instruction for the CEO, and reporting instructions. Group management and other managerial personnel manage day-to-day operations primarily through instruments such as budgets, performance management and reward systems, regular reporting and monitoring and employee meetings, and via a delegated decision structure with functional hierarchies (development, marketing, support, finance, etc.). Focus during the year was on the preparations for the listing on Nasdaq Stockholm, the business plan and matters related to growth.

Internal control of financial reporting

The board of directors' responsibility for internal control is governed by the Companies Act and the Code. In accordance with the Annual Accounts Act, the corporate governance statement includes a description of the key elements of the company's internal control and risk management system. Internal control of financial reporting has two primary aims: to provide reasonable assurance of the reliability of external financial reporting and to ensure that external financial reports have been prepared in compliance with law, applicable accounting standards, and other requirements imposed upon listed companies.

Control environment

The board has overall responsibility for internal control related to financial reporting. The control environment for financial reporting is based on an allocation of roles and responsibilities in the organisation, adopted and communicated decision paths, instructions regarding authority and responsibility, and accounting and reporting instructions.

The board has adopted a charter, CEO instruction, and instructions for financial reporting. In addition to these, there are operational policies and guidelines in several areas.

Risk assessment

As an integrated component of the management process, the board and group management work with risk assessment from a broad perspective, including but not limited to financial risks and important business risks. Regular risk reports are presented to the board of directors.

During the year, the board regularly discussed various types of risks and the company's risk management process. A risk map with regard to the company's financial core processes has been drawn up and is the basis for continuous improvement of internal processes and controls.

Truecaller is subject to the provisions of the EU Market Abuse Regulation 596/2015 (MAR), which imposes strict requirements on the company's management of inside information. The matters regulated by MAR include how inside information must be communicated to the market, the conditions under which publication may be postponed and how the company is obligated to keep a log book of people who work for Truecaller and have been given access to inside information about the company. Truecaller uses a digital tool called InsiderLog to ensure that the management discussed above meets the requirements of MAR and Truecaller's insider policy: from the decision to postpone publication of inside information all the way to the notice that must be provided to Finansinspektionen when the insider event has ended and the information has been published. Only authorised individuals within Truecaller have access to InsiderLog. Further information is available at insiderlog.com.

Control activity

The group's control activities relating to financial core processes are described in the risk map approved by the board as a basis for ongoing efforts to continuously improve internal processes and controls. Controls are performed at both the subsidiary level and the group level. The operating subsidiaries have chief accountants who are responsible for ensuring that financial figures are verified and reported on a monthly basis. This includes reconciliation of financial figures against sales and cost data from the group's transaction system, reconciliation of intragroup transactions and reconciliation

of bank accounts. These figures are then checked at the group level in conjunction with the monthly consolidation of group figures. Efforts are ongoing to continuously improve these processes through, for example, advanced training of relevant employees, greater automation of reconciliations and through the checking of important figures by several individuals in parallel.

Information

Information about internal financial reporting control documents is available to relevant employees on the Truecaller intranet. Information and training related to the internal control documents is also provided through activities aimed directly at finance managers and controllers within the Group.

Monitoring

The effectiveness of internal control of financial reporting is monitored by the board, the Audit Committee, the CEO, Group management, and Group companies. Follow-up includes continuous quality control by the board of directors of the company's monthly financial reports, ongoing monitoring of central financial processes, such as management of potential customer losses and review of Truecaller's external audit reports. Members of the staff of Truecaller's corporate treasury department also regularly visit the operating subsidiaries to verify that Truecaller's financial processes are being correctly implemented and continuously developed to ensure accurate financial reporting.

Stockholm, 21 April 2022
The Board of Directors of Truecaller AB (publ)

Board of Directors



BING GORDON

Board Chair

Born: 1950

Director since: 2020

Holdings in Truecaller: 58,000 warrants

Background: Partner with Kleiner Perkins Caufield & Byers and special adviser to the board of directors of Amazon. Mr Gordon was Chief Creative Officer at Electronic Arts for ten years. He is an investor in and director of Zynga and the language-learning app Duolingo.

Other current roles: Partner with Kleiner Perkins Caufield & Byers, director of Zynga Inc., Airtime Media, N3twork and Duolingo. Adviser to Dapper Labs, Uptake Technologies Inc, Niantic and Amazon.com.

Previous assignments: Director of Amazon.com, Zazzle Inc and Linden Research.

Education: BA, Yale University and MBA in Marketing, Stanford University.

Independent of the company and its principal owners: Yes



SHAILESH LAKHANI

Director

Born: 1978

Director since: 2013

Holdings in Truecaller: -

Background: MD, Sequoia Capital India LLP

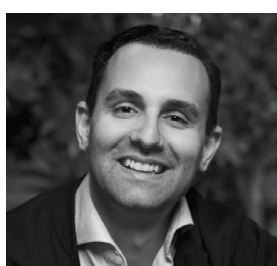
Other current roles: Director of Le Travenues Technology Private Limited, A&A Dukaan Financial Services Private Limited, Smartshift Logistics Solutions Private Limited, Wickedride Adventure Services Private Limited, Epifi Technologies Private Limited, Zetwerk Manufacturing Businesses Private Limited, iStar Skill Development Private Limited, Loconav Inc. and Soul Vision Creations Private Limited. Director of Capillary Technologies International Pte Ltd., Vymo Inc., Girnar Software Private Limited, Bright Lifecare Private Limited and Quick Heal Technologies Limited.

Previous assignments: Director of Sweet Couch Technology Pvt. Ltd., Thumbworks Technologies Private Limited, Backwater Technologies Private Limited, Vymo Solutions Private Limited, BT Techlabs Private Limited, 1MG Technologies Private Limited and Moonfrog Labs Private Limited.

Education: BSc Computer Science, University of Waterloo and MBA, Harvard Business School.

Independent in relation to the company: Yes

Independent of principal owners: No



ALAN MAMEDI

Director, co-founder

Born: 1984

Director since: 2009

Holdings in Truecaller: 23,391,900 Class A shares, 3,693,587 Class B shares, 1,000,000 warrants, 1,920 class B shares indirectly through employee owned companies

Background: Co-founder of Truecaller, 2009

Other current roles: CEO Truecaller AB, director of ALSA Capital AB and ALSA Financials AB, True Software SPV AB. Deputy director of True Software EC AB, True Software EC II AB, True Software EC III AB and True Software EC IV AB.

Previous assignments: CEO ALSA Capital AB. Director of True Software EC III AB and True Software EC IV. Director of True Software EC AB and True Software EC II AB.

Education: Computer Science, KTH.

Independent of the company and its principal owners: No

All holdings for the board of directors on pages 53–54 relate to holdings as per 31 December 2021. After the balance sheet date, Alan Mamedi and Nami Zarringhalam have purchased an additional 100,000 class B shares each.



ANNIKA POUTIAINEN

Director

Born: 1970

Director since: 2021

Holdings in Truecaller: 58,000 warrants

Background: Member of the listing committee for Nasdaq Helsinki, Advisory Board for Unzer Group GmbH and director of Airtel Africa plc.

Other current roles: Director of Airtel Africa plc and Renta Oy. Chairman of the Board at Rebellion Capital AB and Fredrikhovs Slott AB (Swedish elementary school). Member of the advisory board of Unzer Group GmbH and Esmailzadeh Holding. Ms Poutiainen is the founder and board chair of Alpha Leon AB and senior industrial adviser to the strategic communications firm Kekst CNC.

Previous assignments: Executive chair of the Council for Swedish Financial Reporting Supervision, Director of Swedbank AB, Saferoad AS, eQ Abp. Ms Poutiainen has also been a member of the European Securities and Markets Authority (ESMA) Corporate Finance Standing Committee Consultative Working Group and a member of the Swedish Securities Council.

Education: Master of Law (LLM) University of Helsinki and King's College London.

Independent of the company and its principal owners: Yes



HELENA SVANCAR

Director

Born: 1975

Director since: 2021

Holdings in Truecaller: 3,800 Class B shares and 58,000 warrants

Background: Nearly 20 years of experience in investment banking in London, New York and Stockholm. Svancar is currently the head of M&A at Ericsson and responsible for the company's M&A strategy, execution and integration, as well as Corporate Ventures. Ms Svancar worked for 18 years in investment banking for Deutsche Bank in London and as Head of Corporate Finance Nordic and for Rothschild and SEB Enskilda.

Other current roles: Director of Ratos AB. Adviser to DTCP.

Previous assignments: Head of Corporate Finance Nordic at Deutsche Bank. Outside director of iconective LLC and MediaKind.

Education: MSc Finance, General, Stockholm School of Economics.

Independent of the company and its principal owners: Yes



NAMI ZARRINGHALAM

Director, co-founder

Born: 1984

Director since: 2009

Holdings in Truecaller: 23,391,900 Class A shares, 3,693,587 Class B shares, 1,000,000 warrants, 1,920 class B shares indirectly through employee owned companies

Background: Co-founder of Truecaller, 2009

Other current roles: Chief Strategy Officer at Truecaller, board chair of Zarringhalam Ventures AB, director of Goodsport Foundation, True Software SPV AB.

Previous assignments: Director of True Software EC AB, True Software EC II AB, True Software EC III AB and True Software EC IV AB.

Education: Computer Science at the Swedish Royal Institute of Technology (KTH) and Engineering Management.

Independent of the company and its principal owners: No

AUDITOR

Ernst & Young AB was elected company auditor for a one-year period at the AGM 2021. Ernst & Young AB has announced that Authorised Public Accountant **Jennifer Rock-Baley** is the auditor-in-charge.

All holdings for the board of directors on pages 53–54 relate to holdings as per 31 December 2021. After the balance sheet date, Alan Mamedji and Nami Zarringhalam have purchased an additional 100,000 class B shares each.

Management



ALAN MAMEDI

Chief Executive Officer and co-founder

Born: 1984

With Truecaller since: 2009

Holdings in Truecaller: 23,391,900 Class A shares, 3,693,587 Class B shares, 1,000,000 warrants, 1,920 class B shares indirectly through employee owned companies

Background: Co-founder of Truecaller, 2009

Previous roles: CEO of ALSA Capital AB

Other current roles: director of ALSA Capital AB and ALSA Financials AB, True Software SPV AB, Deputy director of True Software EC AB, True Software EC II AB, True Software EC III AB and True Software EC IV AB.

Previous assignments: CEO ALSA Capital AB. Director of True Software EC III AB and True Software EC IV. Director of True Software EC AB and True Software EC II AB.

Education: Computer Science, KTH



ODD BOLIN

Chief Financial Officer

Born: 1963

With Truecaller since: 2020

Holdings in Truecaller: 130,000 Class B shares, 650,000 warrants, 1,339 class B shares indirectly through employee owned companies

Background: CFO Zacco, CFO Tessin, CFO Sinch/CLX, CFO G5 Entertainment, CEO Cybercom Sverige, CFO Cybercom Group

Other current roles: CEO and board chair of HOB Management AB. Chairman of the Board in Kinnander Teknik AB, Chairman of the Board of True Software EC AB, True Software EC II AB, True Software EC III AB and True Software EC IV AB.

Previous assignments: Chairman of the Board of Omegapoint Holding AB

Education: PhD Plasma Physics, KTH, MSc Engineering Physics, KTH, Certified Financial Analyst, Stockholm School of Economics



OLA ESPELUND

Chief Legal Officer

Born: 1982

With Truecaller since: 2021

Holdings in Truecaller: 550,000 warrants

Background: General Counsel and member of executive management committee, Marginalen Bank; Senior Group Legal Counsel, Telia Company; Senior Associate with the law firm of Mannheimer Swartling Advokatbyrå.

Other current roles: Director of True Software EC AB, True Software EC II AB, True Software EC III AB and True Software EC IV AB. Previous assignments (past five years): Director of Fält Communications AB and Fält Incentive AB. CEO of Central Asian Telecommunication Development B.V. (Netherlands).

Education: Master of Laws and Bachelor of Business Administration, Lund University.



RISHIT JHUNJHUNWALA

Chief Product Officer

Born: 1977

With Truecaller since: 2015

Holdings in Truecaller: 3,840 Class B shares, 750,000 warrants, 1,457 class B shares indirectly through employee owned companies

Background: VP July Systems and co-founder of Cloud Magic Inc.

Other current roles: Director and owner of RJ Enterprises AB.

Previous assignments: –

Education: Business Economics and Leadership, Bangalore University

All holdings for the group management team on pages 55–56 relate to holdings as per 31 December 2021. After the balance sheet date, Alan Mamedi and Nami Zarringhalam have purchased an additional 100,000 class B shares each.



FREDRIK KJELL

Chief Operating Officer

Born: 1981

With Truecaller since: 2020

Holdings in Truecaller: 2,000 Class B shares, 650,000 warrants, 1,120 class B shares indirectly through employee owned companies

Background: CPO and member of executive management for Kindred Group, Head of Gaming for Kindred Group, Group Commercial Manager for NYX Gaming Group. Director of Product for Amaya Gaming.

Previous roles: Director of Relax Gaming Ltd. CPO, Kindred Group. Head of Gaming, Kindred Group.

Other current roles: –

Education: Information Technology and Intellectual Capital Management at Chalmers University of Technology



PETRA WESLIEN

Chief People Officer

Born: 1977

With Truecaller since: 2017

Holdings in Truecaller: 720 class B shares indirectly through employee owned companies

Background: Chief People Officer and member of the management team at iZettle, senior consultant at Novare Executive Search, legal adviser to the Swedish Ministry of Foreign Affairs with focus on migration and asylum law

Other current roles: Director of Momentum Software Group AB, Cinode AB, Yabie AB and IMR Institutet för Människor i Rörelse AB.

Previous assignments: Chief Human Relations Officer for iZettle AB. Director of Kund-o AB.

Education: LLM, Lund University



NAMI ZARRINGHALAM

Chief Strategy Officer and co-founder

Born: 1984

With Truecaller since: 2009

Holdings in Truecaller: 23,391,900 Class A shares, 3,693,587 Class B shares, 1,000,000 warrants, 1,920 class B shares indirectly through employee owned companies

Background: Co-founder of Truecaller, 2009

Other current roles: Chief Strategy Officer at Truecaller, board chair of Zarringhalam Ventures AB, director of Goodsport Foundation, True Software SPV AB

Previous assignments: Director of True Software EC AB, True Software EC II AB, True Software EC III AB and True Software EC IV AB

Education: Computer Science at the Swedish Royal Institute of Technology (KTH) and MSc in Engineering Management.

All holdings for the group management team on pages 55–56 relate to holdings as per 31 December 2021. After the balance sheet date, Alan Mamedi and Nami Zarringhalam have purchased an additional 100,000 class B shares each.

Directors' report

Business and organisation

Truecaller is an internationally leading vendor of mobile applications for safe communication. Truecaller software offers global Caller ID that helps prevent scams and allows users to avoid junk calls and texts by verifying the caller's identity. Truecaller's services are provided on the leading mobile operating systems, Android and iOS. Services are based on the company's unique telephone number database. At year-end 2021, the company had more than 300 million monthly users. Truecaller users are found in more than 175 countries. The largest markets are India and the Middle East.

Truecaller's revenues are derived from ads displayed to the company's users when they make or receive calls on their smartphones or use Truecaller's app, from subscription fees from paying users and from companies that use Truecaller to verify their identities when seeking contact with their customers.

Sustainability report

In compliance with the chapter 6, section 11 of the Swedish Annual Accounts Act, Truecaller has opted to prepare a sustainability report separately from the annual report. The sustainability report is presented on pages 22-42 of this document and refers to the period 1 January to 31 December 2021.

Significant events in 2021

Sustained growth

The number of Monthly Active Users (MAU) increased during the year by around 20 percent compared to the preceding year to 285.4 (237.6) million. The sustained growth in the number of MAU is attributable to a general increase in the use of smartphones in many countries and increasingly affordable prices for communication services in emerging countries. Rising smartphone penetration is driving the need to communicate safely and efficiently, which benefits Truecaller.

Restructuring of the Group

The current structure of the Group was created on 22 July 2021 through a non-cash issue directed at True Software Scandinavia AB's owners, who retained their relative holdings in Truecaller AB. The newly formed Group is seen as a direct continuation of the True Software Scandinavia Group and Truecaller has thus taken over the True Software Scandinavia Group's finance history ungraved.

IPO and new issue

Truecaller was listed on Nasdaq Stockholm under the stock ticker TRUE on 8 November. The initial offer price was SEK 52. A share issue was also executed in conjunction with the IPO, which raised approximately SEK 1,000 million for Truecaller before issue expenses.

In addition to the venture capital funds that were the principal shareholders along with founders Alan Mamedi and Nami Zarringhalam before the IPO, Truecaller's largest shareholders after the IPO include several Swedish and foreign institutional investors.

Revolving credit facility of SEK 500 million

Truecaller entered into an agreement with SEB during the year on a revolving credit facility (RCF) of SEK 500 million in total. The term of the RCF is three years with an option to extend for one plus one year. The RCF gives the company strategic flexibility in terms of, for example, acquisition of new users and structural deals. The RCF agreement is on market terms. As per the 31 December 2021 SEK 0 million had been used.

Other significant events

- ▶ Bing Gordon was appointed board chair of Truecaller in August. Bing Gordon, as a partner in Kleiner Perkins Caufield & Byers, has been a director since 2020. He succeeds Nami Zarringhalam, co-founder of Truecaller and board chair since 2018, who remains active in the company as a director and Chief Strategy Officer (CSO). Mr Gordon's professional history includes 14 years as a director of Amazon, where he is now an adviser to the board.
- ▶ Truecaller AB implemented an employee stock options and warrants plan (LTIP 2021, long-term incentive programme). The aim is to improve capacity to retain and motivate employees to ensure the company's long-term success and create the conditions for recruiting and retaining the most outstanding people in a highly competitive and global skills market. The programme gives Swedish employees the opportunity to acquire warrants in Truecaller AB at market valuation. Employees outside Sweden are granted employee stock options with performance conditions. The vesting periods for the warrants are two, three and, in certain cases, four years. For all vesting periods, the exercise price has been set at 200 percent (for employees in Sweden) and 100 percent (for employees outside Sweden) of the value of the Truecaller AB share when the programme began, based on an external valuation report. The conditions are otherwise identical for all employees in all material respects. The maximum possible dilutive effect of the warrants programme is about 5.5 percent. The warrants programme also covers certain outside (non-executive) directors.
- ▶ Truecaller Version 12 – a major update of the product on Android – was launched in Q4. Version 12 includes new features like Video Caller ID, Call Recording, Ghost Call, Call Announce and a completely redesigned user interface. Truecaller Version 12 is being rolled out gradually for all Android users worldwide.
- ▶ Truecaller has launched a completely new design for Truecaller for iPhone. The new interface is simplified, easy to use and improves the search engine feature used by millions of Truecaller users on iPhone every day. The improvement is the first step in our biggest initiative for the iPhone platform, which is in progress now to create the optimal experience for consumers and businesses.
- ▶ Truecaller for Business closed contracts with more than 1,000 customers in 2021, including Zomato, TVS Motors and Matrimony.com. The strong demand for Truecaller's B2B offering is evidence of the huge need among companies to reach their customers and help them prioritise important calls.
- ▶ Truecaller reached 300 million global MAU on 21 November 2021, a milestone in the company's history that few consumer products in the world have managed to achieve organically.

The Truecaller Group in brief

Key financial data

Group, SEK 000s (unless otherwise stated)	2021	2020	2019	2018*	2017*
Net sales	1,128,888	491,154	294,438	183,902	108,307
Gross profit	856,081	321,831	170,592	124,620	80,814
Gross margin (%)	75.8%	65.5%	57.9%	67.7%	74.6%
Adjusted EBITDA	472,506	104,802	-33,817	-52,894	-54,211
Adjusted EBITDA margin (%)	41.9%	21.3%	-11.5%	-28.8%	-50.1%
EBIT (operating profit)	328,219	-30,591	-98,465	-64,314	-56,507
EBIT margin (%)	29.1%	-6.2%	-33.5%	-35.0%	-52.0%
Adjusted EBIT	455,662	-13,743	-46,702	-64,314	-56,507
Adjusted EBIT margin (%)	40.4%	-2.8%	-15.9%	-35.0%	-52.0%
Profit or loss after net financial income or expense	299,708	-53,965	-97,054	-65,216	-59,416
Equity	1,411,410	145,933	150,814	75,867	72,342
Total assets	1,692,896	435,834	274,984	143,765	98,373
Debt to equity ratio (%)	83.4%	33.5%	54.8%	52.8%	73.5%
Employees at the end of the period	306	241	210	172	108

* The financial information presented before 1 January 2018 has not been restated to comply with IFRS and is presented in accordance with the earlier accounting standard BFNR 2012:1 (K3), which affects comparability between years. Shortcomings in comparability are due mainly to the implementation of IFRS 16.

See pages 98-99 for definitions and presentation of operational measurements and financial measurements defined and not defined under IFRS.

Net sales

Net sales grew in 2021 by 130 percent to SEK 1,128.9 million (491.2). The revenue growth is due mainly to strong growth in ad revenues, which is an effect of steady growth in user numbers in numerous geographies, combined with continuous growth in Ad Revenues Per User (ARPU).

Ad revenues grew by 162 percent to SEK 948.9 million (362.5). We are continuously optimising the balance between prices (CPM) and usage of our ad space (the fill rate). CPM varies from one quarter to the next due to the mix of ad types and the mix between direct sales and sales via partners like Google and Facebook. Our CPM figure includes both ads paid for when displayed to a user and early tests of results-based advertising. Truecaller temporarily increased the volume of ads of the latter type in Q2 2021 as a test of future ad revenue models over the medium term. This change temporarily reduced total CPM, although CPM calculated only on the basis of programmatic advertising, i.e ads that are sold in an automated auction process (excluding performance-based advertising), increased. A larger portion of sales in Q3 were also funnelled through partners, as opposed to direct sales.

We continue to see continuous user growth, which is helping to increase our available ad space. We are also working steadily with continued optimisation of ad space usage aimed at increasing both the fill rate and prices. On the demand side, we are continuing to grow our advertiser base while making it easier for advertisers to use our services without intermediaries, which has a positive effect on profitability while helping increase the fill rate.

Revenues from premium subscriptions grew by 15 percent to SEK 139.0 million (121.0). This is primarily an effect of growth in the number of premium subscribers. There was a temporary

dip in the growth of the number of premium subscribers in the Indian market for a period in 2021 caused by restrictions on automatic extension of subscriptions in the Google app store. The restrictions were lifted in October and revenues from premium subscriptions has since begun to recover.

Other income, where Truecaller for Business is included, amounted to SEK 32.8 million (1.8). Truecaller for Business has developed very well since the launch in late 2020. Demand for these services has proved to be very high in several of our established markets because many companies are finding it difficult to maintain a secure channel of communication with their customers by other means.

Gross profit

Gross profit rose by 166 percent to SEK 856.1 million (321.8) increasing the gross margin by 10.3 percentage points to 75.8 percent (65.5). The gross margin is determined by fees to partners such as Google and Apple and the costs of verifying new users and for servers used for the company's services. Fees to partners are directly proportional to the number of ad impressions and the number of premium users. Truecaller also sells ads directly to end customers without using a partner. Rates vary among advertising partners and the gross margin is consequently affected by the distribution of ad traffic between direct sales and different partners during various periods. Direct sales and sales via partners with lower rates made up a larger proportion of total sales in Q4 than in the corresponding period in 2020.

Verification costs are proportional to growth in the customer base, but are also affected by how local telecoms operators price their messaging services. These prices can vary significantly, especially in India, with not much advance notice. The cost of server hosting is relatively independent of traffic volumes over the short and medium terms, but rise when they reach new volume bands.

EBIT (operating profit)

Adjusted EBITDA (operating profit before amortisation, depreciation and impairments excluding items affecting comparability) amounted to SEK 472.5 million (104.8), corresponding to an Adjusted EBITDA margin of 41.9 percent (21.3).

EBIT rose to SEK 328.2 million (-30.6), corresponding to an EBIT margin of 29.1 percent (-6.2). EBIT excluding items affecting comparability (Adjusted EBIT) amounted to SEK 455.7 million (-13.7) with an Adjusted EBIT margin of 40.4 percent (-2.8).

Employee benefits expenses amounted to SEK 266.8 million (178.5). Payroll costs rose as an effect of increases in the workforce combined with certain pay rises. Truecaller implemented a long-term incentive programme (LTIP 2021) in Q3 that entailed a cost of SEK 2.9 million (-) for the period.

Employee benefits expenses also include costs of SEK 78.7 million (16.9) to remeasure synthetic options related to the acquisition of Backwater Technologies. In conjunction with the acquisition, options were also issued to former owners who are no longer employed by Truecaller. The remeasurement of these options is accounted for in net financial income or expense. The total financial expense for the year amounts to SEK 24.8 million (5.0).

Other external costs amounted to SEK 248.1 million (56.0). This is primarily an effect of increasing investments in user acquisition and marketing, as well as costs related to the IPO.

Items affecting comparability

Items affecting comparability for the year amounted to SEK 127.4 million (16.9). The items are related to preparations for the IPO of SEK 48.7 million (-) and synthetic options of SEK 78.7 million (16.9) and are included in "Other external costs" and "Employee benefits expense" on the statement of profit and loss.

Profit and earnings per share for the period

Profit before tax amounted to SEK 299.7 million (-54.0). Profit after tax for the period was SEK 258.3 million (-15.5). Net financial income/expense comprises positive foreign exchange differences of SEK 5.2 million (-14.4), remeasurement of options of SEK 24.8 million (5.0) and other financial expenses of SEK 1.8 million (-). As the Group turned a profit, all tax loss carryforwards that existed at the beginning of the year have been utilised. Basic earnings per share were SEK 1.01 (-0.07) and diluted earnings per share were SEK 0.72 (-0.07).

Cash flow and financial position

Net cash from operating activities rose to SEK 380.9 million (105.6). Net cash used in investing activities amounted to SEK -151.9 million (-1.3), due mainly to an investment in short-term fixed income funds. Net cash from financing activities was SEK 813.0 million (-16.4). Cash flow from financing activities was affected by proceeds of share issues of SEK 982.9 million (2.4), proceeds from exercise of warrants of SEK 17.4 million (-), payments of synthetic options of SEK -172.0 million (-) and amortisation of lease liability of SEK -15.3 million (-18.7). Net cash for the period was SEK 1,042.0 million (87.9). The company had cash and cash equivalents of SEK 1,238.4 million (195.2) at the end of the year. The debt to equity ratio was 83.4 percent (33.5).

Consolidated total assets amounted to SEK 1,692.9 million (435.8) at 31 December 2021. The carrying amounts of financial assets and financial liabilities are estimated to coincide with fair value in all material respects.

Impairment of goodwill

Goodwill of SEK 98 million arising from the acquisition of Backwater Technologies Private Limited was impaired in 2020. Refer to the 2020 annual report for True Software Scandinavia AB for information about the impairment.

Research and development

Truecaller develops software in several parts of the business. The Group began capitalising development costs in 2021 when certain initiated projects were assessed as meeting the criteria under IAS 38. Development costs are capitalised as reported in Note 1 and are amortised over two years. A total of SEK 1.5 million (-) was capitalised during the year as internally generated intangible assets.

Research and development costs expensed in EBIT during the year amount to SEK 21.0 million (20.6).

Climate

Truecaller's core business, digital communication services and related software development and digital transaction management, has very little environmental impact. As its main environmental impact is through business travel, Truecaller is making every effort to replace travel with online communication whenever possible. For further information on Truecaller's climate impact, see our sustainability report on pages 22-42.

Employees

There were 306 (241) employees at the end of the year. The average number of employees during the year was 275 (227). Women made up 24 percent (23) of employees. The average age of employees was 33 (32) at year-end.

Truecaller's people are one of the company's most important assets. Truecaller offers pay and benefits that are competitive with those offered by comparable companies and which make it possible for Truecaller to recruit the people the company needs to continue growing the business. Truecaller consistently hires the most suitable individual for each role, regardless of gender, ethnicity or other personal characteristics.

The company's employees work in five locations in Sweden, India and Kenya. Most employees again worked from home in 2021 due to the Covid pandemic, which has functioned smoothly.

Truecaller is in a phase of strong growth and the company has identified a need to continue adding skills to the organisation.

Proposed resolution on guidelines for key management personnel compensation

The board of directors of Truecaller AB (publ) proposes the following guidelines for key management personnel compensation. The guidelines do not apply to compensation decided by a shareholders' meeting. The 2021 guidelines are presented in Note 7. For the purposes of these guidelines, key management personnel (KMP) comprise inside directors, i.e., directors who have entered into an employment contract with the company or a Group company, the CEO, deputy CEO (if applicable) and other members of Group management who report to the aforementioned persons. At present, there are

seven KMP at the company, including the CEO. A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain skilled and qualified employees. Compensation to the CEO and other KMP should therefore reflect Truecaller's need to recruit and motivate qualified employees by means of a compensation package that is perceived to be fair and competitive.

The board of directors is empowered to depart from the guidelines for cause in individual cases where the departure is necessary to serve the company's long-term interests, including sustainability, or assure the company's financial viability. In the preparation of the board of directors' proposed guidelines for compensation to the CEO and other KMP, salary and conditions of employment have been considered by including information about total employee compensation, components of the compensation and the increase and growth rate over time in the decision input for the board of directors.

KMP compensation consists of the following components:

- ▶ Fixed base pay
- ▶ Short-term and long-term variable pay
- ▶ Pension benefits
- ▶ Other benefits
- ▶ Pay during period of notice of termination/resignation

BASE PAY

Base pay must be market-based and reflect the employee's position, qualifications, experience and individual performance.

SHORT-TERM VARIABLE PAY

Short-term variable pay must be measured against predefined financial performance targets. Non-financial targets may also be used to sharpen focus on achieving Truecaller's strategic plans. Targets must be specific, clear, measurable, subject to deadlines and adopted by the board of directors. They should also be designed to promote the company's business strategy, long-term interests and sustainability. The extent to which the criteria have been met shall be assessed/determined at the end of the relevant measurement period.

The board of directors is responsible for determining eligibility for variable pay to the CEO and other KMP. The CEO is responsible for the assessment regarding variable pay to other KMP. Levels and targets for variable pay to the CEO are defined by the board of directors. Short-term variable pay is capped at 30 percent of base pay, as KMP compensation should be primarily based on long-term incentives.

LONG-TERM VARIABLE PAY

Long-term variable pay includes share-related incentive programs. Share-related incentive programmes are aimed at ensuring that the interests of KMP are aligned with the interests of the company's shareholders. Individual long-term ownership among key individuals can be expected to stimulate keener interest in the business and its profitability, increase motivation and the sense of affiliation with the company and thereby contribute to the company's business strategy, long-term interests and sustainability. Long-term share-related incentive programmes also improve opportunities to attract suitable KMP in connection with recruitments.

MARKET-BASED PAY

The company has obtained reference data from third parties to ensure that compensation to the CEO and other KMP reflects that which generally applies to executives in comparable positions in other companies.

PENSIONS

Pension benefits for the CEO and other KMP must reflect customary market terms compared with that which generally applies to executives in comparable positions with other companies, and should normally be based upon defined contribution pension plans. KMP retire at the relevant/appropriate age of retirement. Pension benefits are capped at 35 percent of base pay to the extent higher contributions are not required under an applicable collectively agreed pension plan.

OTHER BENEFITS

Other benefits of employment may include health insurance and fitness/wellness benefits.

PAY DURING PERIOD OF NOTICE

If the company terminates the CEO's employment, the period of notice shall be a maximum of six months. If the CEO resigns, the period of notice shall be six months. A period of notice of 3-6 months shall apply to other KMP, whether the employee resigns or is dismissed. Base pay and, if applicable, severance pay during the period of notice combined shall not exceed an amount equivalent to fixed base pay for two years.

APPROVAL

Changes in terms, conditions and compensation to the CEO are subject to approval by the board chair. Ongoing costs such as travel expenses for the CEO are subject to approval by the CFO and quarterly summaries shall be sent to the board chair. New recruitments, changes in pay and other significant changes regarding KMP other than the CEO are subject to approval by the board chair. Minor adjustments and ongoing costs are subject to approval by the CEO. Payment of base pay is managed by local payroll departments and is subject to prior approval by the local HR representative. Payment of short-term variable pay is subject to approval by the CEO as regards other KMP and by the board chair as regards the CEO. Eligibility for share-related incentive programs must be approved by the board of directors based on the proposal approved by the annual general meeting (AGM).

CONTROLS AND DECISION PROCESS

The company has a Remuneration Committee, which consists of two directors. The Remuneration Committee shall, in relation to the board of directors, have a preparatory function in respect of compensation policies, compensation and other terms of employment for KMP. Consequently, the Remuneration Committee shall prepare proposed KMP compensation guidelines, which the board of directors shall present to the AGM for decision. The board shall furthermore evaluate compliance with guidelines endorsed by a shareholders' meeting. When a need for material changes to the guidelines arise, but at least every four years, the board of directors must submit proposed KMP compensation guidelines to the AGM for decision. The guidelines shall be applied in relation to every commitment pertaining to KMP compensation and every change of such a commitment that is decided subsequent to the AGM that endorsed the guidelines. Thus,

the guidelines have no impact on pre-existing contractual obligations. The adopted guidelines may also be amended through resolution by any shareholders' meeting.

The Remuneration Committee shall also prepare proposals concerning compensation to the CEO and other KMP within the scope of the guidelines endorsed by the AGM. The Remuneration Committee shall annually evaluate the CEO's performance. Each year, the Remuneration Committee must also monitor and evaluate ongoing and ended programmes for variable pay to KMP as well as the current compensation structures and levels within the company.

Furthermore, the Remuneration Committee shall annually prepare a report detailing KMP compensation paid during the financial year. The compensation report shall be made available to shareholders on the company's website no later than three weeks before the AGM.

Within the scope of and based on the guidelines, the board of directors shall annually decide on the specific revised terms of compensation for all KMP and make any other necessary decisions concerning KMP compensation. The CEO or other KMP shall not be present when the Remuneration Committee discusses and decides on matters related to compensation insofar as they are affected by such matters.

The following measures are taken annually to control and assure compliance with the guidelines:

- ▶ Collection of documented annual targets for short-term variable pay
- ▶ Examination of a random sample of approved salary payments
- ▶ Review of sample reports generated by payroll systems to identify any unusual payments

The results of the controls are summarised and reported to the Remuneration Committee.

Risks and risk management

Truecaller is exposed to various types of risks in its business operations, which could have adverse impact on factors including Truecaller's results of operations, financial position, information security or capacity to comply with relevant laws and regulations. Such risks are systematically identified to ensure that no risks that could have material impact on Truecaller's operations and financial performance are overlooked. Appropriate mitigating measures are taken based on an analysis of each identified risk.

Macroeconomic factors

Truecaller operates in a global environment and its users are located in over 175 countries. Consequently, Truecaller is, like other companies, affected by general economic, financial and political trends at the international level, as well as by specific conditions in specific countries or regions. Our business is affected by additional risks, including pandemics, social unrest, terrorist attacks, economic and geopolitical instability and conflicts, currency regulations, volatile economies, the effects of climate change and difficulties enforcing contracts and collecting receivables through local legal systems. Truecaller primarily operates in emerging markets, particularly India, and is exposed to economic, political and social environment in countries where Truecaller conduct business and/or has a substantial number of users.

Business and industry

Truecaller's business depends on its users' continued use of its platform and its ability to add new users, which in turn depends on Truecaller's ability to achieve and maintain high brand awareness, convenience and high call identification rates.

Operational breakdowns and comparable

Truecaller relies on its own and others' technical systems and infrastructure (such as mobile operating systems) to deliver services to its users and customers. The company's operations may be impeded by failure to effectively operate on Android or iOS mobile operating systems. This could cause loss of revenues as well as loss of current and potential customers, which could have material adverse impact on Truecaller's business, results of operations and financial position.

Technical deficiencies and data breaches

Deficiencies in the technical solutions Truecaller uses to deliver its services may disrupt access to Truecaller's services could lead to losses or delayed market acceptance and usage of the company's services. This could also lead to compliance violations, fraud or other legal claims. Further, if Truecaller's security systems are breached, it may face civil liability, and public perception of Truecaller's security measures could be diminished, either of which would negatively affect Truecaller's ability to attract and retain users and advertisers. Such shortcomings could also damage Truecaller's reputation.

Strategic partnerships

Truecaller generates a substantial majority of its revenues from advertising, particularly programmatic advertising, through its partnership with third parties, and there is a risk of negative changes in Truecaller's relationship with third-party ad exchanges, or loss of advertisers or reduction in spending by advertisers.

Market changes

The market for Truecaller's services could change rapidly due to changes in customer demands, new competitors and other factors, which could require significant investments in marketing or research and development. The company is dependent upon its ability to adjust to the rapidly changing market by improving the functionality and reliability of current services through the development, launch and marketing of new features, services, solutions and adaptations to meet customer demand.

Intellectual property

Truecaller may be unable to protect its intellectual property rights or may infringe the intellectual property rights of others. Truecaller relies on its deep technical know-how, trade secrets and confidentiality, rather than patent or copyright protection. Truecaller's results of operations are partially dependent on Truecaller's ability to protect its intellectual property and other proprietary rights. There is a risk that Truecaller's users and competitors, current or future, could challenge or circumvent Truecaller's intellectual property protections.

Dependency on key individuals

Truecaller is dependent on senior management and other key employees including software developers and a sales force with detailed knowledge about the company and the industry.

Currency risks

Currency risk refers to the risk that fluctuations in exchange rates will have adverse impact on Truecaller's cash flow, results of operations and statement of financial position. The company's functional currency is Swedish kronor (SEK). Truecaller's multinational business entails significant cash flows in currencies other than SEK, primarily INR and USD. Fluctuations in exchange rates could thus have material adverse impact on Truecaller's business, results of operations and financial position.

Tax risks

Truecaller operates through legal entities in Sweden and India. Transactions between these entities take place in accordance with Truecaller's understanding or interpretation of applicable tax law, tax treaties, other tax rules and the requirements of relevant tax authorities. Truecaller's tax status, with regard to both previous years and the current year, could change due to decisions by relevant tax authorities or consequent upon changes in laws, treatises and other rules. These decisions or changes, which could have retroactive effect, could cause material adverse impact on Truecaller's business, results of operations and financial position.

Legal risks

Truecaller's services are subject to numerous local laws and regulations, in the jurisdictions in which it operates. If these are subject to unexpected changes, Truecaller may fail to comply with them. Truecaller may also incur substantial costs as a result of failure to comply with various data protection laws which could have a negative impact on Truecaller's reputation in relation to users, partners and advertisers. There is further risk of adverse impact on Truecaller due to changes in data protection laws, interpretation of such laws or government policies in relation to personal data in any of the markets in which Truecaller operates.

Parent company

Truecaller restructured the Group during Q3 2021, whereupon Truecaller AB became the new parent company and the former parent, True Software Scandinavia AB, became a wholly owned subsidiary of Truecaller AB. The restructuring was accomplished through a non-cash issue directed at shareholders in True Software Scandinavia AB, where one (1) share in True Software Scandinavia AB carried a right to 100 shares in Truecaller AB.

Parent company income for the period amounted to SEK 1.3 million (-) which refers to billing of subsidiaries for services rendered. The loss before tax was SEK -55.6 million (-). The loss after tax was SEK -44.2 million (-). The cost base is primarily attributable to the Truecaller IPO. Cash and cash equivalents at 31 December 2021 amounted to SEK 830.8 million (-). An investment of SEK 150.0 million in short-term fixed income funds was made during the year. There were no significant investments in intangible assets or property, plant and equipment.

Truecaller AB had a short financial year in 2020, from 22 October to 31 December, and the company was a dormant shelf company until the Group was restructured. Periodical figures are not comparable due to the short financial year and operational changes in the parent company.

The parent company's business is limited to certain group management functions. The parent company had 2 (-) employees at the end of the reporting period.

Outlook

Truecaller is in prime position to benefit from the strong demand for reliable communications channels and the rising need to reduce the volume of junk calls and texts. The company also plays a key role in managing the burgeoning volume of call or text-based scam attempts.

Truecaller does not publish forecasts.

Proposed allocation of profit or treatment of loss (SEK)

The board of directors has decided to recommend to the AGM that no dividend be distributed for the 2021 financial year. In the judgement of the board of directors, the company is currently in a phase in which financial surpluses should be reinvested in continued organic and acquired growth.

The following non-restricted equity in the parent company is at the disposal of the AGM:

Retained earnings	362,009,866
Share premium reserve	10,816,893,897
Loss for the year	-44,156,741
	11,134,747,022
To be allocated as follows:	
Distributed to shareholders (SEK 0 per share)	0
Retained	11,134,747,022
	11,134,747,022

Share capital and the share

Share capital in Truecaller AB amounted to SEK 747 thousand (353) and shares outstanding number 373,664,070 (3,520,052). The quotient (par) value per share is SEK 0.002 (0.1). All shareholders have equal rights to a share in the company's assets and profit.

At the end of the year, Truecaller AB had 8,734 shareholders. The ten largest owners together owned 66 percent of the capital and 84 percent of the votes. For more information about the share and its development, see section "shares and share holders" on pages 44-45. These pages also form part of the administration report.

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Consolidated statement of profit or loss

Amounts in SEK 000s	Note	2021	2020
Operating revenue	3	1,128,888	491,154
Work performed by the entity and capitalised	11	1,045	-
Other operating revenue	4	2,738	547
Third party fees		-272,807	-169,322
Other external costs	5, 6	-248,049	-55,975
Employee costs	7, 22	-266,752	-178,449
Depreciation, amortisation and impairments	11, 12, 13	-16,844	-118,545
EBIT (operating profit)		328,219	-30,591
Net financial income or expense			
Financial income	8	5,271	67
Financial expenses	8	-33,783	-23,441
Profit or loss after net financial income or expense		299,708	-53,965
Tax on profit for the year	9	-41,398	38,443
Profit or loss for the year		258,310	-15,522
Profit for the period is attributable entirely to shareholders in the parent company.			
Earnings per share			
	10		
Basic earnings per ordinary share (SEK)		1.01	-0.07
Diluted earnings per ordinary share (SEK)		0.72	-0.07

Consolidated statement of comprehensive income

Amounts in SEK 000s	Note	2021	2020
Profit or loss for the year		258,310	-15,522
Other comprehensive income:			
<i>Items that will be reclassified to profit and loss in subsequent periods (after tax)</i>			
Foreign exchange translation differences	20	-1,529	1,183
<i>Items that will not be reclassified to profit and loss in subsequent periods (after tax)</i>			
Remeasurement of defined-benefit pension plans	22	-89	-1,065
Other comprehensive income for the year, after tax		-1,618	118
Comprehensive income for the year, after tax		256,692	-15,404

The comprehensive income for the year is attributable entirely to shareholders in the parent company.

Consolidated statement of financial position

Amounts in SEK 000s	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Non-current assets			
Intangible assets	11	1,350	1
Property, plant and equipment	12	1,429	1,563
Right-of-use assets	13	86,196	99,830
Deferred tax assets	9	35,077	59,271
Other non-current receivables	15	999	1,349
Total non-current assets		125,051	162,014
Current assets			
Claims on advertising networks and platform owners	3, 15, 21	100,353	51,898
Trade receivables	15, 21	31,160	4,160
Prepaid expenses	16	22,961	7,956
Short-term placements	17	150,066	-
Other receivables		24,863	14,583
Cash and cash equivalents	15, 18, 21	1,238,443	195,224
Total current assets		1,567,845	273,821
TOTAL ASSETS		1,692,896	435,834
EQUITY AND LIABILITIES			
Equity			
	20		
Share capital		747	353
Other capital contributions		1,707,865	702,511
Translation reserve		3,153	4,682
Retained earnings or loss including profit for the year		-300,354	-561,612
Total equity attributable to owners of the parent		1,411,410	145,933
Total equity		1,411,410	145,933
Non-current liabilities			
Provisions to defined-benefit pension plans	22	4,538	2,966
Lease liability	13, 21, 24	72,393	86,122
Deferred tax liability	9	18,030	20,828
Total non-current liabilities		94,961	109,916
Current liabilities			
Liability arising from synthetic options	15, 21	22,509	91,019
Trade payables	15, 21	39,544	9,138
Lease liability	13, 21, 24	15,985	14,924
Current tax liability		8,639	-
Contract liabilities	3	35,262	25,081
Other liabilities		2,110	12,437
Accrued expenses	23	62,475	27,386
Total current liabilities		186,524	179,985
TOTAL EQUITY AND LIABILITIES		1,692,896	435,834

Consolidated statement of changes in equity

Amounts in SEK 000s	Equity attributable to owners of the parent					Total equity
	Share capital	Other capital contributions	Translation reserve	Retained earnings including profit for the year	Equity attributable to owners of the parent	
Opening balance at 1 January 2020	345	699,709	3,499	-552,740	150,814	150,814
Profit or loss for the year	-	-	-	-15,522	-15,522	-15,522
Other comprehensive income for the year	-	-	1,183	-1,065	118	118
Comprehensive income or loss for the year	-	-	1,183	-16,587	-15,404	-15,404
<i>Transactions with owners of the Group</i>						
Share issue after transaction costs	7	2,802	-	-	2,809	2,809
Share-based payments	-	-	-	8,217	8,217	8,217
Repurchase of warrants	-	-	-	-503	-503	-503
Total	7	2,802	-	7,714	10,523	10,523
Closing balance at 31 December 2020	353	702,511	4,682	-561,612	145,933	145,933
Profit or loss for the year	-	-	-	258,310	258,310	258,310
Other comprehensive income for the year	-	-	-1,529	-89	-1,618	-1,618
Comprehensive income or loss for the year	-	-	-1,529	258,221	256,692	256,692
<i>Transactions with owners of the Group</i>						
Share issue	39	1,007,749	-	-	1,007,787	1,007,787
Issue costs, net after tax	-	-19,759	-	-	-19,759	-19,759
Non-cash issue	355	-	-	-328	27	27
Warrants	-	17,364	-	-	17,364	17,364
Share-based payment	-	-	-	3,365	3,365	3,365
Total	394	1,005,353	-	3,037	1,008,784	1,008,784
Closing balance at 31 December 2021	747	1,707,864	3,153	-300,354	1,411,410	1,411,410

Consolidated statement of cash flows

Amounts in SEK 000s	Note	2021	2020
Operating activities			
Profit or loss after net financial income or expense		299,708	-53,965
Adjustments for non-cash items	24	119,545	159,884
Income tax paid		-4,717	-
Net cash from operating activities before changes in working capital		414,536	105,919
Net cash from changes in working capital			
Change in operating receivables		-97,183	-27,675
Change in operating liabilities		63,538	27,307
Net cash from operating activities		380,891	105,552
Investing activities			
Purchases of property, plant and equipment	12	-351	-1,879
Disposals of property, plant and equipment	12	-	608
Purchases of intangible assets	11	-1,470	-
Investment in short-term placements	15, 17	-150,000	-
Change in financial receivables	15, 17	-66	-
Net cash used in investing activities		-151,887	-1,271
Financing activities			
Share issue		982,904	2,809
Proceeds from exercise of warrants		17,364	-
Repurchase of warrants		-	-503
Amortisation of lease liability	13	-15,280	-18,735
Payout synthetic options	15	-172,016	-
Net cash from (-used in) financing activities		812,972	-16,429
Net cash for the year	18	1,041,976	87,852
Cash and cash equivalents at the beginning of the year		195,224	109,330
Foreign exchange differences in cash and cash equivalents		1,243	-1,958
Cash and cash equivalents at the end of the year		1,238,443	195,224

Parent company income statement

Amounts in SEK 000s	Note	2021	2020 ¹⁾
Operating revenue	1	1,318	-
Other external costs	5, 6	-52,446	-
Employee costs	7	-2,751	-
EBIT (operating profit or loss)		-53,880	-
Net financial income or expense			
Financial income	8	66	-
Financial expense	8	-1,798	-
Profit or loss after net financial income or expense		-55,612	-
Deferred tax	9	11,456	-
Profit or loss for the year*		-44,157	-

* Profit or loss for the year coincides with comprehensive income or loss for the year.

¹⁾ Truecaller AB had a short financial year in 2020, from 22 October to 31 December, and the company was a dormant shelf company until the Group was restructured. The comparison figures are not comparable due to the short financial year and operational changes in the parent company.

Parent company balance sheet

Amounts in SEK 000s	Note	31 Dec 2021	31 Dec 2020 ¹⁾
ASSETS			
Financial assets			
Investments in Group companies	19	10,182,046	-
Deferred tax assets	9	16,582	-
Total financial assets		10,198,628	-
Total non-current assets		10,198,628	-
Current assets			
Receivables from Group companies	25	650	-
Other receivables		9,395	25
Prepaid expenses	16	6,737	-
Short-term investments	17	150,066	-
		166,848	25
Cash and bank balances	18	830,776	-
Total current assets		997,624	25
TOTAL ASSETS		11,196,252	25
EQUITY AND LIABILITIES			
Equity			
Share capital	20	747	25
Restricted equity		747	25
Share premium reserve		10,816,894	-
Retained earnings		362,010	-
Profit or loss for the year		-44,157	-
Non-restricted equity		11,134,747	-
Total equity		11,135,494	25
Current liabilities			
Trade payables		14,070	-
Liabilities to Group companies	25	31,509	-
Accrued expenses	23	15,179	-
Total current liabilities		60,758	-
TOTAL EQUITY AND LIABILITIES		11,196,252	25

¹⁾ Truecaller AB had a short financial year in 2020, from 22 October to 31 December, and the company was a dormant shelf company until the Group was restructured. The comparison figures are not comparable due to the short financial year and operational changes in the parent company.

Parent company statement of changes in equity

Amounts in SEK 000s	Restricted equity	Non-restricted equity		Total equity
	Share capital	Share premium reserve	Retained earnings including profit for the year	
Opening balance at 1 January 2020	-	-	-	-
Profit or loss for the year	-	-	-	-
Other comprehensive income for the year	-	-	-	-
Comprehensive income or loss for the year	-	-	-	-
<i>Transactions with owners of the parent</i>				
Share capital contributed upon formation of company	25	-	-	25
Total	25	-	-	25
Closing balance at 31 December 2020	25	-	-	25
Profit or loss for the year	-	-	-44,157	-44,157
Other comprehensive income for the year	-	-	-	-
Comprehensive income or loss for the year	-	-	-44,157	-44,157
<i>Transactions with owners of the parent</i>				
Non-cash issue	684	9,819,328	-	9,820,011
Shareholder contribution in conjunction with non-cash issue	-	-	358,989	358,989
Share issue	39	999,962	-	1,000,000
Issue costs, net after tax	-	-19,759	-	-19,759
Warrants	-	17,364	-	17,364
Share-based payment	-	-	3,021	3,021
Total	722	10,816,894	362,010	11,179,626
Closing balance at 31 December 2021	747	10,816,894	317,853	11,135,494

Parent company statement of cash flows

Amounts in SEK 000s	Note	2021	2020
Operating activities			
Profit or loss after net financial income or expense		-55,612	-
Adjustments for non-cash items	24	-66	25
Net cash from (-used in) operating activities before changes in working capital		-55,678	25
Net cash from changes in working capital			
Change in operating receivables		-16,757	-25
Change in operating liabilities		60,824	-
Net cash from (-used in) operating activities		-11,611	-
Investing activities			
Purchases of Group companies	19	-25	-
Short-term placements	15, 17	-150,000	-
Change in financial receivables	15, 17	-66	-
Net cash from (-used in) investing activities		-150,091	-
Financing activities			
Share issue		975,114	-
Warrants		17,364	-
Net cash from financing activities		992,478	-
Net cash flow for the year	18	830,776	-
Cash and cash equivalents at the beginning of the year		-	-
Foreign exchange differences in cash and cash equivalents		-	-
Cash and cash equivalents at the end of the year		830,776	-

Notes

Note 1 Significant accounting policies

General information

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

Truecaller restructured the Group during the year, whereby the owners of True Software Scandinavia AB exchanged their shares in True Software Scandinavia AB in a non-cash issue for shares in Truecaller AB. Through this transaction, Truecaller AB became the owner of 100 percent of the shares in True Software Scandinavia AB and the new parent company of the Group. The ownership base in Truecaller AB after the non-cash issue was the same as in True Software Scandinavia AB before the non-cash issue. As Truecaller AB was formerly a dormant shelf company, the consolidated financial statements that have been prepared are a direct continuation of the former group, as the establishment of Truecaller AB as the parent company was only an organisational change. Consequently, the financial statements for Truecaller AB have been prepared based on those conditions. The financial history in Truecaller AB's consolidated financial statements coincides with the financial history of the former group.

Truecaller AB has been listed on Nasdaq Stockholm Large Cap since October 2021, under the stock ticker TRUE.

The Board of Directors and the CEO approved on 21 April 2022 the annual report and consolidated financial statements for publication. The annual and consolidated accounts are approved by the Annual General Meeting and will be presented for resolution at the Annual General Meeting on 24 May 2022.

Basis for preparation of the financial statements

These consolidated accounts were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the Financial Interpretations Committee (IFRIC), as adopted by the EU. The Group also applies the Swedish Annual Accounts Act (1995:1554) and RFR 1 Supplemental Accounting for Corporate Groups issued by the Swedish Financial Accounting Standards Council.

The parent company applies the same accounting policies as the Group, apart from that its financial statements were prepared in accordance with RFR2 Accounting of Legal Entities, which results in certain differences. The parent company's accounting policies are described under "Parent company accounting policies".

The Group applies the calendar year as the financial year and the financial statements cover the financial year ending 31 December 2021. The parent company was formed on 22 October 2020 and had a short initial financial year in 2020.

The consolidated financial statements were prepared under the going concern assumption. Assets and liabilities are measured at cost, except for certain financial instruments that are measured at fair value. The consolidated accounts are prepared using the acquisition method and all subsidiaries over which the Group has control are consolidated from the date control was obtained.

Preparation of financial statements in accordance with IFRS requires the use of certain key accounting estimates. Furthermore, this requires management to make judgements, estimates and assumptions that affect application of the accounting policies. Areas that entail a high degree of judgement or are complex or such areas where assumptions and estimates are of material significance to the consolidated financial statements are specified in Note 2.

New or amended accounting standards applied by the Group

The International Accounting Standards Board (IASB) and International Financial Reporting Committee (IFRIC) have issued and the EU has adopted new and revised standards and interpretations effective for annual reporting periods beginning on or after 1 January 2021. These have had no material impact on the Group's financial performance and position.

A number of new or revised standards and interpretations of existing standards have been published but are not yet effective. The Group has determined that these will not have material impact on the Group's financial performance and position.

Consolidation

SUBSIDIARIES

Subsidiaries are all entities that the parent company, Truecaller AB, controls, directly or indirectly. The Group controls a company when it is exposed to, or has rights to, variable returns from its involvement with the company and has the ability to affect those returns through its power over the company.

In cases where a subsidiary's accounting policies differ from Group accounting policies, adjustments are made to coincide with the policies adopted by the Group. Subsidiaries are included in the consolidated financial statements from the date control is transferred to the Group until the date the Group ceases to control the subsidiary.

Subsidiaries are accounted for using the acquisition method. Under this method of accounting, acquisition of a subsidiary is regarded as a transaction by which the Group indirectly acquires the subsidiary's assets and assumes its liabilities. The fair value of acquired identifiable assets and assumed liabilities, as well as any non-controlling interest (NCI) in the acquired entity is determined in the acquisition analysis. Transaction costs incurred, except transaction costs arising from the issuance of equity instruments or debt instruments, are recognised in profit or loss for the year.

In business combinations where the consideration transferred exceeds the value of acquired assets and assumed liabilities that are recognised separately, the difference is recognised as goodwill. When the difference is negative, the resulting gain is a bargain purchase and is recognised directly in profit or loss. When a business combination is achieved in stages, goodwill is determined on the date the entity gains control. Previously held interests are re-measured at fair value and any resultant gain or loss is recognised in profit or loss. If additional interests are acquired, thus after control has been gained, they are accounted for as an equity transaction between owners.

TRANSACTIONS ELIMINATED UPON CONSOLIDATION

Intragroup assets and liabilities, income, expenses and unrealised gains arising from transactions between Group companies are eliminated in full when the consolidated financial statements are prepared. Unrealised losses are also eliminated to the extent the loss does not correspond to an indication of impairment.

Currency

FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The functional currency of the parent company is Swedish kronor (SEK), which is also the presentation currency of the parent and the Group. All amounts are stated in SEK thousands (SEK 000s) unless otherwise stated. Amounts are rounded to the nearest thousand.

Note 1, cont.

TRANSACTIONS IN FOREIGN CURRENCY

Transactions denominated in foreign currency are translated to the functional currency at the exchange rate prevailing at transaction date. The functional currency is the currency of the primary economic environment in which the entity operates. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rate prevailing on the reporting date. Exchange differences arising in the translations are recognised in profit or loss for the year. Non-monetary assets and liabilities carried at historical cost are translated at the exchange rate prevailing at the transaction date. Exchange rate differences on operating receivables and operating liabilities are recognised net in operating profit or loss, while exchange rate differences on financial receivables and liabilities are recognised net in financial income and expense.

FINANCIAL STATEMENTS OF FOREIGN OPERATIONS

Assets and liabilities in foreign operations are translated from the foreign entity's functional currency to the Group's presentation currency, SEK, at the closing rate. Income and expenses in a foreign operation are translated to SEK at an average rate that is an approximation of the exchange rates in effect at the respective transaction dates. All exchange differences resulting upon translation of foreign operations are recognised in other comprehensive income: and accumulated in the translation reserve in equity. When a foreign operation is sold, the cumulative translation differences attributable to the operation are recognised in the consolidated statement of comprehensive income.

Classification

In all material respects, non-current assets and non-current liabilities comprise amounts expected to be recovered or settled more than twelve months after the reporting date. In all material respects, current assets comprise amounts expected to be realised in the Group's normal operating cycle, which is 12 months after the end of the reporting period. In all material respects, current liabilities comprise amounts expected to be settled in the Group's normal operating cycle, which is 12 months after the end of the reporting period.

Segment reporting

Operating segments are reported in a manner consistent with the internal management reports submitted to the Chief Operating Decision Maker (CODM). The CODM is the function responsible for allocating resources to the operating segment and assessing its performance. The CEO of Truecaller AB has been identified as the CODM. The Group's division into segments is based on the internal structure of the Group's business activities meaning that the Group's business is considered a single segment.

Revenue from contracts with customers

To enable the Group to recognise revenue from contracts with customers, each customer contract is analysed according to the five-step model provided in IFRS 15. The Group recognises revenue when the Group satisfies a performance obligation, which is a promise to transfer a good or service to the customer and control over the good or service is transferred to the customer. Control of a performance obligation can be passed either over time or at a point in time. The revenue consists of an amount the entity expects to be entitled to in exchange for transferring goods or services.

The Group's significant revenues are derived from the sale of ad space in the Truecaller app, sale of premium subscriptions to app users and the Truecaller for Business service, where businesses buy Truecaller's Verified Business Caller ID service.

ADVERTISING REVENUES

Advertising revenues are generated when the Group sells ad space in the Truecaller app. Ad space is sold through direct sales to advertisers and through agreements with various advertising networks. The agreements are generally relatively short, usually 1-12 months. Truecaller considers the advertiser to be the Group's customer even when sales are via advertising networks. The Group has identified a single performance obligation: to sell advertising space.

When sales are effected via advertising networks that broker ad space to the end customer, Truecaller and the advertising networks receive different shares of the revenue from the end customer. An assessment is made of whether Truecaller has control over the service the customer buys before it is transferred in order to determine whether the Group is the principal or the agent in these transactions. This includes assessing how the price is determined and which party has main responsibility for providing the service. Truecaller has determined that the Group controls the service before it is transferred and thus considers itself to be the principal in the transactions. Consequently, advertising revenues are recognised on a gross basis when necessary information on the gross revenues and/or brokerage fee is provided by the advertising networks. As a result, the gross consideration is recognised as net sales and the shares retained by the advertising networks are recognised as costs in profit or loss (see "Costs to obtain a contract" below). When the Group does not have access to information about the price the advertiser actually pays to the advertising network, the revenues are recognised on a net basis.

The transaction price is primarily fixed. The Group recognises revenue progressively as the performance obligation is satisfied, which is when the customer gains control over the asset. Truecaller has determined that control is transferred over time, because the advertiser simultaneously receives and consumes all of the benefits provided. Progress towards complete satisfaction of the performance obligation is measured using a production method based on the number of ad views or clicks generated by the ad.

USER REVENUES

The Group's user revenues arise when users gain access to a premium version of the application via in-app purchases via the App Store (iOS) and Google Play (Android). The Group's performance obligation consists of granting a licence to the end user combined with an online service that is required for the premium version to work as intended. The Group has thus identified that sales to generate user revenues consist of a service that constitutes a single performance obligation to the end customer.

The transaction price for user revenues is a fixed fee, which is paid monthly or annually in advance. Truecaller has determined that control over the performance obligation is transferred over time, because the user simultaneously receives and consumes all of the benefits that Truecaller provides via the service. Progress towards complete satisfaction of the performance obligation is measured using a production method based on time elapsed.

TRUECALLER FOR BUSINESS

Revenues from the Truecaller for Business service are generated when businesses buy Truecaller's Verified Business Caller ID service. Truecaller for Business enriches the call experience for both app users and verified businesses. The service enhances user trust in the businesses and helps prevent identify theft and scams. Truecaller for Business is sold both directly to end users and via resellers. The Group has identified the performance obligation as satisfied by providing verification in the app.

The transaction price for Truecaller for Business is a fixed charge based on the number of phone numbers the company wants to verify combined with the number of calls to be verified per month. The customer is charged an additional fee for calls above the call limit. Truecaller has determined that control is transferred over time, because the user simultaneously receives and consumes all of the benefits that Truecaller provides via the service. Progress towards complete satisfaction of the performance obligation is measured using a production method based the number of verified calls.

COSTS TO OBTAIN A CONTRACT

Arising from the revenue contracts for all revenue streams, the Group incurs incremental costs to obtain a contract. Upon entering into a contract with an end customer for advertising revenues, Truecaller incurs costs that must be paid to the advertising networks for their brokerage of the ad space that the Group sells. Attributable to making a contract for user revenues, the platform owner (Apple or Google) charges a commission on every purchase made in the Group's app. Costs for Truecaller for Business arise in the form of commissions to resellers. Incremental costs to obtain a contract with

Note 1, cont.

a customer must be recognised as an asset if the company expects to recover those costs. If the amortisation period for such an asset would be 12 months or less, such costs may be expensed as a practical expedient. The Group has opted to apply this practical expedient to all costs to obtain contracts whose term is 12 months or less. The cost is recognised in the consolidated statement of profit or loss under the line item "Ad brokerage costs".

Employee benefits

SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefits, such as salary, social insurance contributions and holiday pay, are expensed in the period when the employees render the services.

Pension expenses and pension commitments

Group companies have various pension systems in accordance with local conditions and generally accepted practice in the countries in which they operate. These are funded through payments to insurance firms or through internal provisions that are determined by means of periodical actuarial calculations.

DEFINED CONTRIBUTION PENSION PLANS

A defined contribution pension plan is a post-employment plan under which the Group pays fixed contributions into a separate legal entity (a fund). The Group's obligation is limited to the contributions the company has legally and constructively committed to pay and the Group thus has no further risk. The Group's obligations relating to defined contribution plans are recognised as an expense in profit and loss in the period in which employees render the services to which the contributions refer.

DEFINED BENEFIT PENSION PLANS

A defined benefit pension plan is a post-employment benefit according to which the Group has an obligation to pay agreed benefits to the employees. The Group thus bears both an actuarial risk and an investment risk. The Group provides defined benefit pension plans to employees in India who have worked for the Group for more than five years.

The cost of the defined benefit pension plans and the size of the pension obligation is calculated annually by independent actuaries using the Projected Unit Credit Method, by which the cost is allocated across the employee's period of service. Actuarial assumptions are used in the calculation, such as employee turnover, future pay increases, lifespan and age of retirement. Actuarial gains and losses arising from remeasurements consequent upon experience-based adjustments and a change ("true-up") in actuarial assumptions are recognised in other comprehensive income in the period in which they arise. Other costs are recognised in profit or loss, service costs are recognised as a component of employee benefits expense and interest expenses in net financial income and expense.

The Group's pension plans are unfunded and the liability recognised in the statement of financial position regarding defined benefit pension plans is thus equal to the present value of the defined benefit obligation at the end of the reporting period. The present value of the pension obligation is determined by discounting future cash flows using the interest rate for medium- to long-term risk-free investments. These are issued in the same currency in which the benefits will be paid, with durations comparable to that of the relevant pension obligation.

Termination benefits

A cost for benefits related to termination of employees is recognised only when the company is demonstrably committed, with no realistic possibility of withdrawal, by a formal, detailed plan to terminate employment before the normal date, or when compensation is offered to encourage voluntary termination.

Incentive programmes

The Group has incentive programmes covering both warrants and employee stock options. The fair value of granted options is calculated using the Black & Scholes model, taking the conditions and prerequisites that applied at grant date into account.

Warrants are purchased by the employee at market price. Employee stock options are conditional upon a number of specified vesting conditions applicable for the duration of the options programme. For employee stock options, an employee benefit expense is recognised together with a corresponding increase in equity allocated across the period in which the vesting conditions are satisfied.

At the end of each reporting period, the Group tests its estimate of the number of options expected to vest. Any differences against the original estimates resulting from the test are recognised in profit or loss and corresponding adjustments are made in equity.

See Note 7 for further information.

Financial income and expense

Financial income consists of interest income, foreign exchange gains and any gains upon changes in value of financial assets or liabilities at fair value through profit or loss. Interest on financial instruments is recognised using the effective interest method. Financial expenses consist of interest expenses, foreign exchange losses and losses upon change in value of financial assets and liabilities at fair value in profit and loss. The effective interest rate is the rate that discounts estimated future cash flows through the expected life of the financial instrument to the net carrying amount of the financial asset or the financial liability. The estimation includes all charges paid or received and which are part of the effective interest rate.

Financial income and expenses are recognised in the period to which they refer. Foreign exchange gains and losses are recognised net.

Tax

Income taxes comprise current tax and deferred tax. Tax is recognised in profit or loss except when the underlying transaction is recognised in other comprehensive income or directly in equity, whereupon the associated tax effect is recognised in other comprehensive income or in equity.

Current tax is tax to be paid or received for the current year, with application of tax rates enacted or substantively enacted as of the reporting date. Adjustments of current tax attributable to earlier periods are also included in current tax.

Deferred tax is calculated using the balance sheet method, based on temporary differences between the carrying amounts and tax values of assets and liabilities. Temporary differences are disregarded in the recognition of goodwill or the initial recognition of an asset acquisition because the acquisition does not affect either recognised or taxable profit. Nor are temporary differences considered that are attributable to investments in subsidiaries that are not expected to be reversed within the foreseeable future. The measurement of deferred tax is based on how the carrying amounts of assets or liabilities are expected to be recovered or settled. Deferred tax is calculated using the tax rates enacted for substantively enacted as of the reporting date.

Deferred tax assets relating to deductible temporary differences and loss carryforwards are recognised only if it is considered probable that they can be utilised in the future. The value of deferred tax assets is reduced when it is no longer considered probable that they can be utilised.

Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss attributable to shareholders in the parent by the weighted average number of shares outstanding during the year.

When calculating diluted earnings per share, profit or loss and the average number of shares are adjusted to account for the effects of potentially dilutive ordinary shares. In the reported periods, long-term incentive programmes and preference shares are the source of potentially dilutive ordinary shares.

Intangible assets

An intangible asset is recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the company and the cost of the asset can be measured reliably. An intangible asset is initially measured at cost. Intangible assets with finite useful lives are recognised at cost less amortisation and any impairment losses. Intangible assets with indefinite useful lives are

Note 1, cont.

assessed for impairment annually if there are indications that the asset may be impaired.

GOODWILL

Goodwill consists of the difference between cost and the Group's share of the fair value of an acquired subsidiary's identifiable net assets. Goodwill is measured at cost less any accumulated impairment losses. Goodwill has an indefinite useful life and is not amortised, but is tested for impairment annually or as soon as there is any indication that the asset has declined in value.

RESEARCH AND DEVELOPMENT

Research costs are expensed immediately. Expenditure related to development projects is capitalised in the statement of financial position as an intangible asset to the extent the expenditure is expected to generate future economic benefits. Other development costs are expensed as they are incurred. Previously expensed development costs are not capitalised as assets in the statement of financial position in subsequent periods. Direct costs include employee benefit expenses for development personnel and a share of indirect costs. Capitalised development costs are amortised on a straight-line basis and amortisation begins when the product is available for use. The useful life of the asset is remeasured annually. The unamortised value of capitalised development costs is tested for impairment annually when sale of the products that are the result of the development has not yet begun. The estimated useful life is:

– Capitalised development costs 2 years

Property, plant and equipment

Items of property, plant and equipment are recognised as assets on the statement of financial position if it is probable that the future economic benefits associated with the asset will flow to the company and the cost of the asset can be measured reliably. Items of property, plant and equipment are recognised in the Group at cost less accumulated depreciation and any impairment losses. Cost include the purchase price and all costs directly attributable to the asset to bring it to the location and condition necessary for it to be capable to be used in the manner intended.

The carrying amount of an asset is removed from the statement of financial position upon retirement or disposal or when no future economic benefits are expected from the use of the asset. Gains or losses on disposal or retirement of an asset are the difference between the selling price/proceeds and the carrying amount of the asset less direct costs to sell.

Costs incurred subsequently are added to the cost only if it is probable that the future economic benefits associated with the asset will flow to the Group and the cost can be reliably measured. All other costs incurred subsequently are recognised as an expense in the period in which they are incurred. Items of property, plant and equipment are depreciated on a straight-line basis across the estimated useful life of the asset. The estimated useful lives are:

– Equipment, tools and building systems 5 years

Applied depreciation methods, residual values and useful lives are reassessed at the end of each year.

Leases

The Group is the lessee within the scope of all existing leases. The Group is not active as a lessor. The leases entered into as lessee refer to the lease of office premises.

When the Group enters into a contract, it determines whether the contract is or contains a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the inception of a lease, a right-of-use asset and corresponding lease liability are recognised. Assets and liabilities arising in connection with a lease are measured based on the present value of future lease payments payable over the lease terms. The present value of lease payments is calculated by applying the rate implicit in the lease if it can be readily determined and otherwise uses the incremental borrowing rate as of the commencement date of the lease. The lease

term is determined as the non-cancellable period plus periods covered by an extension option if exercise of that option by the Group is reasonably certain or periods covered by a termination option if the Group is reasonably certain not to exercise that option.

A right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment, if any, adjusted for remeasurements of the lease liability. The cost of right-of-use assets includes the initial value recognised for the attributable lease liability, initial direct costs, any advance payments at or prior to commencement less any incentives received. Provided that Truecaller is reasonably certain that ownership of the underlying asset will be assumed at the end of the lease, the right of use asset is depreciated straight-line over the shorter of the lease term and period of use.

The Group applies the practical exception applicable to short-term leases, referring to a contract with a lease term of 12 months or less or a low value lease where the value of the underlying asset is less than SEK 50 thousand. Lease payments related to short-term and low value leases are expensed on a straight-line basis over the lease term. The Group also applies the practical expedient of not separating non-lease components from lease components in leases. Lease components and associated non-lease components are thus accounted for as a single lease component.

Impairment of non-financial assets

The Group reviews amortisable assets for impairment if there are events or changed circumstances indicating that the carrying amount is not recoverable. Goodwill is tested for impairment annually and as soon as there is any indication that the asset has declined in value.

The asset is impaired by an amount at which the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use, which is an internally determined value based on future cash flows. To assess whether there is indication of impairment, assets are grouped in a cash generating unit (CGU), which is the smallest identifiable group of assets that generates cash inflows. When measuring value in use, future cash flows are discounted by a factor that reflects the risk-free rate of interest and the risks specific to the asset.

Non-financial assets other than goodwill that have previously been impaired are tested to determine whether reversal is required at the end of each reporting period. Any reversals are recognised in profit or loss. Intangible assets that are not ready for use are also tested for impairment if events or changed circumstances indicate that the carrying amount is not recoverable.

Financial instruments

Financial instruments accounted for in the statement of financial position include cash and cash equivalents, securities holdings, receivables, operating liabilities and lease liabilities.

Financial assets and financial liabilities are recognised when the Group becomes a party to the instrument's contractual terms. Transactions with financial assets are recognised at the transaction date, which is the day the Group commits to purchasing or selling the assets. Trade receivables are entered on the statement of financial position when an invoice has been sent or when the Group's right to consideration is unconditional. Liabilities are recognised when the counterparty has performed and there is a contractual obligation to pay, even if an invoice has not yet been received. Trade payables are recognised when an invoice has been received.

A financial asset is removed from the statement of financial position when the contractual rights have been realised or expires, or when the Group no longer controls the asset. A financial liability is removed from the statement of financial position (entirely or partially) when the contractual obligation has been performed or has otherwise ended. A financial asset and a financial liability are accounted for net in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and the intention is either to settle on a net basis or to realise the asset and settle the liability simultaneously. Gains and losses from removal from the statement of financial position are recognised in profit or loss. At each reporting date, the company evaluates whether there is a need to impair expected credit losses for a financial asset or group of financial assets, as well as other existing credit exposure.

Note 1, cont.

Classification and measurement

FINANCIAL ASSETS

Classification of financial assets that are debt instruments is based on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. Instruments are classified as follows:

- Amortised cost
- Fair value through other comprehensive income
- Fair value through profit or loss

Financial assets classified and measured at amortised cost are held within a business model whose objective is to collect contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets classified and measured at amortised cost are initially measured at fair value plus transaction costs. Subsequent to initial recognition, the assets are measured using the effective interest rate method. The assets are covered by a loss allowance for expected credit losses. Truecaller also has financial assets classified at fair value through profit or loss where the fair value is determined using market prices on the reporting date. The effect of the measurement of these instruments at fair value is recognised in profit or loss. The Group's financial assets that are debt instruments are specified in Note 15 Financial instruments. The Group has no financial assets classified and measured at fair value through other comprehensive income.

FINANCIAL LIABILITIES

Financial liabilities, except for liability arising from synthetic options, are classified and measured at amortised cost. Financial liabilities recognised at amortised cost are initially measured at fair value including transaction costs. Subsequent to initial recognition, they are measured at amortised cost according to the effective interest rate method. The Group's liabilities arising from synthetic options are classified and recognised as financial liabilities measured at fair value through profit or loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Borrowing costs are recognised in profit or loss in the period to which they refer. Accrued interest is recognised as a component of short-term borrowing from credit institutions when the interest is expected to be settled within twelve months of the reporting date.

Fair value is determined as described in Note 15 Financial instruments.

Impairment of financial assets

Financial assets, except those classified and measured at fair value through profit or loss or equity instruments measured at fair value through other comprehensive income, are included in impairments for expected credit losses. Impairment for expected credit losses according to IFRS 9 is on a forward-looking basis and a loss allowance is made when there is exposure to credit risk. Expected credit losses reflect the present value of all cash shortfalls attributable to defaults either for the next twelve months or the expected remaining tenor of the financial instrument, depending on the asset class and credit impairment since initial recognition.

For a more detailed description of methods used to calculate expected credit losses, see Note 15 Financial instruments.

Cash and bank balances

Consolidated cash and cash equivalents consist of cash and readily available bank balances held with financial institutions. Cash and cash equivalents are recognised at face value and subject to requirements for loss allowances for expected credit losses.

Equity

Shares in the Group comprise two classes of ordinary shares: Class A and Class B, which are reported as share capital. Prior to Truecaller's IPO, there were also four classes of preference shares. All preference shares were converted to Class B shares upon the listing. Share capital is recognised at its quotient (par) value and the excess portion is recognised as other capital contributions. Transaction costs directly attributable to the issue of new shares are recognised, net after tax, in equity as a deduction from issue proceeds.

Provisions

A provision is recognised in the statement of financial position when Truecaller has a present legal or constructive obligation as the result of a past event and it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be estimated reliably. When the effect of the point in time when payment is made is significant, provisions are calculated by discounting the expected future cash flow at a pre-tax rate that reflects current market assessments of the time value of money and, where applicable, the risks specific to the obligation. Provisions are reassessed at each reporting date.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events or when there is a present obligation that is not recognised as a liability or provision because it is not probable that an outflow of resources will be required.

Government grants

Government grants are recognised only when there is reasonable assurance that the Group will comply with any conditions attached to the grant and that the grant will be received. Government grants attributable to profit and loss are recognised as a reduction in the corresponding costs. Government grants are recognised in profit or loss in the same way and over the same periods as the related costs, for which they are intended to compensate.

Cash flows

The statement of cash flows is prepared using the indirect method. This requires profit or loss to be adjusted for all transactions for non-cash items and for income and costs attributable to investing and/or financing activities.

Note 1, cont.

PARENT COMPANY ACCOUNTING POLICIES

The parent company prepares its annual accounts in accordance with the Annual Accounts Act (1995:1554) and Recommendation RFR 2 Accounting of Legal Entities issued by the Swedish Financial Accounting Standards Council. The parent company applies the same accounting policies as the Group, with the exemptions and additions provided for in RFR 2. This means that IFRSs are applied with the departures specified below.

Changed accounting policies

The parent company transitioned in 2021 to preparing the financial statements in accordance with RFR 2. The transition is described in greater detail in Note 26 Transition to RFR 2, but has had no impact on balance sheets, income statements or cash flow statements in previous years.

Presentation

The parent company income statement and balance sheet are presented in the format required under the Annual Accounts Act, while the statement of changes in equity and the statement of cash flows are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows.

Income from shares in subsidiaries

Dividends are recognised when the right to be paid is assessed as certain. Gains from the sale of subsidiaries are recognised when control of the subsidiary has been transferred to the buyer.

Participating interests in subsidiaries

Participating interests in subsidiaries are accounted for in the parent company using the cost method. This means that transaction costs are included in the carrying amount of the holding. If the carrying amount exceeds the companies' consolidated value, an impairment loss is recognised and charged to the income statement. An analysis of any indications of impairment is carried out at the end of each reporting period. If a previous impairment is no longer justified, the impairment loss is reversed.

Assumptions are made about future conditions in order to estimate future cash flows, which determines the recoverable amount. The recoverable amount is compared to the carrying amount of these assets and is the basis for any impairments or reversals. The main assumptions that affect the recoverable amount are future profit trends, discount rate and useful life. Changes in future external factors and conditions may affect the assumptions so that the carrying amounts of the parent company's assets change.

Income

In all material respects, income in the parent company refers to intra-group services. Services are accounted for when they are rendered.

Shareholder contributions

Shareholder contributions provided by the parent company are recognised directly in equity by the recipient and accounted for as shares and participating interests by the parent company. Shareholder contributions received are recognised as an increase in non-restricted equity.

Leases

The rules on accounting for lease contracts according to IFRS 16 are not applied by the parent company. Accordingly, lease payments are recognised as an expense on a straight-line basis across the lease term and right-of-use assets and lease liabilities are not included on the parent company balance sheet. Identification of a lease is however carried out in accordance with IFRS 16, according to which a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Financial instruments

Due to the connection between accounting and taxation, the rules on financial instruments according to IFRS 9 are not applied in the parent company as a legal entity; instead, the parent company applies the cost method, in accordance with the Annual Accounts Act. Non-current financial assets are measured at cost in the parent company and current financial assets are measured at the lower of cost or net realisable value, with application of impairments for expected credit losses in accordance with IFRS 9 regarding assets that are debt instruments.

The parent company applies the exemption to not measure financial guarantee contracts to the benefit of subsidiaries, associates and joint ventures in accordance with the rules in IFRS 9 and instead applies the measurement principles provided for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The parent company does not measure financial instruments in accordance with IFRS 9 Financial Instruments. Measurement is based on cost.

Impairment of financial assets

Financial assets, including intragroup receivables, are impaired for expected credit losses. Refer to the section on Group accounting policies for information about the method applicable to impairment for expected credit losses. Expected credit losses on intragroup receivables are estimated according to the general approach, in which the creditworthiness of Group companies is estimated.

Expected credit losses for cash and cash equivalents have not been recognised as the amount has been assessed as immaterial.

Note 2 Judgements, estimates and assumptions in the financial statements

When financial statements are prepared, management must make certain judgements, estimates and assumptions that affect the carrying amounts of assets and liabilities and income and expense items. The judgements are based on experience and assumptions that management considers reasonable under the circumstances. Actual outcomes may differ from these estimates and judgements. Estimates and assumptions are regularly reviewed. Changes to estimates are reported in the period the change is made if the change affected only this period, or in the period the change is made and future periods if the change affects both the current period and future periods. The judgements and estimates most significant to the preparation of the consolidated financial statements are described below.

Assumptions applied to calculate defined benefit pensions

The calculation of defined benefit pensions is based on actuarial assumptions, which are specified in Note 21. A change to any of these assumptions affects the calculated pension commitments and pension costs, as shown in the sensitivity analysis in the same note.

Accounting for deferred tax assets

Deferred tax assets relating to deductible temporary differences and loss carryforwards are recognised only to the extent it is considered probable that they can be utilised and result in lower tax payments in the future. The deferred tax asset has been calculated based on estimation by the board and management of the future utilisation of cumulative loss carryforwards found in the Group within the foreseeable future. Changed assessment of how tax loss carryforwards

Note 2, cont.

can be recovered through future taxable profits can affect taxes recognised in profit or loss and the statement of financial position in future periods

Measurement of lease liabilities and right-of-use assets

When a lease commences, assessments are made related to the scope of the contract, the lease term and the interest rate used to discount future lease payments, which affects the measurement of lease liabilities and right-of-use assets. Assessment of the scope of the contract includes assumptions related to whether a leased asset is identified in the contract, as well as the lease term. The lease term is the non-cancellable term of the signed contract, except in

cases where Truecaller is reasonably certain to exercise an option to extend the lease or to not exercise an early termination option. All relevant factors and circumstances that create an economic incentive to include optional periods are thus evaluated. The importance of the underlying asset to the business and its location, the availability of suitable alternatives, significant improvements to the asset, the rent level during extension periods compared to the market price and previous practices are examples of factors included in the analysis. The lease term is determined on an individual basis and is remeasured if an option is exercised. Estimates are also required to determine the interest rate used to discount future lease payments.

Note 3 Revenue from contracts with customers

Distribution of revenue from contracts with customers	2021	2020
<i>Geographical region</i>		
India	787,120	340,780
Middle East and Africa	184,114	77,800
Rest of the world ¹⁾	157,654	72,575
Revenue from contracts with customers	1,128,888	491,154

¹⁾ Of which sales in Sweden amounted to SEK 5,916 thousand in 2021 and SEK 3,306 thousand in 2020.

The geographical distribution is based on where the customer has their subscription. No individual customer of Truecaller accounts for 10 percent or more of sales.

<i>Type of service</i>		
Advertising revenues	948,925	362,514
User revenues	138,985	120,984
Other	40,978	7,656
Revenue from contracts with customers	1,128,888	491,154

Contract assets	31 Dec 2021	31 Dec 2020
Balance at 1 January	51,898	29,014
Material changes in contract assets:		
Changes attributable to ordinary business	48,455	22,884
Balance at 31 December	100,353	51,898

Contract assets comprise accrued income to which the entity's right to consideration is conditioned on future performance in accordance with the contract. When the company's right to consideration becomes unconditional, the asset is recognised as a trade receivable.

Contract liabilities	31 Dec 2021	31 Dec 2020
Balance at 1 January	25,081	19,615
Material changes in contract liabilities:		
Changes attributable to ordinary business	10,181	5,466
Balance at 31 December	35,262	25,081

Contract liabilities refer to advance payments from customers, for which performance obligations have not been satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract have been fulfilled, which is within twelve months for all performance obligations.

Recognised revenue during the year	2021	2020
Thereof included in contract liabilities at 1 January	25,081	19,615
From performance obligations satisfied/partially satisfied in earlier periods	-	-

Note 4 Other operating revenue

	GROUP	
	2021	2020
Other operating revenue		
Pass-through costs	2,600	108
Disposals of property, plant and equipment	36	294
Compensation for costs of sick pay	-	145
Other income	101	-
Total	2,738	547

Note 5 Remuneration to auditors

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Ernst & Young				
Audit activities within the audit engagement	3,457	902	2,297	-
Other audit activities outside the audit engagement	1,007	25	905	-
Tax advisory	147	223	-	-
Other services	2,687	286	2,600	-
Total	7,298	1,436	5,802	-

Fees related to the IPO amount to SEK 3,463 thousand (-) and are recognised as Other external costs in profit or loss. Fees related to the share issues amount to SEK 667 thousand (-) and are recognised directly in equity.

Note 6 Other external costs

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Costs related to IPO	48,740	-	48,740	-
Marketing	69,044	7,086	-	-
User acquisition	62,705	4,634	-	-
Other external costs	67,559	44,256	3,706	-
Total	248,049	55,975	52,446	-

Note 7 Employees and employee benefits expense

Average number of employees	2021	Of whom women, %	2020	Of whom women, %
Sweden	120	21%	100	20%
India	155	26%	127	26%
Total	275	24%	227	23%
Of whom in the parent company (Sweden):	1	0%	0	0%

Directors and key management personnel (KMP)	Number on the reporting date	Of whom women, %	Number on the reporting date	Of whom women, %
Directors	6	33%	5	0%
CEO and other KMP	7	14%	6	17%
Total for the Group	13	23%	11	9%

Employee costs	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
<i>Key management personnel</i>				
Salaries and other compensation	10,916	10,815	1,772	-
Social insurance contributions	2,917	2,523	680	-
Pension costs	1,659	1,235	298	-
<i>Other employees</i>				
Salaries and other compensation	214,648	136,858	-	-
Social insurance contributions	21,729	15,955	-	-
Pension costs *	10,590	8,264	-	-
Other personnel costs	4,382	3,865	-	-
Total	266,840	179,513	2,751	-

* A portion of pension costs in the Indian subsidiary are attributable to defined benefit pension plans. See Note 21 Defined benefit pension plans for further information.

KMP compensation – Group	2021				
	Base pay, director's fee	Variable pay	Pension cost	Other compensation	Total
Board Chair Bing Gordon	196	-	-	-	196
Director Annika Poutiainen	218	-	-	-	218
Director Helena Svancar	174	-	-	-	174
Director Shailesh Lakhani	-	-	-	-	-
Director Nami Zarringhalam**	2,173	-	363	2	2,538
CEO Alan Mamedi (Jan-Aug)	1,270	-	237	2	1,509
CEO Alan Mamedi (Sep-Dec)*	972	-	126	-	1,098
Other KMP (1 person, part of the year)*	801	-	114	-	915
Other KMP (5 persons, of whom one for part of the year)	7,406	-	1,031	62	8,499
Total	13,210	-	1,871	66	15,147

* Parent company

** Nami Zarringhalam is not compensated for his board service. The compensation above refers to compensation for his role as Chief Strategy Officer for True Software Scandinavia AB.

KMP compensation – Group	2020				
	Base pay, director's fee	Variable pay	Pension cost	Other compensation	Total
Board chair Nami Zarringhalam**	2,351	-	366	2	2,719
Director Bing Gordon	-	-	-	-	-
Director Joen Bonnier	-	-	-	-	-
Director Shailesh Lakhani	-	-	-	-	-
CEO Alan Mamedi	2,363	-	357	2	2,722
Other KMP (5 individuals)	6,086	-	512	11	6,609
Total	10,799	-	1,235	16	12,050

** Nami Zarringhalam is not compensated for his board service. The compensation above refers to compensation for his role as Chief Strategy Officer for True Software Scandinavia AB.

Note 7, cont.

Key management personnel compensation

BOARD OF DIRECTORS

According to the decision by the EGM held 12 August 2021, an annual fee of SEK 260 thousand is paid to each outside (non-executive) director, SEK 347 thousand to the board chair, SEK 175 thousand to the Audit Committee chair, SEK 44 thousand to members of the Remuneration Committee and SEK 87 thousand to the Remuneration Committee chair. Inside (executive) directors are paid base salary in their executive capacity. Shailesh Lakhani has declined the director's fee for the current term.

CEO AND OTHER KEY MANAGEMENT PERSONNEL

Compensation to the CEO and other key management personnel comprises base pay, variable pay, pension benefits and other benefits. "Key management personnel" (KMP) refers to the individuals who comprise Group management, in addition to the CEO. A mutual period of notice of dismissal/resignation applies between the company and the CEO and other KMP. Upon dismissal, the CEO and CSO/co-founder Nami Zarringhalam is entitled to severance pay equal to twelve months' salary. The pension benefit for the CEO and other KMP is 20 percent of pensionable salary above 7.5 income base amounts (IBA).

Group management is presented on page 55-56.

Incentive programmes

WARRANTS SERIES 2016/2020

Series 2016/2020 were issued in 2016 and covers employees and other key individuals in the Group. The plan covers a maximum of 9,800 employee stock options. Shares are vested monthly during the period of June 2016-June 2020 provided that the individual remains employed by the Group. Each option carries the right to subscribe for one share in the company. At the end of the vesting period, there were 8,450 options outstanding. All options were exercised in March 2021 at an exercise price of SEK 921.70 per option.

WARRANTS SERIES 2019/2023

Series 2019/2023 was issued in 2019 and applies to five individuals. The plan covers a maximum of 15,921 employee stock options. Shares are vested monthly during the period of April 2020-March 2021 provided that the individual remains employed by the Group. Each option carries the right to subscribe for one share in the company. At the end of the vesting period, there were 15,831 options outstanding. All options were exercised in June 2021 at an exercise price of SEK 0.1 per option.

LONG-TERM INCENTIVE PROGRAMME 2021 (LTI 2021)

At the 2021 AGM, shareholders resolved to adopt a long-term incentive programme, LTI 2021, covering a maximum of 19,500,000 warrants and employee stock options. The programme applies to key management personnel, directors and employees of the entire Group and includes both employee stock options and warrants. Employee stock options are conditional upon continued employment and predefined performance criteria for the Group for the entire term of the programme. Warrants are purchased by the employee at market price. The fair value of employee stock options and warrants is calculated according to the Black & Scholes valuation model. The assumptions applied include expected volatility of 39-44 percent, interest of -0.2 percent to -0.3 percent, duration of two to four years and a exercise price at a premium of 0-100 percent in relation to Truecaller's valuation on grant date.

LTI 21 conditions

- ▶ Series LTI 2021-1: The programme is divided into three tranches with exercise periods as follows: 1 September-30 October 2023; 1 September-30 October 2024; and 1 September-30 October 2025. Participants are granted one third of their options in each tranche. Participants have paid a premium of SEK 2.33 per option. The exercise price is SEK 57.40 per share. In total, there are 4,540,000 options outstanding in this series.
- ▶ Series LTI 2021-2: The programme is divided into three tranches with exercise periods as follows: 1 September-30 October 2023; 1 September-30 October 2024; and 1 September-30 October 2025. Participants are granted one third of their options in each tranche. Participants have paid a premium of SEK 2.33 per option. The exercise price is SEK 57.40 per share. In total, there are 58,000 options outstanding in this series.
- ▶ Series LTI 2021-3: The programme is divided into three tranches with exercise periods as follows: 1 September-30 October 2023; 1 September-30 October 2024; and 1 September-30 October 2025. Participants are granted one third of their options in each tranche. The exercise price is SEK 28.70 per share. In total, there are 2,176,000 options outstanding in this series.
- ▶ Series LTI 2021-4: The programme is divided into three tranches with exercise periods as follows: 1 September-30 October 2023; 1 September-30 October 2024; and 1 September-30 October 2025. Participants are granted one third of their options in each tranche. The exercise price is SEK 28.70 per share. In total, there are 116,000 options outstanding in this series.
- ▶ Series LTI 2021-5: The programme is divided into two tranches with two exercise periods, 1 September-30 October 2023 and 1 September-30 October 2024. Participants are granted one half of their options in each tranche. The exercise price is SEK 57.40 per share. In total, there are 3,375,600 options outstanding in this series.
- ▶ Series LTI 2021-6: The programme is divided into two tranches with two exercise periods, 1 September-30 October 2023 and 1 September-30 October 2024. Participants are granted one half of their options in each tranche. Participants have paid a premium of SEK 1.97 per option. The exercise price is SEK 28.70 per share. In total, there are 3,127,230 options outstanding in this series.

Among the directors, Bing Gordon, Annika Poutiainen and Helena Svancar have each subscribed for 58,000 options. Among KMP, Alan Mamedi and Nami Zarringhalam have each subscribed for 1,000,000 options, Rishit Jhunjunwala has subscribed for 750,000 options, Fredrik Kjell and Odd Bolin have each subscribed for 650,000 options and Ola Espelund has subscribed for 550,000 options.

Synthetic options

In connection with the acquisition of Backwater Technologies Private Limited, 37,610 synthetic options were issued of which Of these options, 28,476 are linked to vesting conditions and have thus been recognised as an employee benefits expense progressively as employees vest the options. The options give the employees the right to cash payment after three years of service, but in certain circumstances can also be converted to shares in True Software Scandinavia AB. The amount paid will be determined by the value of True Software Scandinavia AB when payment is made. The remaining 9,134 options belong to the former owners of Backwater Technologies, who have never been employees of Truecaller. Costs related to these have been recognised progressively in financial expenses as the options vested.

In connection with the IPO of Truecaller AB, all options were redeemed at an exercise price of USD 525 and settled in cash. An earnout of SEK 22,509 thousand was also activated in conjunction with the IPO, which is recognised as a liability arising from synthetic options at the reporting date (the liability was SEK 91,019 thousand at 31 December 2020). See Note 14 Financial Instruments for further information. The liability arising from synthetic options was settled in its entirety in January 2022.

Note 7, cont.

Cost of share-based payments

The table below shows the total cost of share-based payments during the year. The employee stock option plan is recognised as an employee benefits expense in the statement of profit or loss with

a corresponding item in equity. Synthetic options are recognised as an employee benefits expense in the statement of profit or loss with a corresponding item relating to synthetic options.

	2021	2020
Employee stock options plan	3,237	8,217
Synthetic options	78,702	16,818
Total share-based payments	81,939	25,034

Note 8 Financial income and expenses

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Interest income from trade receivables	76	67	-	-
Foreign exchange gains	5,196	-	66	-
Financial income	5,271	67	66	-
Remeasurement of synthetic options	-24,804	-4,984	-	-
Interest expenses arising from trade payables and taxes	-4,306	-64	-	-
	-	-14,392	-	-
Interest expenses arising from lease liabilities	-2,876	-3,120	-	-
Other financial expenses	-1,797	-881	-1,798	-
Financial expenses	-33,783	-23,441	-1,798	-
Financial income and expense	-28,511	-23,374	-1,732	-

Note 9 Tax

	2021	2020	2021	2020
Current tax				
Current tax on profit or loss for the year	-14,873	-	-	-
Adjustments relating to previous years	-	-	-	-
Total current tax	-14,873	-	-	-
Deferred tax				
Deferred tax relating to temporary differences	206	257	-	-
Deferred tax on loss carryforwards	-26,732	38,187	11,456	-
Total deferred tax	-26,525	38,444	11,456	-
Tax recognised in profit or loss	-41,398	38,444	11,456	-

Current tax recognised directly in equity amounts to SEK 5,126 thousand (-) and refers to tax on share issue expenses.

Note 9, cont.

Reconciliation of effective tax rate	2021	2020	2021	2020
Profit before tax	299,708	-53,965	-55,612	-
Tax at prevailing tax rate for the parent company (20.6%)	-61,740	11,548	11,456	-
Tax effect of:				
Non-taxable income	245	-	-	-
Non-deductible expenses *	-22,894	-50	-1	-
Capitalised tax loss carryforwards	38,187	39,670	-	-
Changed tax rate	-	-1,483	-	-
Goodwill impairment	-	-21,050	-	-
Utilisation of previously unrecognised tax losses	7,066	9,551	-	-
Foreign tax rates	-2,469	-	-	-
Temporary differences relating to leases	206	257	-	-
Recognised tax	-41,398	38,444	11,456	-
Effective tax rate	13.8%	71.2%	-20.6%	0.0%

* The increase in tax effect from non-deductible expenses comes mainly from write-downs of shares in subsidiaries.

Tax rates

The parent company's current tax rate is 20.6 percent (20.6). The Group's effective tax rate is 13.8 percent (71.2).

Deferred tax disclosures

The tax effects of temporary differences are specified in the following tables:

	GROUP			
	Right-of-use assets	Other	Tax loss carry-forwards	Total
Deferred tax assets				
Carrying amount at 1 January 2021	21,017	67	38,187	59,272
<i>Recognised:</i>				
In profit or loss	-2,522	-67	-26,732	-29,321
In equity	-	-	5,126	5,126
Carrying amount at 31 December 2021	18,495	-	16,582	35,077
Deferred tax assets				
Carrying amount at 1 January 2020	481	67	-	548
<i>Recognised:</i>				
In profit or loss	20,537	-	38,187	58,724
Carrying amount at 31 December 2020	21,017	67	38,187	59,272
Deferred tax liability				
Carrying amount at 1 January 2021	20,828		-	20,828
<i>Recognised:</i>				
In profit or loss	-2,798		-	-2,798
Carrying amount at 31 December 2021	18,030		-	18,030
Deferred tax liability				
Carrying amount at 1 January 2020	559		-	559
<i>Recognised:</i>				
In profit or loss	20,269		-	20,269
Carrying amount at 31 December 2020	20,828		-	20,828

At the end of 2020, the Group had a tax loss carryforward of SEK 232,693 thousand for which deferred tax had not been recognised in the statement of financial position. Consequent upon the Group's positive development in 2021, the tax loss carryforward that existed at the beginning of the year has been activated.

	PARENT COMPANY	
	Tax loss carry-forwards	Total
Deferred tax assets		
Carrying amount at 1 January 2021	-	-
<i>Recognised:</i>		
In profit or loss	11,456	11,456
In equity	5,126	5,126
Carrying amount at 31 December 2021	16,582	16,582

Note 10 Earnings per share

Basic earnings per share	2021	2020
Profit or loss for the year attributable to owners of the parent	258,310,061	-15,522,101
Average number of ordinary shares outstanding	254,718,955	213,097,334
Basic earnings per share	1.01	-0.07
Diluted earnings per share	2021	2020
Profit or loss for the year attributable to owners of the parent	258,310,061	-15,522,101
Average number of shares after dilution	357,708,466	352,112,334
Diluted earnings per share	0.72	-0.07
Reconciliation weighted average number of ordinary shares	2021	2020
Weighted average number of ordinary shares before dilution	254,718,955	213,097,334
Dilutive effect due to:		
Warrants	844,323	5,384,200
Preference shares	102,145,187	133,630,800
Weighted average number of shares after dilution	357,708,466	352,112,334

The EGM held 22 July 2021 resolved to execute a non-cash issue in which one share in True Software Scandinavia AB carried the right to subscribe for 100 shares in Truecaller AB. Payment was made through issue in kind of shares in True Software Scandinavia AB, whereby Truecaller AB also acquired True Software Scandinavia AB. Due to the increased number of shares, earnings per share from earlier periods have been recalculated by adjusting the historical number of shares in order to make earnings per share comparable over time.

Dilution

The average number of potential shares outstanding during the year was 102,989,510. The calculation of average potential shares outstanding includes only the number of average potential shares whose subscription price is lower than the average share price during the year, which was SEK 38.96 for 2021. The average number of shares during the year was 254,718,955 and average diluted shares outstanding amounted to 357,708,466. If all outstanding incentive programmes in the Group are included in the calculation, the corresponding maximum dilution would be approximately 3.6 percent.

Note 11 Intangible assets

Cost	Goodwill		Proprietary software		Trademark		Total intangible assets	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Cost at 1 January	-	103,563	-	-	2	2	88,236	103,565
Purchases for the year	-	-	1,470	-	-	-	1,470	-
Reclassifications	-	-	-	-	-	-	-	-
Disposals/retirements	-	-	-	-	-	-	-	-
Translation effect	-	-15,329	-	-	-	-	-	-15,329
Cost at 31 December	-	88,234	1,470	-	2	2	89,706	88,236
Impairment losses								
Accumulated impairment losses at 1 January	-	-	-	-	-1	-1	-88,235	-1
Impairment losses for the year	-	-98,363	-120	-	-1	-1	-120	-98,364
Disposals/retirements	-	0	-	-	-	-	-	-
Reclassifications	-	0	-	-	-	-	-	-
Translation effect	-	10,129	-	-	-	-	-	10,129
Accumulated impairment losses at 31 December	-	-88,234	-120	-	-2	-1	-88,355	-88,235
Carrying amount at 31 December	-	-	1,350	-	-	1	1,350	1

Impairment testing

At least annually, the Group tests intangible assets with an indefinite useful life for impairment, i.e., goodwill and internally generated intangible assets not yet available for use. Goodwill is tested for impairment at the lowest levels where there are separate identifiable cash inflows (cash generating units, CGU) and the Group in its entirety is considered a unit.

There was no goodwill during the 2021 financial year. The goodwill arising from the acquisition of Backwater Technologies Private Limited on 31 January 2019 was impaired in 2020.

The purpose of the acquisition was to gain expertise in fintech, i.e., financial transactions within the Truecaller communications platform. Truecaller encountered certain difficulties in starting operations and the fintech venture was consequently eliminated from the strategic plan for 2021-2023. Based on this strategic decision, the goodwill recognised upon the acquisition of Backwater Technologies is no longer justifiable and the amount was consequently impaired to zero as of 31 December 2020.

Note 12 Property, plant and equipment

Consolidated property, plant and equipment consists in its entirety of equipment, such as computer equipment and office machines.

Cost	31 Dec 2021	31 Dec 2020
Cost at 1 January	7,071	12,179
Purchases for the year	351	1,879
Disposals and retirements	-	-6,951
Translation effects	17	-36
Cost at 31 December	7,440	7,071
<i>Accumulated depreciation</i>		
Depreciation at 1 January	-5,509	-11,519
Depreciation for the year	-485	-630
Disposals and retirements	-	6,606
Translation effects	-17	34
Depreciation at 31 December	-6,011	-5,509
Carrying amount at 31 December	1,429	1,563

Note 13 Leases

Truecaller's significant leases refer to leases of rental premises in Sweden and India. Truecaller presents its leases in two classes of underlying assets: Premises and Other. Other includes a number of

server leases that ended in 2019. The table below shows the Group's closing balances for right-of-use assets and lease liabilities and movements during the year:

Group	Right-of-use assets			Lease liability
	Premises	Other	Total	
Balance at 1 January 2020	1,192	1,104	2,296	1,900
New leases	117,419	-	117,419	118,214
Amortisation	-18,447	-1,104	-19,551	-
Ended leases	-	-	-	-
Translation differences	-334	-	-334	-333
Interest expenses	-	-	-	3,120
Lease payments	-	-	-	-21,855
Balance at 31 December 2020	99,830	-	99,830	101,046
New leases	2,389	-	2,389	2,388
Amortisation	-16,238	-	-16,238	-
Ended leases	-	-	-	-
Translation differences	216	-	216	225
Interest expenses	-	-	-	2,876
Lease payments	-	-	-	-18,156
Balance at 31 December 2021	86,196	-	86,196	88,379

The amounts recognised in the consolidated statement of profit and loss during the year attributable to lease activities are presented below.

Group	2021	2020
Depreciation/amortisation of right-of-use assets	-16,238	-19,551
Interest expenses on lease liabilities	-2,876	-3,120
Cost of low value leases	-129	-111
Total	-19,243	-22,782

Truecaller recognised a cash outflow attributable to leases of SEK 18,156 thousand for the 2021 financial year (21,855 thousand for 2020). See Note 20 Financial risks for a maturity analysis of consolidated lease liabilities.

The Group has no further commitments relating to future leases in addition to those included in the lease liability at 31 December 2021. The majority of the Group's lease obligation refers to rented premises in Sweden, where the option to extend the lease has been included in the calculation of the lease liability.

Note 14 Non-current assets by region

The distribution by region covers property, plant and equipment, intangible assets and right-of-use assets.

Reported by region	GROUP	
	31 Dec 2021	31 Dec 2020
Sweden	86,391	98,916
India	2,584	2,479
Total	88,975	101,396

Note 15 Financial instruments

Measurement of financial assets and liabilities at 31 December 2021

Financial assets	Financial assets and liabilities measured at fair value through profit or loss	Financial assets and liabilities measured at amortised cost	Total carrying amount
Other non-current receivables	-	999	999
Claims on advertising networks and platform owners	-	100,353	100,353
Trade receivables	-	31,160	31,160
Short-term placements	150,066	-	150,066
Cash and cash equivalents	-	1,238,443	1,238,443
Total	150,066	1,370,954	1,521,020
Financial liabilities			
Liability arising from synthetic options	22,509	-	22,509
Trade payables	-	39,544	39,544
Total	22,509	39,544	62,053

Measurement of financial assets and liabilities at 31 December 2020

Financial assets	Financial assets and liabilities measured at fair value through profit or loss	Financial assets and liabilities measured at amortised cost	Total carrying amount
Other non-current receivables	-	1,349	1,349
Claims on advertising networks and platform owners	-	51,898	51,898
Trade receivables	-	4,160	4,160
Cash and cash equivalents	-	195,224	195,224
Total	-	252,631	252,631
Financial liabilities			
Liability arising from synthetic options	91,019	-	91,019
Trade payables	-	9,137	9,137
Total	91,019	9,137	100,156

The carrying amount is considered a good approximation of the fair value of current receivables and liabilities, such as claims on advertising networks and platform owners, trade receivables and trade payables. 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. The maximum credit risk of the assets comprises the net amounts of the carrying amounts shown in the table above. The Group has not received any collateral for the financial net assets.

Short-term placements and liabilities arising from synthetic options 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 table below shows financial instruments measured at fair value based on their classification in the fair value hierarchy. The levels are defined as follows:

- Level 1** – Quoted prices for identical assets or liabilities in an active market,
- Level 2** – Inputs other than quoted prices that are observable directly (prices) or indirectly (derived from prices), and
- Level 3** – Non-observable market data (non-observable inputs).

Note 15, cont.

Financial instruments measured at fair value at 31 December 2021	Level 1	Level 2	Level 3	Total
Short-term placements	150,066	-	-	150,066
Liability arising from synthetic options	-	-	22,509	22,509

Financial instruments measured at fair value at 31 December 2020	Level 1	Level 2	Level 3	Total
Liability arising from synthetic options	-	-	91,019	91,019

Short-term placements

Truecaller has placed SEK 150 million 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 recognised 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. Valuations are shown on the table below.

Short-term placements	2021
Balance at 1 January	-
Investment in short-term placements	150,000
Change in value recognised in profit and loss	66
Balance at 31 December	150,066

Liability arising from synthetic options

In connection with the acquisition of Backwater Technologies Private Limited during the 2019 financial year, Truecaller Software Scandinavia AB entered into an option agreement with the former owners of the acquired company. The measurement was at level 3 of the fair value hierarchy and the outcome of the liability has been dependent upon whether the vesting conditions were met and Truecaller Software Scandinavia AB's share price, which consisted of non-observable inputs. After the non-cash issue, the liability has been linked to the Truecaller share price. The liability arising from future payments

is accounted for as a separate item in the statement of financial position and has been measured at fair value through profit or loss. The liability was reclassified from non-current to current in connection with the close of books on 31 December 2020. The liability was settled partially in August 2021 and finally in January 2022. Valuations are shown on the table below.

Further information on the calculation of the liability is provided in Note 7 Employees and employee benefits expense.

Liability arising from synthetic options	2021	2020
Balance at 1 January	91,019	69,220
Paid	-172,016	-
Remeasurement due to vesting recognise in profit or loss	78,702	16,818
Remeasurement recognised in financial income and expense	24,804	4,981
Balance at 31 December	22,509	91,019

Note 16 Prepaid expenses and accrued income

	GROUP		PARENT COMPANY	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Prepaid rent	2,135	1,227	-	-
Prepaid insurance premiums	5,506	1,407	3,636	-
Prepaid licences and support costs	3,810	2,844	-	-
Accrued revenue from contracts with customers	7,490	139	-	-
Other prepaid expenses	4,020	2,339	3,103	-
Carrying amount	22,961	7,956	6,738	-

Note 17 Short-term placements

Short-term placements consist of holdings of fixed income securities, distributed as below.

	GROUP		PARENT COMPANY	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Fixed income funds	150,066	-	150,066	-
Carrying amount	150,066	-	150,066	-

Note 18 Cash and cash equivalents

	GROUP		PARENT COMPANY	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Bank deposits	1,238,443	195,224	830,776	0
Carrying amount	1,238,443	195,224	830,776	0

Of the Group's bank deposits, SEK 0 thousand (0) consists of blocked funds.

Note 19 Group companies

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. 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 parent company, Truecaller AB's, holdings in direct and indirect subsidiaries included in the consolidated accounts are shown on the table below.

Company	Company registration number	Registered office	Share of equity and voting rights, %		Carrying amount in the parent company	
			31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Truecaller AB (publ)	559278-2774	Stockholm	Parent company			
True Software Scandinavia AB	556784-0912	Stockholm	100	Parent company	10,182,021	-
True Software Scandinavia Incentive AB	559011-2073	Stockholm	100	100	-	-
TCNA, Inc.	C3730462	San Francisco	100	100	-	-
True Software Services India LLP	AAK-3926	Gurgaon	100	100	-	-
Backwater Technologies Private Limited	U72200KL2014PTC037700	Bangalore	100	100	-	-
Truecaller Holding AB	559346-9801	Stockholm	100	-	25	-
Carrying amount in the parent company					10,182,046	-

Note 20 Shareholders' equity

Share capital

Share capital at 31 December 2021 amounted to SEK 747,329 (352,005) divided among 373,664,070 shares (3,520,052). In conjunction with the implementation of Truecaller AB as the new parent of the Group in August 2021, outstanding shares in the Group were diluted 100:1, which explains the large difference in the number of shares compared to the preceding year. The par value per share is SEK 0.002 (0.1).

Share classes

As of 31 December 2021, Truecaller has two share classes, A and B. The company previously had six share classes, Class A, Class B and four classes of preference shares. All preference shares were converted to Class B shares in conjunction with the IPO.

Voting rights

Class A shares in Truecaller entitle shareholders to ten votes per share and Class B shares entitle shareholders to one vote per share at shareholders' meetings.

Right to dividends and proceeds upon liquidation

All shares in Truecaller carry equal rights to dividends and to the company's assets and profits, if any, in the event of liquidation.

Development of share capital

The following table shows changes in share capital.

Development of share capital	GROUP		
	Changes in share capital	Share capital	Total number of shares
Balance at 1 January 2020	-	345,237	3,452,372
Share issue	225	345,462	3,454,622
Share issue	35	345,497	3,454,972
Share issue	6,508	352,005	3,520,052
Balance at 31 December 2020		352,005	3,520,052
Share split (100:1)	-	352,005	352,005,200
Non-cash issue	356,862	708,867	354,433,300
Share issue	38,462	747,329	373,664,070
Balance at 31 December 2021		747,329	373,664,070

Development of share capital	PARENT COMPANY		
	Changes in share capital	Share capital	Total number of shares
Balance at 1 January 2020	-	-	-
Company formation	25,000	25,000	25,000
Balance at 31 December 2020		25,000	25,000
Share split (500:1)	-	25,000	12,500,000
Non-cash issue	683,867	708,867	354,433,300
Share issue	38,462	747,329	373,664,070
Balance at 31 December 2021		747,329	373,664,070

Other capital contributions

Other capital contributions comprise capital contributed by Truecaller's owners in the form of share premiums paid in connection with share issues.

Translation reserve

The Group's reserves consist in their entirety of a translation reserve. The translation reserve includes all foreign exchange differences that

arise upon translation of the financial statements of foreign operations that have prepared their financial statements in a functional currency other than the currency in which the consolidated financial statements are presented. The Group presents its financial statements in Swedish kronor (SEK). Accumulated translation differences are recognised in the gain or loss upon sale of the foreign operation.

Translation reserve	31 Dec 2021	31 Dec 2020
Carrying amount at 1 January	4,682	3,499
Change for the year	-1,529	1,183
Carrying amount at 31 December	3,153	4,682

Note 21 Financial risks

The Group's results of operations, financial position and cash flows are affected by external changes and the actions of the Group. Risk management is aimed at clarifying and analysing the risks encountered by the Group and, as far as possible, preventing and mitigating any adverse impacts.

In the course of ordinary business, the Group is exposed to various types of financial risks: credit risk, market risks (interest rate risk, currency risk and other price risk), liquidity risk and refinancing risk. The board of directors has overall responsibility for the risk process within the Group, including the management of financial risks. The risk process entails the identification, assessment and measurement of the risks faced by the Group. Priority is assigned to the risks which, upon integrated assessment of the potential impact, probability and consequences, are assessed as having the greatest potential adverse impact on the Group. The Group's main objectives are to minimise the financial risks that arise in connection with Truecaller's commercial activities, optimise Truecaller's net financial income and ensure constant solvency.

Credit risk

Credit risk is the risk that the Group's counterparty to a financial instrument will be unable to perform its obligation and thus cause the Group to incur a financial loss. The Group's credit risk arises primarily through receivables due from advertising networks and platform owners, other trade receivables and in connection with placements of cash and cash equivalents. At each reporting date, the Group evaluates the credit risk of existing exposures, taking forward-looking factors into account.

The financial assets for which the Group has made allowances for expected credit losses are shown below. In addition to the assets specified below, the Group monitors the need for credit loss allowances for other financial instruments. If the amounts are not deemed immaterial, an allowance for expected credit losses is also made for these financial instruments.

Ageing report, claims on advertising networks and platform owners and other trade receivables

	31 Dec 2021		31 Dec 2020	
	Gross	Impairment losses	Gross	Impairment losses
Receivables not yet due	114,092	-	54,944	-
Past due receivables:				
0-30 days	7,272	-	361	-
31-60 days	5,678	-	76	-
61-90 days	2,507	-	74	-
91-120 days	870	-63	30	-
>120 days	1,609	-451	573	-
Total	132,027	-514	56,058	-

The credit quality of receivables that are not more than 90 days past due is assessed as good, based on historically low customer credit losses and consideration of forward-looking factors. The value of receivables impaired to zero that are still in the process of recovery is SEK 0 thousand (0).

Cash and cash equivalents

The Group's credit risk also arises from the placement of cash and cash equivalents and surplus liquidity. Truecaller aims to continuously monitor credit risk arising from placements. With regard to placements in bank accounts, the goal is for the counterparty to have a high credit rating, at minimum an investment grade rating of BBB (S&P). The Group has bank accounts with more than one bank as one way of mitigating credit risk.

CREDIT RISK IN CLAIMS ON ADVERTISING NETWORKS AND PLATFORM OWNERS

The Group's credit risk arises mainly in claims on advertising networks and platform owners and other trade receivables and Truecaller aims to continuously monitor this credit risk. The counterparties for these claims and receivables are other companies. The Group has established procedures to ensure that products are sold to customers with appropriate credit histories. Depending upon the counterparty, payment terms are normally Net 30 Days. Historical credit losses are immaterial in relation to Group turnover:

The simplified approach to accounting for expected credit losses is applied to claims on advertising networks and platform owners and other trade receivables. Under this approach, an expected credit loss allowance is made for the remaining lifetime, which is expected to be less than one year for all receivables. The Group applies a rating-based method to calculate expected credit losses based on Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). If there is no external credit rating available for the counterparty, the Group performs an internal assessment of the counterparty's credit rating based on the Group's previous experience with the customer and other available information. Credit-impaired assets and receivables and receivables of significant amounts are individually assessed, taking historical, current and forward-looking information into account. Non-credit-impaired receivables and receivables of insignificant amounts are assessed collectively.

The Group has defined default as a situation where payment of a receivable is past due by 90 days or more, or where there are other factors indicating that payments have been suspended. In these cases, the receivables are assessed individually to estimate the expected credit loss. The Group writes off a receivable when there is no longer any expectation of receiving payment and active measures to obtain payment have ceased. Based on this assessment, an expected credit loss allowance of SEK 514 thousand (-) has been made. The assessment is re-evaluated on a quarterly basis.

Credit risk exposure and credit risk concentration

The Group's credit risk exposure consists of claims on advertising networks and platform owners, other trade receivables and cash and cash equivalents. Cash and cash equivalents are placed in various countries with financial institutions with a minimum investment grade rating. The majority of cash and cash equivalents is placed in banks with a high rating. Credit risk also includes concentration risk which consists of exposure to specific counterparties. The concentration risk consists primarily of receivables from advertising networks and platform owners and the risk is minimized by guaranteeing that the counterparties have a high credit rating.

Note 21, cont.

Credit risk exposure (gross) at 31 Dec 2021

Credit risk score	Simplified model		General model*	
	Claims against advertising networks and platform owners	Trade receivables	Cash and cash equivalents	Total
No/unspecified credit risk score:				
Business customers	23,871	31,160	-	55,031
AAA	-	-	-	-
AA	72,987	-	352,987	425,974
A	166	-	867,616	867,782
BBB	-	-	17,840	17,840
BB	3,329	-	-	3,329
Total	100,353	31,160	1,238,443	1,369,956

* The Group's assets have been assessed as Stage 1, i.e., there has been no material increase in credit risk.

Credit risk exposure (gross) at 31 December 2021

Credit risk score	Simplified model		General model*	
	Claims against advertising networks and platform owners	Trade receivables	Cash and cash equivalents	Total
No/unspecified credit risk score:				
Business customers	6,654	4,160	-	10,814
AAA	-	-	-	-
AA	42,829	-	184,199	227,028
A	-	-	-	-
BBB	-	-	11,025	11,025
BB	2,415	-	-	2,415
Total	51,898	4,160	195,224	251,282

* The Group's assets have been assessed as Stage 1, i.e., there has been no material increase in credit risk.

Market risk

Market risk is the risk that the fair value of or future cash flows from a financial instrument will vary due to changes in market prices. IFRS divides market risk into three categories: currency risk, interest rate risk and other price risks. The market risks that affect the Group consist primarily of currency risks and equity price risks.

CURRENCY RISK

Currency risk is the risk that the fair value of or future cash flows from a financial instrument will vary due to changes in foreign exchange rates. Currency risks arise in the translation of the assets and liabilities of foreign operations to the functional currency of the parent company, and assets denominated in foreign currency, such as cash and cash equivalents in foreign currency, i.e., translation

exposure. Portions of the Group's sales and purchases are also denominated in foreign currencies, i.e., translation exposure. The Group's services are normally sold in the local currency of the country where users reside. However, sales are made via partners, such as Google and Facebook, and these partners pay Truecaller mainly in SEK and USD. The Group thus has indirect exposure to numerous foreign currencies. The main indirect exposure is to INR and the largest direct exposure is to USD. In the event of a momentary weakening of the Swedish krona by 5 percent against all currencies, outstanding cash, accounts payable and accounts receivable would reduce profit before tax by SEK 8,727 (3,973) thousand.

The Group's costs arise primarily in SEK and INR. Currency movements have greater impact on revenues than on costs. The Group's direct transaction exposure is shown on the table below.

Currency exposure (%)	2021		2020	
	Operating revenue	Operating costs	Operating revenue	Operating costs
SEK	70%	64%	76%	49%
USD	18%	7%	10%	8%
INR	11%	26%	13%	38%
Other currencies	1%	3%	1%	5%

Sensitivity analysis – Currency movements against SEK	2021		2020	
	Effect on profit or loss before tax		Effect on profit or loss before tax	
USD				
+ 5%		7,437		758
- 5%		-7,437		-758
INR				
+ 5%		-4,009		-4,875
- 5%		4,009		4,875

The effect of exchange rate changes on equity is estimated to be approximately 70% of the effect on profit before tax.

Note 21, cont.

EQUITY PRICE RISK

Equity price risk is the risk that the fair value of or future cash flows from a financial instrument will vary due to changes in equity prices. The Group's liabilities relating to synthetic options give rise to equity price risks because future cash flows are linked to factors including the share price. Changes in the company's share price thus affect the size of the Group's liabilities and the future cash flows that may result from option contracts. The liability as of the reporting date was determined based on Truecaller's initial offering price.

Liquidity risk and refinancing risk

Liquidity risk is the risk that a company will encounter difficulties performing its obligations associated with financial liabilities settled in cash or other financial assets. In all material respects, the Group's operations are equity-financed. The Group manages liquidity risk through continuous tracking and monitoring of operations, where the Group regularly projects future cash flows based on various scenarios to ensure that financing occurs in a timely manner. Through prudent liquidity management, the Group ensures that sufficient cash and cash equivalents are on hand to meet the needs of current operations. In order to manage expected and unexpected expenditure, Truecaller must aim to have the equivalent of three months' worth of total operating costs at its disposal in the form of available liquidity at all times.

The total liquidity reserve consists of cash and cash equivalents and unutilised bank overdraft facilities. The Group has a granted bank overdraft facility of SEK 500,000 thousand (1,000 thousand). As of 31 December 2021, SEK 0 thousand had been utilised.

Refinancing risk refers to the risk that financing for acquisitions or development cannot be maintained, extended, expanded or refinanced or that such financing can only be obtained on terms that are onerous for the company. Financing requirements via sources other than equity are regularly reviewed by the Group and the board of directors to ensure financing of the Group's expansion and investments.

Truecaller aims to minimise the effects of these risks by using various instruments to hedge risk exposure. The frameworks that apply to exposure, management and monitoring of financial risks are established by the board of directors in a finance policy that is revised annually and which also specifies the permitted use of derivative instruments. Within the Group, the Finance Department has operational responsibility for securing the Group's financing and managing cash liquidity, financial assets and financial liabilities. The Group takes advantage of economies of scale and synergies by means of a centralised Finance Department. Compliance with policies and exposure are continuously reviewed.

The Group's contractual and undiscounted interest payments and repayments of financial liabilities are shown on the table below.

Maturity analysis	31 Dec 2021					Total
	<6 months	6-12 months	1-3 years	3-5 years	>5 years	
Liability arising from synthetic options	22,509	-	-	-	-	22,509
Lease liabilities	9,669	8,867	31,998	-	-	50,534
Trade payables	39,544	-	-	-	-	39,544
Total	71,722	8,867	31,998	-	-	112,587

Maturity analysis	31 Dec 2020					Total
	<6 months	6-12 months	1-3 years	3-5 years	>5 years	
Liability arising from synthetic options	-	91,019	-	-	-	91,019
Lease liabilities	8,013	8,013	31,906	17,312	-	65,244
Trade payables	9,138	-	-	-	-	9,138
Total	17,151	99,032	31,906	17,312	-	165,401

Credit agreements/frameworks that Truecaller has entered into are shown below:

	Amount 31 Dec 2021	Utilised 31 Dec 2021	Amount 31 Dec 2020	Utilised 31 Dec 2020
Bank overdraft	500,000	-	1,000	-
Total	500,000	-	1,000	-

Note 22 Defined benefit pension plans

The Group provides defined benefit pension plans that cover all employees in India who have worked for the Group for more than five years. Defined benefit pension plans are calculated by an independent external actuary. The cost of the defined benefit pension plans and the size of the pension obligation is calculated using the Projected Unit Credit Method. In brief, under this method each

employee's period of service results in the final total obligation. The calculations are affected by actuarial assumptions, such as future pay increases and the employee turnover rate. The benefit is paid as a lump sum and there is therefore no lifelong risk involved. The Group's defined benefit pension plans are unfunded. Remeasurement effects are recognised in other comprehensive income.

The amounts recognised in the consolidated statement of profit and loss and the statement of financial position during the year are as follows:

Defined benefit pension costs	2021	2020
Amounts recognised in profit or loss		
Cost of service current year	1,231	1,067
Interest expense	208	101
Total pension costs recognised in profit or loss	1,439	1,167
Amounts recognised in other comprehensive income		
Remeasurement of pension obligation	89	1,065
Total pension costs recognised in other comprehensive income	89	1,065
Total defined benefit pension costs	1,527	2,232
Amounts recognised in statement of financial position	31 Dec 2021	31 Dec 2020
Present value of pension obligation, unfunded plan	4,538	2,966
Provisions to defined-benefit pension plans	4,538	2,966
Change in present value of pension obligation	2021	2020
Balance at 1 January	2,966	1,130
Cost of service current year	1,231	1,067
Interest expense	208	101
Actuarial gains and losses due to		
<i>Changed demographic assumptions</i>	310	-
<i>Changed financial assumptions</i>	7	-396
<i>Experience-based adjustments</i>	-229	1,460
Pension payments	-277	-
Foreign exchange differences	321	-396
Balance at 31 December	4,538	2,966
Significant actuarial assumptions	31 Dec 2021	31 Dec 2020
Discount rate, %	6.79%	5.82%
Future pay increases, %	11.00%	10.00%
Employee turnover, %	15.00%	18.00%

Sensitivity analysis	31 Dec 2021		31 Dec 2020	
	Change of assumptions	Change of net pension obligation	Change of assumptions	Change of net pension obligation
Discount rate	+/- 1%	-355 / 409	+/- 1%	-200 / 227
Future pay increases	+/- 1%	400 / -355	+/- 1%	223 / -199
Employee turnover	+/- 1%	-118 / 130	+/- 1%	-63 / 69

The sensitivity analysis is based on change in a single actuarial assumption while the other assumptions remain unchanged. This method illustrates the sensitivity of the obligation to a single assumption. This is a simplified method, as the actuarial assumptions usually correlate.

The weighted average duration of pension obligations is estimated at 8.73 years as of 31 Dec 2021 and 7.12 years as of 31 Dec 2020.

Note 23 Accrued expenses

	GROUP		PARENT COMPANY	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Accrued employee benefits expenses	18,006	9,599	875	-
Auditing and advice	2,229	971	1,100	-
Ad brokerage and partner commissions	14,798	7,728	-	-
Legal and consultant fees	2,739	844	69	-
Licences and data services	6,989	7,516	-	-
Costs related to IPO	12,358	-	12,358	-
Other accrued expenses	5,356	728	777	-
Carrying amount	62,475	27,386	15,179	-

Note 24 Statement of cash flows

	GROUP		PARENT COMPANY	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Adjustments for non-cash items				
Depreciation, amortisation and impairments	16,844	118,545	-	-
Costs, employee stock options	81,930	24,532	-	-
Remeasurement, options, net financial income/expense	24,804	4,981	-	-
Capital gain or loss	-	263	-	-
Change in provisions	1,162	1,167	-	-
Unrealised currency effects	-5,195	9,514	-66	-
Other financial expenses	-	881	-	-
Adjustments for non-cash items	-	-	-	25
Total	119,545	159,884	-66	25

	GROUP	
	31 Dec 2021	31 Dec 2020
Interest received	76	68
Interest paid	-7,182	-3,185
Total	-7,106	-3,117

Change in liabilities attributable to financing activities – Group

	1 Jan 2021	Cash flows	Non-cash changes				31 Dec 2021
			Business combinations	New leases	Changes in fair value	Other	
Liability arising from synthetic options	91,019	-172,016	-	-	103,506	-	22,509
Lease liabilities	101,046	-15,280	-	2,388	-	225	88,379
Total liabilities attributable to financing activities	192,065	-187,296	-	2,388	103,506	225	110,889

	1 Jan 2020	Cash flows	Non-cash changes				31 Dec 2020
			Business combinations	New leases	Changes in fair value	Other	
Liability arising from synthetic options	69,220	-	-	-	21,799	-	91,019
Lease liabilities	1,907	-18,735	-	118,214	-	-340	101,046
Total liabilities attributable to financing activities	71,127	-18,735	-	118,214	21,799	-340	192,065

Note 25 Related party transactions

Transactions in the Group between the parent company and its subsidiaries, which are related parties, have been eliminated upon consolidation and disclosures about these transactions are therefore not provided for the Group.

The parent company is a related party to its subsidiaries. Prices in transactions between the parent company and subsidiaries are set according to commercial principles.

	GROUP		PARENT COMPANY	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Sales to related parties, subsidiaries	-	-	1,318	-
Purchases from related parties, subsidiaries	-	28	-	-
Claims on related parties at the reporting date, subsidiaries	-	-	650	-
Liabilities to related parties at the reporting date, subsidiaries	-	-	31,509	-

In connection with the IPO on 8 October 2021, the following companies (collectively, "EC companies") sold shares in the parent company Truecaller AB as follows: True Software EC AB, 18,028,613 shares; True Software EC III AB, 7,578,586 shares; True Software EC IV AB, 5,480,160 shares. The EC companies are owned by em-

ployees of the Truecaller Group. As the directors of the EC companies include Truecaller KMP Odd Bolin and Ola Espelund, the transactions constitute related party transactions.

Information about KMP compensation and other benefits is provided in Note 7.

Note 26 Transition to RFR 2 – Parent company

RFR2 has been applied for the first time in the preparation of the parent company's annual accounts. Previously prepared annual accounts were prepared in accordance with BFNAR 2012:1 *Annual Accounts and Consolidated Accounts* (K3).

The accounting policies specified in Note 1 were applied to the preparation of the annual accounts as of 31 December 2021 and to the comparative information presented as of 31 December 2020.

Impact on profit and loss and financial position

The transition from earlier accounting standards has had no impact on the parent company's statement of comprehensive income for 2020 or on the parent company's statement of financial position as of 31 December 2020. Nor has the transition to RFR 2 had any impact on the parent company's cash flows.

Note 27 Events after the reporting date

Truecaller has initiated partnerships with several world-leading Android phone manufacturers to preinstall the Truecaller app on smartphones in key markets including India, Indonesia, Malaysia and Latin America. Sights are set on covering more than 100 million new smartphones in several markets over the next two years. Preinstallation of the app when it comes from the factory does not guarantee a new active user.

Truecaller has announced a partnership with Tanla Platforms Limited, under which Truecaller Business Messaging will be offered through Tanla's Wisely platform. In the first stage, the volume of instant messages delivered is expected to reach one billion in the first year. Tanla and Truecaller consider the partnership the beginning of a new era of digital engagement in which brands and users are brought closer together.

On 2 March 2022, Truecaller reached a key milestone when the number of Daily Active Users of the service exceeded 250 million.

On 22 March 2022, Truecaller closed the previously announced acquisition of the Israeli company CallHero Ltd. CallHero has developed a unique technical solution that automatically answers and

analyses inbound calls using a digital assistant: a Smart Agent. The technology is expected to strengthen Truecaller's offering in the US, where CallHero's primary customer base is located.

The consideration amounts to USD 4.5 million, of which USD 2.6 million paid in cash from existing reserves and USD 1.9 million paid in new shares in Truecaller. The shares are conditional upon the owners remaining employed by the Group for a specified period and this part will therefore be reported as personnel costs over the relevant time period. In addition, there will be a potential earnout capped at USD 2 million provided that certain targets are met during a period of up to four years after acquisition date.

The acquisition is primarily an acquisition of technology and skills. Mainly, intangible assets in the form of goodwill and proprietary software are expected to be identified from the acquisition. The acquisition is not expected to have significant effect on profit or loss in 2022.

Russia's invasion of Ukraine, which erupted in February 2022, has not had any significant impact on Truecaller at the time of publication of this annual report.

Note 28 Proposed allocation of profit or treatment of loss

The board of directors proposed to the Annual General Meeting that no dividend shall be distributed for the 2021 financial year.

The following non-restricted equity in the parent company is at the disposal of the Annual General Meeting (SEK):

Retained earnings	362,009,866
Share premium reserve	10,816,893,897
Profit or loss for the year	-44,156,741
	11,134,747,022

The board proposes that earnings shall be allocated as follows, SEK:

Retained	11,134,747,022
	11,134,747,022

Signatures

The Board of Directors and the CEO assure that the consolidated financial statements have been prepared in accordance with the international accounting standards IFRS as adopted by the EU and give a true and fair view of the Group's position and results. The parent company's annual report has been prepared in accordance with generally accepted accounting principles in Sweden and provides a true and fair view of the parent company's position and results. The Board of Directors' report for the Group and the Parent Company provides a fair overview of the development of the Group's and the Parent Company's operations, position and results and addresses significant risks and uncertainties concerning the Parent Company and the companies within the Group.

Stockholm, 21 April 2022

Bing Gordon
Board Chair

Alan Mamedi
Director and CEO

Annika Poutiainen
Director

Helena Svancar
Director

Nami Zarringhalam
Director

Shailesh Lakhani
Director

Our auditor's report was submitted 26 April 2022.

Ernst & Young AB

Jennifer Rock-Baley
Authorised Public Accountant

Alternative performance measurements

In accordance with ESMA (European Securities and Markets Authority) Guidelines on Alternative Performance Measures, the definition and reconciliation of alternative performance measures used by Truecaller are presented here. The guidelines entail additional disclosures regarding financial measures not defined under IFRS. The following measurements are used by Truecaller to clarify the company's performance and simplify evaluation for users of the company's financial reports. The performance measurements 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.

Key performance measurements	Definition	Purpose
Gross profit	Net sales minus brokerage costs.	Gross profit is used to analyse profit minus direct costs (costs related directly to brokerage of ad space and the costs to affiliate new premium users).
Gross margin	Gross profit as a percentage of net sales.	Gross margin is a measure of profit minus direct costs.
Adjusted EBITDA	EBIT before interest, taxes, depreciation and amortisation (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 amortisation.
EBIT (operating profit)	Operating profit (earnings) before interest and taxes	EBIT is used to analyse 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 analyse the profit generated by the operating entity, adjusted for items affecting comparability.
Adjusted EBIT margin	Adjusted EBIT as a percentage of net sales.	The adjusted EBIT margin is used to illustrate the profitability of current operations adjusted for items affecting comparability.
OPEX (operating expense)	OPEX illustrates the other external costs of the business that are not directly attributable to acquisition of revenues, as well as employee costs.	Truecaller uses OPEX to clarify the costs required for the ongoing maintenance of the company's services.
Debt to equity ratio	Equity divided by total assets.	A measurement 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.	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.	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 paying user (Truecaller Premium)	Used to illustrate how revenues per user develop over time.

Reconciliation of selected performance measurements not defined under IFRS

SEK 000s	GROUP	
	2021	2020
Gross profit and gross margin		
Net sales	1,128,888	491,154
Minus brokerage costs	-272,807	-169,322
Gross profit	856,081	321,831
Divided by Net sales	1,128,888	491,154
Gross margin	75.8%	65.5%
Adjusted EBITDA and Adjusted EBITDA margin		
Profit before tax	299,708	-53,965
Excluding net financial income or expense	28,511	23,374
Excluding depreciation, amortisation and impairments	16,844	118,545
EBITDA	345,063	87,954
Excluding items affecting comparability	127,443	16,847
Adjusted EBITDA	472,506	104,802
Divided by Net sales	1,128,888	491,154
Adjusted EBITDA margin	41.9%	21.3%
EBIT (operating profit) and EBIT margin		
Profit before tax	299,708	-53,965
Excluding net financial income or expense	28,511	23,374
EBIT (operating profit)	328,219	-30,591
Divided by Net sales	1,128,888	491,154
EBIT margin	29.1%	-6.2%
Adjusted EBIT and Adjusted EBIT margin		
EBIT (operating profit)	328,219	-30,591
Excluding items affecting comparability	127,443	16,847
Adjusted EBIT	455,662	-13,743
Divided by Total net sales	1,128,888	491,154
Adjusted EBIT margin	40.4%	-2.8%
Debt to equity ratio		
Total equity	1,411,410	145,933
Divided by Total assets	1,692,896	435,834
Debt to equity ratio	83.4%	33.5%

THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

Auditor's report

To the general meeting of the shareholders of Truecaller AB (publ), corporate identity number 559278-2774

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Truecaller AB (publ) for the year 2021 except for the corporate governance statement on pages 48–52. The annual accounts and consolidated accounts of the company are included on pages 44–45 and 57–97 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 48–52. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

REVENUE RECOGNITION

Description

Truecaller generates revenue mainly from the sale of ad spaces in Truecaller's application. The Group reports revenue as the performance obligation is fulfilled, which is deemed to be when the customer gains control of the asset. Truecaller believes that control is transferred over time, as the advertiser simultaneously receives and consumes the benefits provided. Progress is measured using a production method based on the number of ad impressions or clicks generated by the ad.

Revenue is received mainly through large advertising network platforms.

The Group's revenues are a significant item. Proper revenue recognition requires satisfactory guidelines, systems and controls. There is a risk that revenue is not complete, that transactions are not recognized at the correct amount and that income is not recognized in the correct period.

The Group's revenue recognition policy is described in Note 1 and Note 3 presents Revenue from agreements with customers.

How our audit addressed this key audit matter

Our audit included, among other things, the following audit procedures:

- ▶ evaluation of controls and processes supporting revenue recognition;
- ▶ review of the Group's analysis of the completeness and accuracy of the revenue received;
- ▶ review of the Group's revenue accounting principles to verify compliance with IFRS;
- ▶ substantive procedures over reported income against settlement basis and bank account statements of payments received.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–43, 46–56, 98–99 and 104–107. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ▶ Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- ▶ Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Report on the audit of the administration and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Truecaller AB (publ) for the year 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated (loss be dealt with) in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to

obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- ▶ has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- ▶ in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the ESEF report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Truecaller AB (publ) for the financial year 2021.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report #[checksum] has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 *Examination of the ESEF report*. Our responsibility under this recommendation is described in more detail in the *Auditors' responsibility* section. We are independent of TrueCaller AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected

depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 48-52 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's standard RevR 16 *The auditor's examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Ernst & Young AB, Box 7850, 103 99 Stockholm, was appointed auditor of Truecaller AB (publ) by the general meeting of the shareholders on the 17th of June 2021 and has been the company's auditor since the 17th of June 2021.

Stockholm, 26 April 2022

Ernst & Young AB

Jennifer Rock-Baley
Authorized Public Accountant

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Information to shareholders

Annual General Meeting

The annual general meeting of shareholders in Truecaller AB (publ) will be held 24 May 2022 at 14.00 CET in the company's offices at Mäster Samuelsgatan 56, Stockholm.

Notices will be published in *Dagens Industri* and *Post- och Inrikes Tidningar*. The notice of the meeting and information published prior to the meeting is available on corporate.truecaller.com.

Financial calendar

Interim report January–March: 6 May 2022

Interim report January–June: 22 July 2022

Interim report January–September: 11 November 2022

Year-end report January–December 2022: 22 February 2023






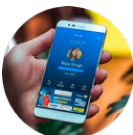

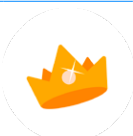



Contact details

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Our history

Truecaller was started with the simple idea of helping you identify who tried to contact you, regardless of where in the world the call came from – a problem that has been around a long time and is familiar to most people. Previous solutions for phone book directories or call-back services were too hyper-local, unreliable, and not efficient enough to keep up in an accelerating digital and mobile world. Smarter, real-time and scalable solutions were needed – the basis of co-founders Alan Mamedi and Nami Zarringhalam’s ambitions to develop Truecaller.

		<p>2009 Truecaller is founded in Stockholm, Sweden by Alan Mamedi and Nami Zarringhalam. The app racks up about 10,000 installs in the first week after the launch. The app is originally launched on Symbian and Microsoft Windows Mobile and later the same year on Android and Apple iPhone.</p>
<p>Word of mouth makes Truecaller burst into the top three apps in Jordan and Lebanon.</p>		<p>2011</p>
		<p>2012 The app is released for Blackberry, Windows Phone and Nokia Series 40.</p>
<p>Truecaller reaches 10 million Monthly Active Users globally. USD 19 million is raised in a financing round led by investors including Sequoia Capital (an early investor in Apple, Zoom and WhatsApp, among other companies) and existing investor OpenOcean.</p>		<p>2013</p>
		<p>2014 A further USD 60 million is raised in a financing round led by Atomico (a venture capital fund founded by Skype founder Niklas Zennström), Sequoia Capital and Kleiner Perkins (early investor in Google, Amazon and Spotify).</p>
<p>Launch of the advertising platform, which enabled revenue generation from the product for the first time.</p>		<p>2016</p>
		<p>2017 Truecaller reaches 100 million Monthly Active Users all over the world. Truecaller opens a subsidiary in India as a base for growing the local organisation.</p>
<p>The subscription service is launched as a second source of revenue generation.</p>		<p>2018</p>
		<p>2019 Truecaller reaches 200 million Monthly Active Users globally, including 150 million in India. Truecaller becomes one of the top three apps downloaded in India.</p>
<p>Truecaller achieves more than 500 million downloads. Truecaller for Business is launched, the company's first B2B product and a third source of revenue generation.</p>		<p>2020</p>
		<p>2021 Half of Indian smartphone users are found in Truecaller! Truecaller is introduced on Nasdaq Stockholm and in November, the company attains the key milestone of 300 million active users.</p>

*true*caller

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