

A man with glasses and a teal shirt is smiling while looking at his smartphone. He is standing in a modern office environment with a desk, laptop, and shelves in the background.

OUR VISION

**To make tomorrow's communication
smarter, safer and more efficient.**



Interim Report

January-June 2023

Alan Mamedi, CEO & Odd Bolin, CFO

truecaller

Agenda

1. Quarterly Highlights
2. Product Update
3. Financial Performance
4. Summary
5. Q&A

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Quarterly Highlights

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Q2 Highlights

356M

Avg Monthly Active Users,
MAU¹ (321M)
▲13% (YoY)

289M

Avg Daily Active Users, DAU¹
(255M)
▲16% (YoY)

81%

DAU/MAU Stickiness

518M

SEK net sales (480M)
▲8% (YoY)

239M

SEK adjusted EBITDA² (218M)
▲9% (YoY)

251M

SEK in net cash from operating
activities before tax payments³
(285M)

1 Figures represent period averages.

2 Adjusted EBITDA margin of 46% in 23Q2 (45% in 22Q2).

3 Adjusted free cash flow excluding financing activities.

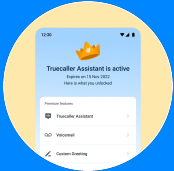
Q2 Business Highlights



Accelerated user growth | Highest growth of DAU's since end of 2020. Highest ever growth in RoW-regions driven by growth regions Southeast Asia and Latin America. ATH DAU/MAU ratio.



IPL boosts Ad-income | Strong traction on Truecaller during IPL, increased demand and pricing and demonstrates the potential of Truecaller when general demand improves.



Increased premium adoption and roll-out and launch of cloud telephony features | New AI-based features and pricing plans drives healthy subscriber and revenue growth of 21% YoY.

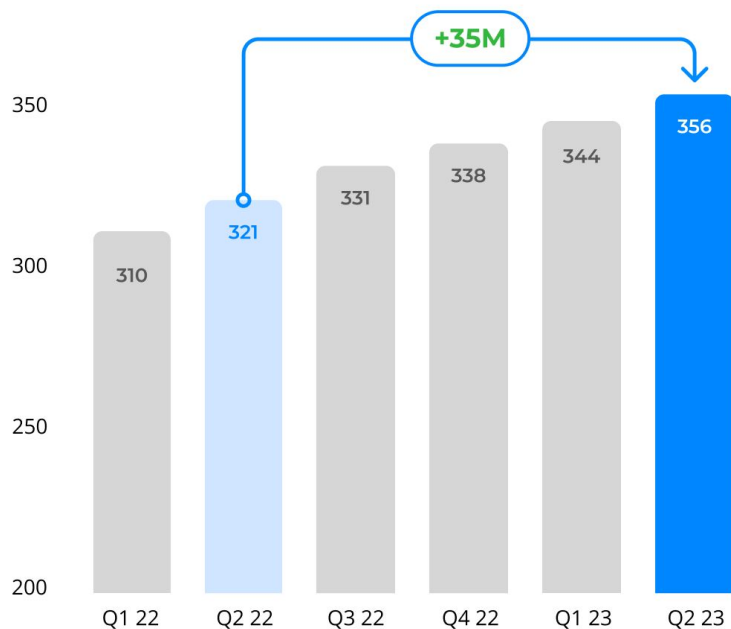


Solid growth of Truecaller for Business (TfB) | Growth in income from new customers, increased cooperations with current customers and business messaging with record volumes in Q2.

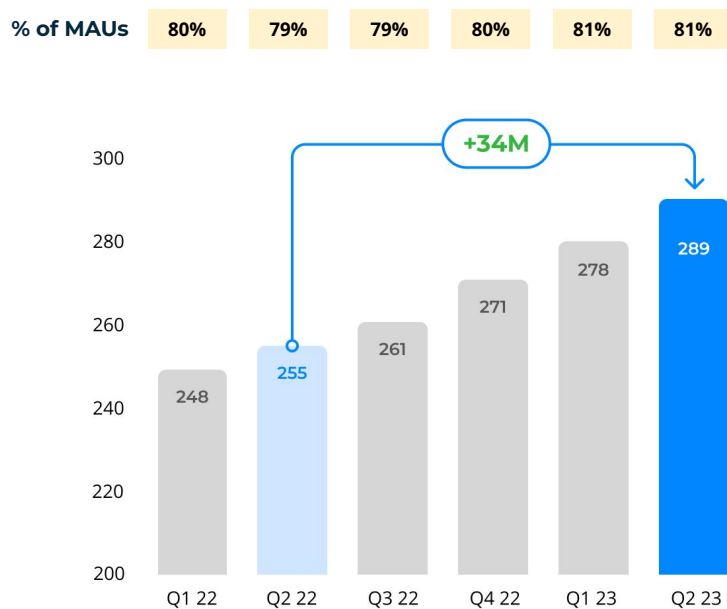


Improved user growth; stemming from many regions

Monthly Active Users¹
(Millions, Q-average)



Daily Active Users¹
(Millions, Q-average)





Quarterly Product Update

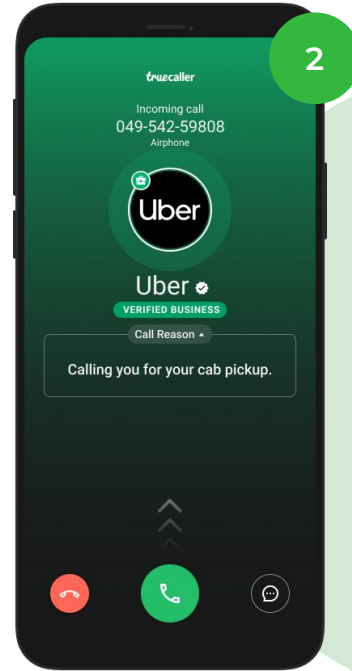
truecaller

Our holistic platform enables a trusted and secure communication experience



For Consumers

All-in-one communication suite creating trust and efficiency for more than 356 million active users



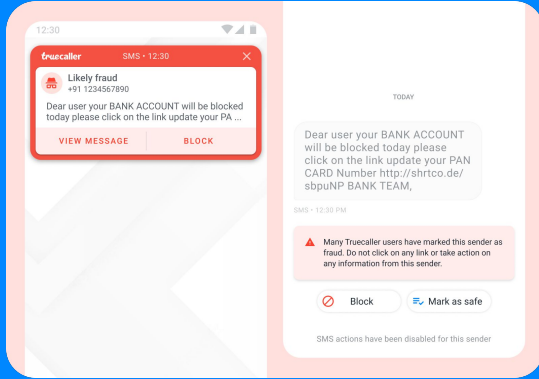
For Businesses

Help businesses grow by reaching their customers effectively

Select clients

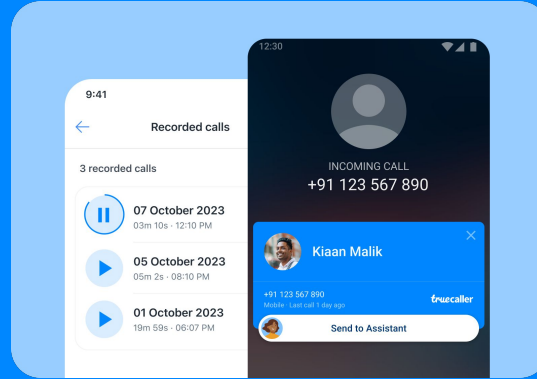


Q2 Product Highlights



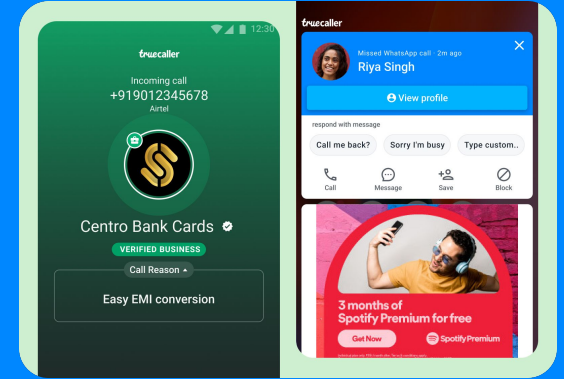
Core product offering

Focused efforts on stronger AI enhanced fraud protection



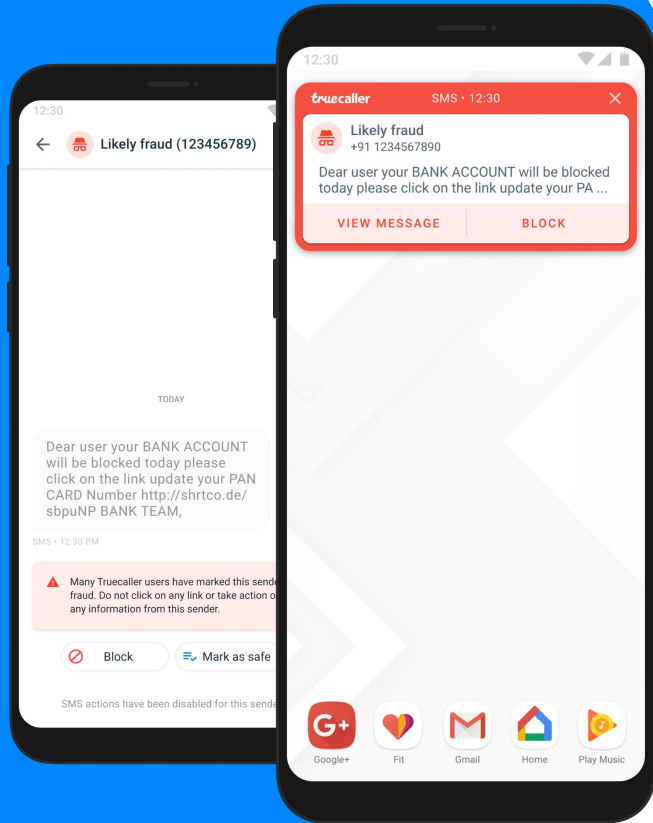
Truecaller Premium

Expansion of Cloud Telephony products with Call Recording and launch of Assistant in India



AdTech & Truecaller for Business

Continued development of Ads and Truecaller for Business



FOCUSED EFFORTS ON STRONGER FRAUD PROTECTION

AI Enhanced Fraud Protection

Further leveraged on-device machine learning algorithms to proactively identify and flag fraudulent SMS messages.

Unsafe links within SMS messages are automatically disabled, adding an extra layer of security for users.

MESSAGE ID - CALLER ID FOR SMS

> 200 million daily impressions.



EXPANSION OF CLOUD TELEPHONY PLATFORM

Call Recording on iOS

Call Recording on Truecaller was launched in the US and Australia.

Includes call transcribing, automatic call subject creation, and the choice of saving the recordings on either the local device or on the cloud.

The cloud telephony platform's flexible and scalable infrastructure allows for rapid deployment of new features in local markets.

INITIATIVES TO INCREASE PREMIUM ADOPTION ON IOS

▲ **25 %** increase of
Premium subscribers
on iOS YoY



EXPANSION OF CLOUD TELEPHONY PLATFORM

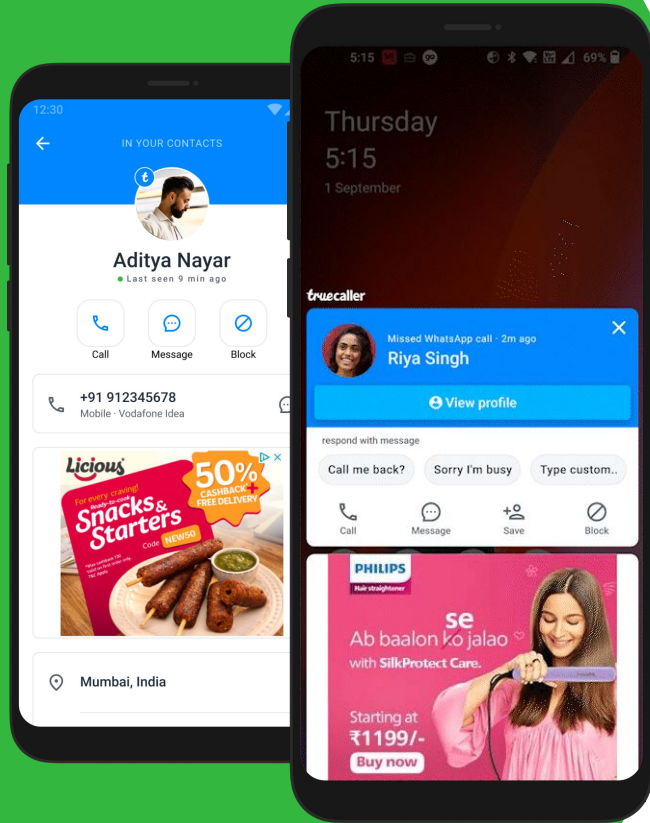
AI Assistant launched in India

Truecaller Assistant was launched in the Indian market on Android end of Q2.

The integration of Hindi marked a milestone, being the first time an additional language was incorporated into the product.

Three new countries
launched in Q2

▲ 1 Million calls
screened in Q2.



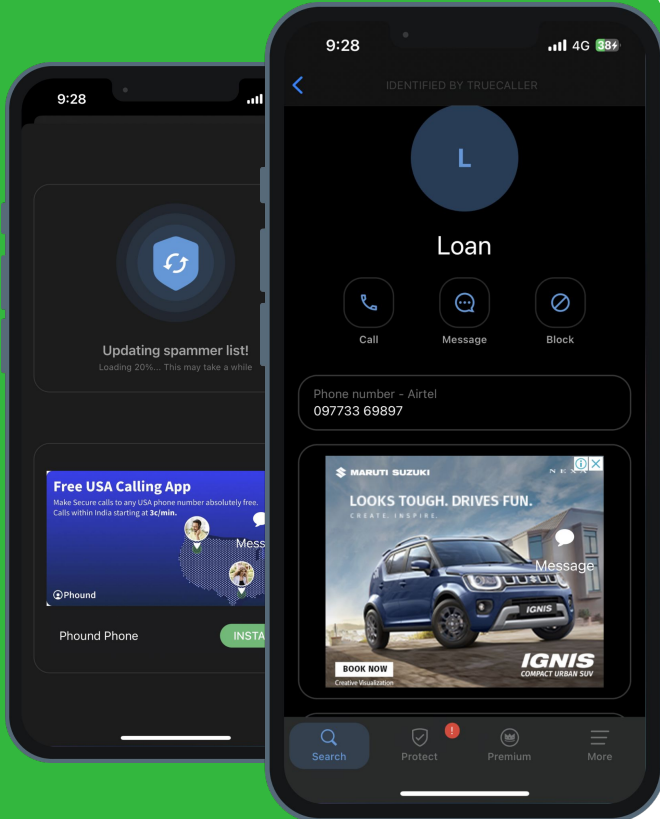
BUILDING A FULL STACK GLOBAL ADS PLATFORM

Solid execution on our ads product roadmap to service a wider portfolio of advertisers and advertising objectives; from branding to performance. Focus on more controllable factors like ad tech capabilities, inventory optimisation and demand integration to offset softened macroeconomic conditions.

Today, the Truecaller Ads Platform has the ability to deliver more than 4 Bn impressions/day globally

Select advertising partners



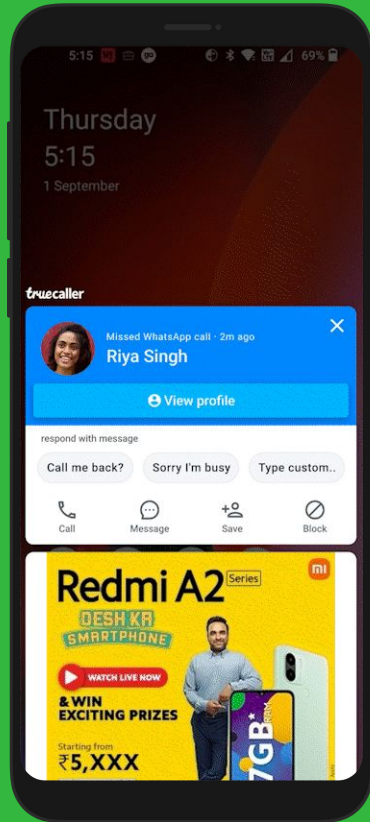


iOS ADS PLATFORM

Optimizing the ad inventory on the iOS platform has grown the iOS ad revenue by 190% YoY .

High-yielding ad formats indicates higher-quality ads with higher CPMs.

iOS ads monetisation being further strengthened to leverage premium iOS user base and their growing engagement



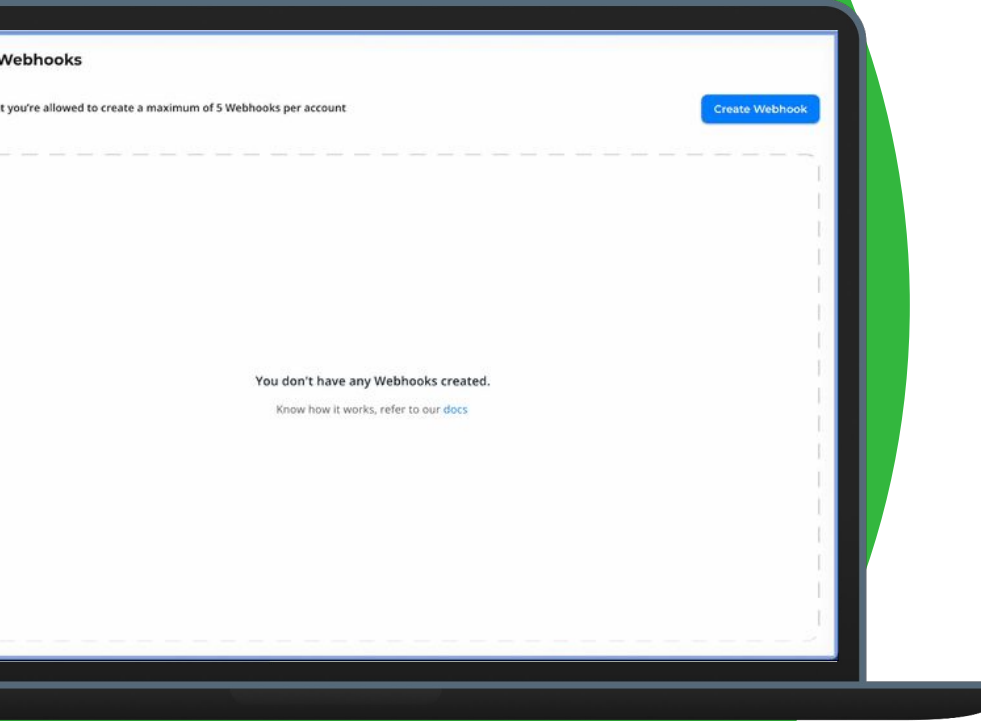
EVOLVING TOWARD A FULL STACK ADS SOLUTION

Case study Xiaomi

Goal: Drive substantial traffic for the online reveal event of Xiaomi's Redmi A2 series smartphones.

Approach: Truecaller presented Xiaomi with a new opportunity—a custom 1-hour pan India roadblock that would generate an astounding 70 million impressions within just one hour.

Results: The campaign reached 36 million users, driving 1.2 million clicks within the hour.



TRUECALLER FOR BUSINESS (TfB)

Introduced a new Call Management API and webhook Alerts infrastructure to manage a series of processes using the same number and create more personalized communication for their customers.

Launched an upgraded and enhanced version of Truecaller SDK which provides a better end-user experience with much more secure authentication.

Select new Verified Business logos



An elderly man with a white beard and hair is sitting on a dark wooden park bench. He is wearing a light blue button-down shirt under a tan corduroy jacket. He is holding a smartphone in his right hand and looking at it with a slight smile. In his left hand, he holds a small black notebook. A brown leather bag is resting on the bench next to him. The background is a soft-focus park with green trees and a clear sky. The text "Financial performance" is overlaid in white, bold, sans-serif font across the center of the image.

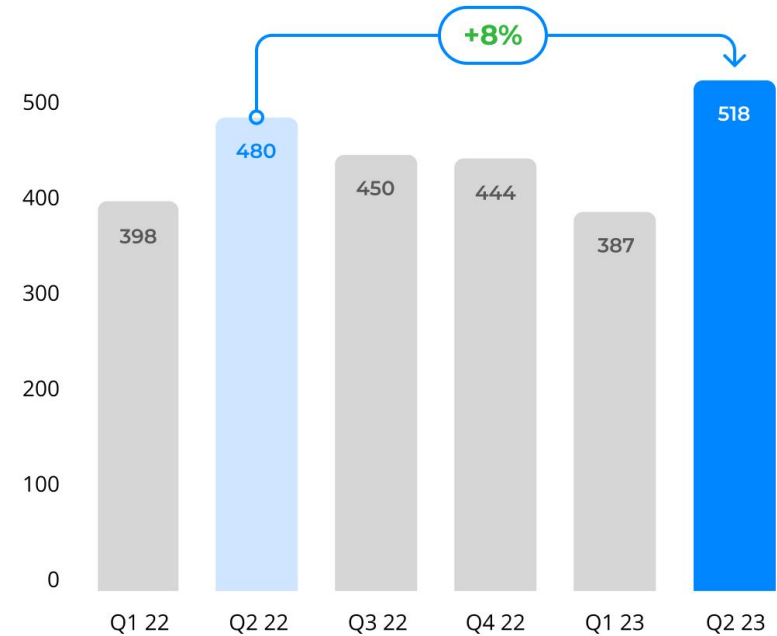
Financial performance

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Revenue

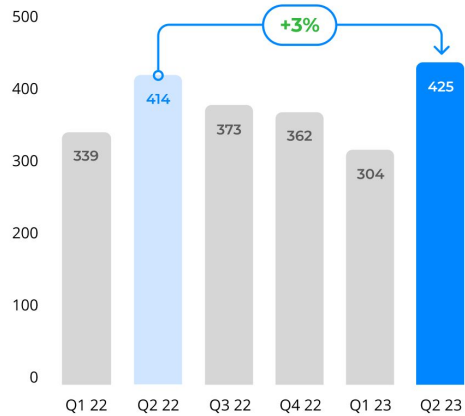
- Growth in all revenue streams, strong seasonal impact on Ads from IPL:
 - Cricket IPL increased demand and pricing. Underlying demand for online ads at same level as end of Q1, no further weakening
 - Increasing share of users converted into premium
 - Truecaller for Business grows with new customers as well as deepened relationship with current customers

Total net sales
SEKm



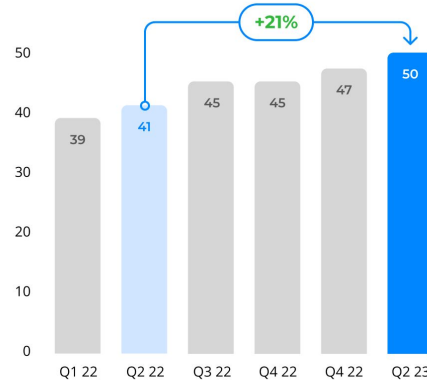
Revenue by service type

Advertising SEKm



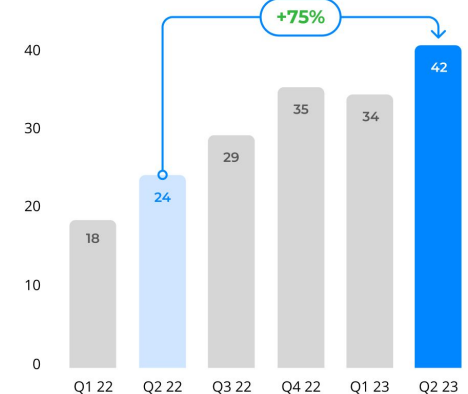
- Strong demand due to IPL had a seasonal positive price effect and demonstrated the potential for Ads income
- General demand continued to be muted and lower than 2022 but stabilised
- Increased no of impressions from growing user base and improved ad-tech
- TC Ad server grows substantially which lowers dependence on major ad platforms and improves margins.

Consumer subscriptions SEKm



- 21% growth in number of subscribers
- Positive impact from cloud telephony features like Truecaller Assistant as well as pricing plans like Family plan
- Strongest revenue growth from India, US and Malaysia
- Strong development on iOS and from improved targeting

Truecaller for Business SEKm

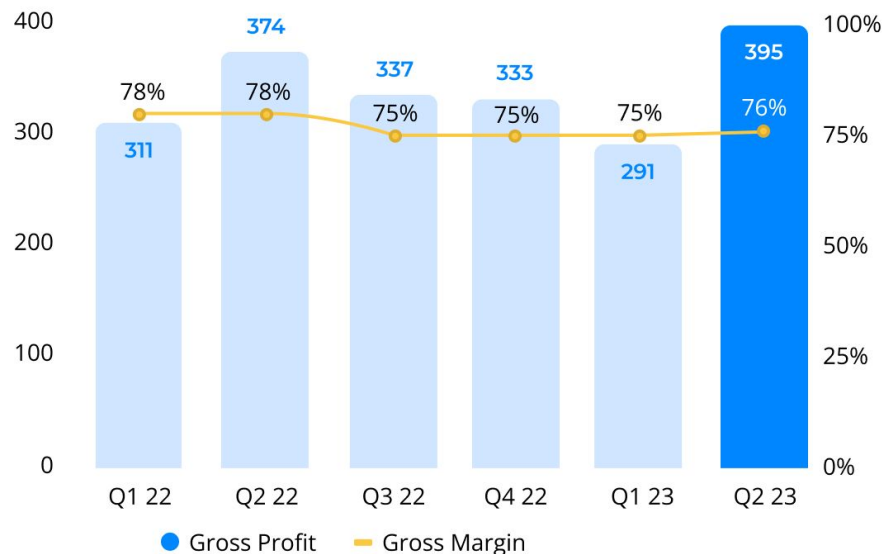


- Strong growth - increased no of customers and deepened relationships
- Solid growth both in India and RoW
- Business IM record volumes, partially seasonal
- Good pipeline of new product lines to cater for customer needs

Gross profit

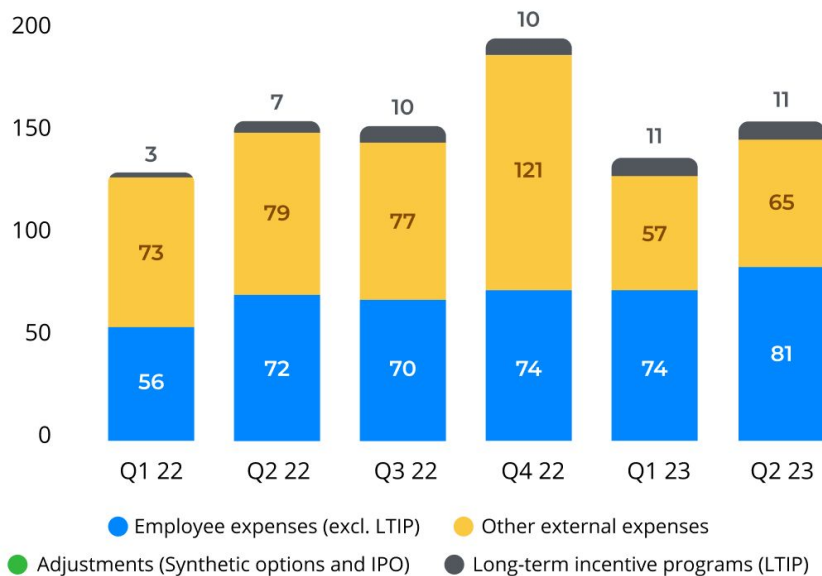
- Gross margin improved QoQ
- Gross profit increased by 21 million SEK Y/Y
- Decreased gross margin YoY mainly due to increased costs for hosting, servers and new customer verification
- Focus continues on efficiency improvements in COGS, investment in cloud services costs and SMS verification costs

Gross profit & margin (%)
SEKm



Opex and adjustments

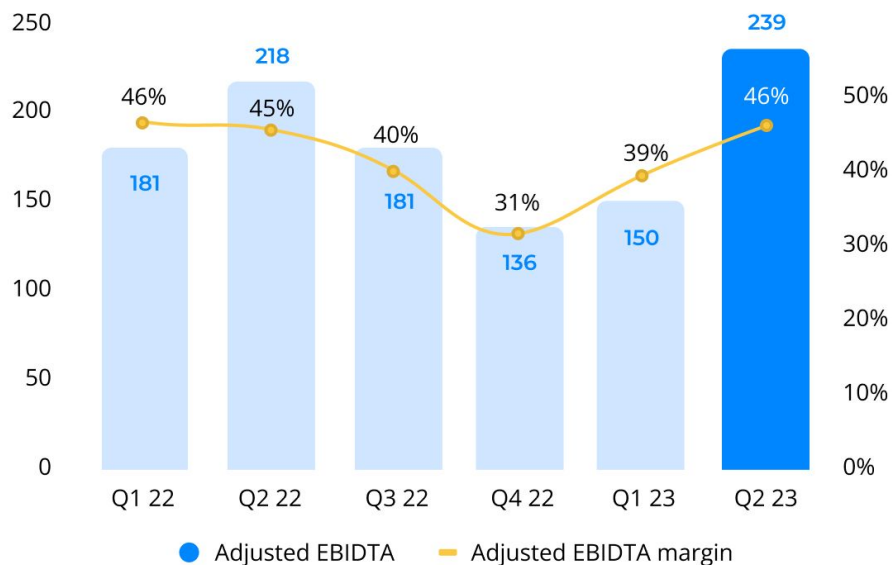
SEKm



- Costs YoY stable excl incentive costs, and costs materially lower compared to Q3-Q4 2022
- Yearly salary revision impacted employee expenses in Q2 and onwards. No of FTEs remained flat from Q1.
- 11 MSEK in costs for incentive programs. Potential volatility on social security costs for RSUs as share price increases/decreases
- Other external expenses consists of marketing, user- and data acquisition, and other operational costs
- Tax rate 21% in the quarter and 23% in H1

Adjusted EBITDA

Adj. EBITDA and margin (%) SEKm

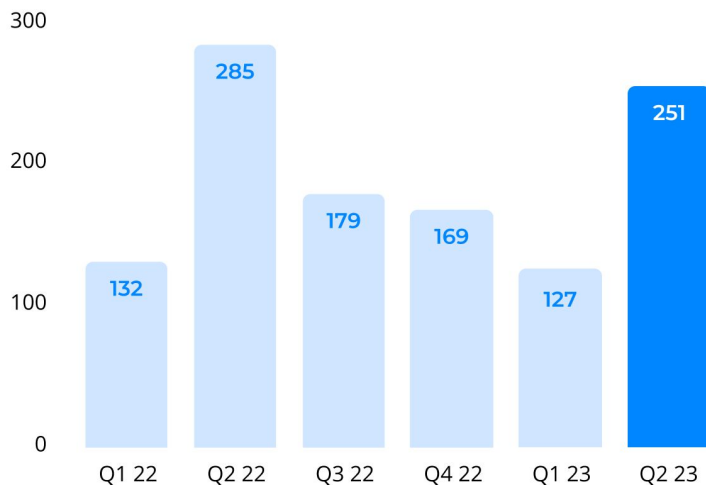


- All-time-high profit achieved by growth in all revenue streams and stable cost level
- Adjusted EBITDA margin 46% – second highest quarterly margin in a challenging macro environment
- Lean operations creates operating leverage and substantial potential upside when macro improves
- Adjusted EBITDA excl cost for incentive programs was 48%

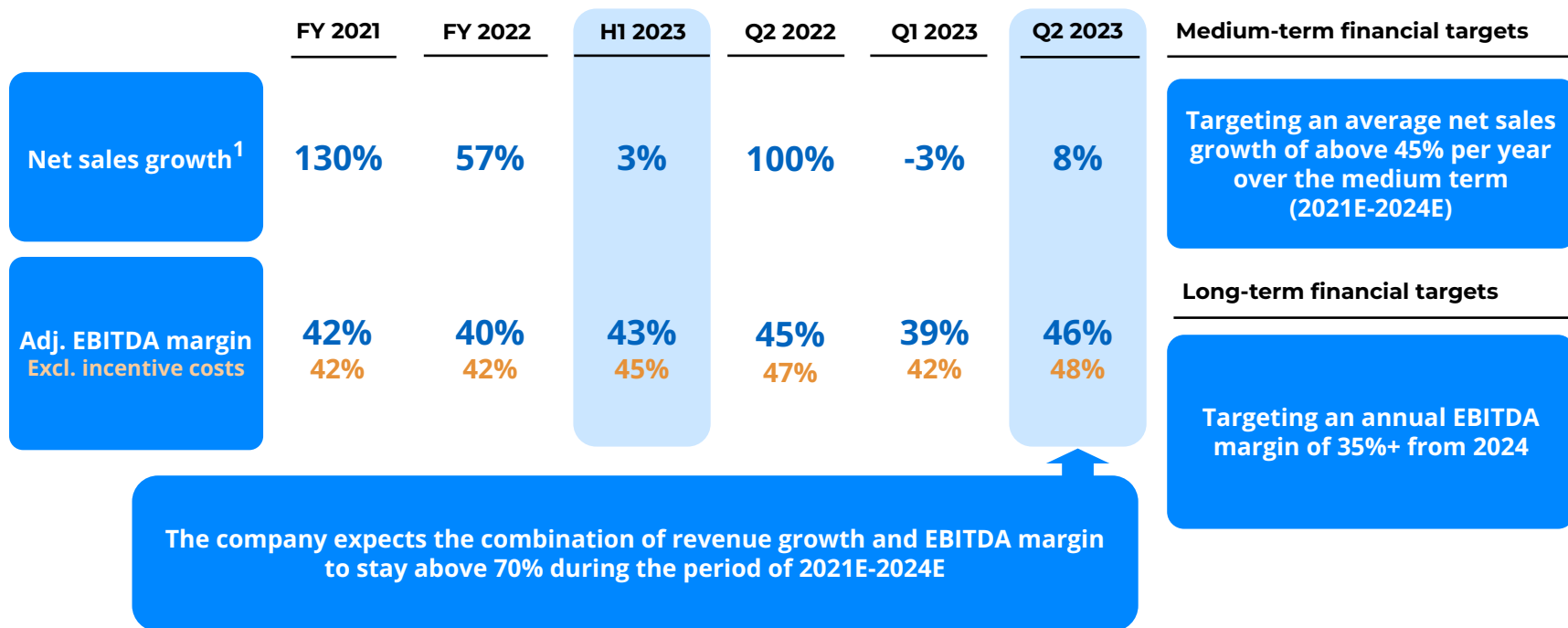
Cash flow and financial position

- Net cash flow from operating activities was 205 MSEK (281), of which 2 MSEK (62) was attributed to changes in working capital.
- Net cash flow from operating activities excluding paid income tax was 251 MSEK (285) MSEK
- 1.6 bn SEK in cash and short-term funds available for strategic investments and other growth initiatives; an additional 500M SEK available in RCF
- Given macroeconomic conditions, we are in a favorable position with a strong cash position, which provides flexibility.
- Board given authorisation to buy back up to 10% of outstanding shares until AGM 2024. Today holds 20.6 million B- and C-shares and can buy back 17.3 million more shares with current mandate

Net cash flow from operating activities before tax paid
SEKm



Financial targets



A young couple is shown in a close embrace, smiling and looking at a smartphone held by the man. They are outdoors in a bright, sunny setting, possibly a city street or a park, with a blurred background of buildings and trees. The woman has long, wavy brown hair and is wearing a black and white striped top. The man has dark hair and a beard, and is wearing a white, long-sleeved button-down shirt. The overall mood is happy and intimate.

Summary

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Q2 Summary

- **All-time high revenues, profit and user base**
- **Accelerated user growth** across markets; strong development in India and especially RoW. Strong development in our focus growth markets.
- **Positive Ads IPL performance boosts Ads income and demonstrates the potential for Ads once general demand improves.** General demand continues to be impacted by gloomy macro but has stabilised.
- **Strong development for subscriptions** and increased conversion. Strong development from new features and on iOS.
- **Truecaller for Business shows solid growth stemming both from verified business and business messaging**

Focus on building an even stronger position

- **Continue to innovate on the product and ad platform to grow user base and scale when demand improves**
- **Exciting roadmap with focus on fraud prevention and new income levers in Truecaller for Business**
- **Increase conversion to the premium product** through new features and plans. Rolling out AI/cloud telephony solutions regionally in H2.
- **Continued focus on efficiency to deliver strong margins and cash flow** even in a more gloomy macro environment
- **Take advantage from our strong balance sheet position** to scan the market for interesting M&A candidates as well as option to continue to do buybacks. The Board received mandate to buy-back up to 10% of the shares

Thank you

To our users, partners and the
Truecaller team for a great quarter 🎉



Q&A

Appendix

Income Statement & Free Cash Flow

Income Statement and Cash Flow Metrics	FY2020	FY2021	FY2022	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
<i>SEKm</i>									
Revenue from contracts with customers									
Advertising	362.5	948.9	1,488.6	339.0	414.2	373.1	362.3	304.0	425.2
Consumer subscriptions	121.0	139.0	170.5	38.8	41.4	45.1	45.1	46.5	50.1
Other revenue, incl. Truecaller for Business	7.7	41.0	113.9	20.5	24.7	31.9	36.7	36.6	43.2
Total Revenue from contracts with customers	491.2	1,128.9	1,772.9	398.3	480.4	450.1	444.1	387.1	518.4
Other operating income	0.5	3.8	12.7	2.3	2.1	0.9	7.5	1.0	0.7
Total Revenue (incl. other operating income)	491.7	1,132.7	1,785.60	400.6	482.5	451.0	451.6	388.1	519.1
Cost of Sales	-169.3	-272.8	-417.7	-87.0	-106.2	-113.4	-111.1	-96.1	-123.1
Employee expenses	-178.4	-266.8	-301.0	-58.7	-78.7	-79.6	-84.1	-84.8	-92.5
Other external expenses	-56.0	-248.0	-349.7	-73.4	-79.2	-76.6	-120.5	-57.1	-65.0
EBITDA	88.0	345.1	717.2	181.4	218.5	181.5	135.9	150.0	238.5
Adjustments for IPO related expenses & Synthetic options	16.8	127.4	--	--	--	--	--	--	--
Adj. EBITDA	104.8	472.5	717.2	181.4	218.5	181.5	135.9	150.0	238.5
Net cash from operating activities before changes in working capital and paid income tax	105.9	419.3	735.2	178.8	222.9	187.7	145.9	158.0	248.8
Paid tax	0.0	-4.7	-154.1	-10.1	-3.7	-17.5	-122.7	-46.6	-45.5
Net cash from changes in working capital	-0.4	-33.6	29.3	-47.1	61.8	-8.3	22.9	-31.2	2.2
Net cash from operating activities	105.6	380.9	610.4	121.5	280.9	161.9	46.1	80.1	205.5

Appendix 2

Balance Sheet

Balance sheet	FY2020	FY2021	FY2022	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Non-current assets	162.0	125.1	253.9	196.7	196.4	240.1	253.9	255.6	280.4
Current receivables	78.6	179.3	362.2	208.8	203.7	246.1	362.2	260.4	308.2
Short term placements	-	150.1	400.5	149.6	148.6	149.0	400.5	907.9	918.6
Cash & cash equivalents	195.2	1,238.4	1,327.8	1,302.2	1,578.3	1,718.9	1,327.8	699.5	714.6
Current assets	273.8	1,567.8	2,090.5	1,660.6	1,930.5	2,114.0	2,090.5	1,867.9	1,941.4
TOTAL ASSETS	435.8	1,692.9	2,344.4	1,857.3	2,126.9	2,354.1	2,344.4	2,123.5	2,221.8
Total equity	145.9	1,411.4	1,804.1	1,566.0	1,745.9	1,885.2	1,804.1	1,738.4	1,827.1
Liability arising from defined-benefit pension plans	3.0	4.5	7.7	4.4	5.1	5.8	7.7	6.3	7.4
Lease liability	86.1	72.4	118.2	70.7	71.8	97.0	118.2	115.6	109.6
Deferred tax liability	20.8	18.0	34.6	20.8	19.9	29.1	34.6	33.5	31.9
Other non-current liabilities	-	-	8.4	12.1	13.0	8.8	8.4	8.6	9.0
Total non-current liabilities	109.9	95.0	168.8	108.1	109.8	140.7	168.8	164.0	157.9
Liability arising from synthetic options	91.0	22.5	-	-	-	-	-	-	-
Lease liability	14.9	16.0	23.3	16.2	12.0	15.6	23.3	21.8	22.1
Other current liabilities	74.0	148.0	348.2	167.0	259.2	312.6	348.2	199.2	214.8
Current liabilities	180.0	186.5	371.5	183.3	271.2	328.2	371.5	221.1	236.9
TOTAL EQUITY AND LIABILITIES	435.8	1,692.9	2,344.4	1,857.3	2,126.9	2,354.1	2,344.4	2,123.5	2,221.8

true caller