

Press release
2022-10-03

Update on recent inquiries from investors and media

As communicated in the [press release](#) on September 28th, Truecaller has diligently reviewed the report mentioned in the press release and conducted an extensive analysis which concludes that the allegations of misconduct are incorrect and false. The opinions presented in the report do not represent Truecaller, its business practices, and what the company stands for. Truecaller is driven by a sense of purpose and a belief in strong values.

Truecaller was listed on Nasdaq Stockholm in 2021, and as such underwent a rigorous process where a [prospectus](#), providing a transparent picture of Truecaller's business, was published. The prospectus was reviewed by several legal and financial advisors, the Listing Committee of Nasdaq Stockholm and the Swedish Financial Supervisory Authority.

Truecaller would like to present the following information within three areas: *Taxation, User consent including consent from minors, and Data privacy compliance* – where Truecaller believes that the market and the company's stakeholders would benefit from more in-depth information and clarification about Truecaller's business practices.

Taxation

- Truecaller is not subject to any tax fraud investigation in India.
- Truecaller is using Ernst & Young (EY) as group accountants. S.R. Batliboi & Associates LLP is the auditor of Truecaller International LLP (Truecaller's Indian subsidiary). Batliboi is registered with the Institute of Chartered Accountants of India (ICAI) and is a well-reputed affiliated member firm of EY Global. Truecaller's group financial statements have always received an unqualified audit opinion. Truecaller has always paid all taxes due.
- Truecaller's transfer pricing policy for its intra-group transactions is consistent with the internationally accepted arm's length standard and the company has applied the same for transactions between Sweden and India. The purpose is to ensure that Truecaller pays tax in a way that is correct from the perspective of both the Swedish and the Indian tax authorities. The policy is periodically independently reviewed to ensure that it meets the tax law requirements of both countries.
- In the Indian fiscal year ending March 31, 2021, and Swedish fiscal year ending December 31, 2020, Truecaller paid no corporate tax in India and Sweden, since Truecaller made a loss before taxes in those fiscal years.
- In the Indian fiscal year ending March 31, 2022, and Swedish fiscal year ending December 31, 2021, Truecaller started paying corporate tax in India and Sweden, based on a positive result before taxes, even after adjusting for the carry forward

losses of previous years. Taxes paid in India will increase in the future as revenues in India increase as previously mentioned.

- Truecaller revenue that is channeled through platforms like Apple and Google to the Indian entity is not being subject to GST as it fulfills the conditions for export services in India according to section 2(6) of the Indian GST Act.

User consent

- Truecaller has always been a community-centric service and was founded on the principle that everyone has a right to know who is calling them and is being trusted by more than 320 million users worldwide. It is encouraging that this principle is increasingly being adopted into regulation, as seen in the latest [Indian telecom bill proposal](#).
- A vast majority of unknown incoming calls identified by Truecaller are calls from either: other Truecaller users, verified businesses, sales calls, promotional calls, or potential fraudsters and harassers, meaning consented data or of legitimate purpose, proving our strong network effect in markets like India.
- Truecaller has safeguards in place for restricting minors accessing its service, which also interacts with safeguards employed by app stores.
 1. All Truecaller users must sign up using their mobile number. In many countries, such as in India, a phone number can only be obtained by an adult or with parental consent.
 2. App stores which Truecaller's app can be downloaded from have an age requirement.
 3. In addition, Truecaller has proactively set an age requirement for app store users to be able to find and install the Truecaller app.
 4. Truecaller's privacy policy specifies that it does not direct its services towards minors. All users need to consent to the [privacy policy](#) to gain access to the service.
- Truecaller has always been a reverse number lookup service where the name of a user is obtained if a user already has a specific phone number. This is the core purpose of Truecaller. In addition, Truecaller users can agree to share contact information between each other on a consent basis.
- Truecaller is a community driven service, with "Enhanced Search" as an option for non-EU users to share data on a consent basis. Since GDPR came into force, if ever a user erroneously contributes EU originated data, such data is automatically rejected from the platform before being processed. Recently, changes were made to our website to remove the ability for EU users to try to circumvent the geographic restrictions by manually changing location and see the "Enhanced Search" option, which was found by the report maker. "Enhanced Search" continues to be an option for non-EU users.

Data privacy compliance

Truecaller is a privacy-focused service, with the safety and integrity of its users as its core feature. It has rigorous processes in place to be compliant with EU, Indian, as well as other local regulations, as outlined in its IPO prospectus.

EU

- Truecaller has been compliant with GDPR since the day of the enforcement of the regulation. In 2017, prior to GDPR's enforcement, Truecaller received enquiries from the Article 29 EU working party about its data practice which the company responded to and has not received any queries since.
- True Software Scandinavia AB, Truecaller's operating entity in Sweden, is the service provider and data controller for EU users, with data being processed in data centers in Sweden subject to GDPR.

Non-EU

- GDPR does not apply to non-EU users' data stored outside the EU because
 - Truecaller International LLP, Truecaller's operating entity in India, is the service provider and data controller for non-EU users with data being processed outside of the EU. Indian user data is stored in India and subject to Indian regulations.

For more information, please contact:

Andreas Frid, Head of IR & Communication
+46 705 290800
andreas.frid@truecaller.com

About Truecaller:

Truecaller (TRUE B) is the leading global platform for verifying contacts and blocking unwanted communication. We enable safe and relevant conversations between people and make it efficient for business to connect with consumers. Fraud and unwanted communication are endemic to digital economies, especially in emerging markets. We are on a mission to build trust in communication. Truecaller is an essential part of everyday communication for more than 320 million active users, with half a billion downloads since launch and around 38 billion unwanted calls identified and blocked in 2021. Headquartered in Stockholm, since 2009, we are a co-founder led, entrepreneurial company, with a highly experienced management team. Truecaller is listed on Nasdaq Stockholm since 8 October 2021. For more information, please visit corporate.truecaller.com