



Year-end Report

January-December 2021

Alan Mamedi, CEO & Odd Bolin, CFO

truecaller

Agenda

1. Quarterly highlights
2. Quarterly Product update
3. Financial performance
4. In summary
5. Q&A

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A man with a beard, wearing a light blue shirt and a dark tie, is sitting in the driver's seat of a car. He is smiling and looking down at a smartphone he is holding in his right hand. The car's interior is visible, including the seat and the window. Outside the window, a blurred city street with buildings and other cars can be seen. The overall tone is professional and positive.

Quarterly Highlights

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Q4 Financial Highlights

301M

Avg Monthly Active Users, MAUs (259), **▲16%** increase (YoY)

392.2M

SEK net sales (185.7), **▲111%** growth (YoY)

196.2M

SEK adjusted EBITDA (76.1). Adjusted EBITDA margin of 50.0% (41.0%)

“We are proud to be a profitable and high growth tech company”

Q4 Business Highlights



Strong growth in consumer advertising, following continued growth in number of users in various geographies combined with an sequential improvement in ads revenue per user

Truecaller for Business surpassed 1,000+ signed contracts with customers, marking a milestone for the newest business area



New partnership with Indian Railway Catering & Tourism Corporation, Truecaller Verified Identity will decrease the risk of fraud or that critical information is lost as Indian travellers will know that the call or message is verified by Truecaller

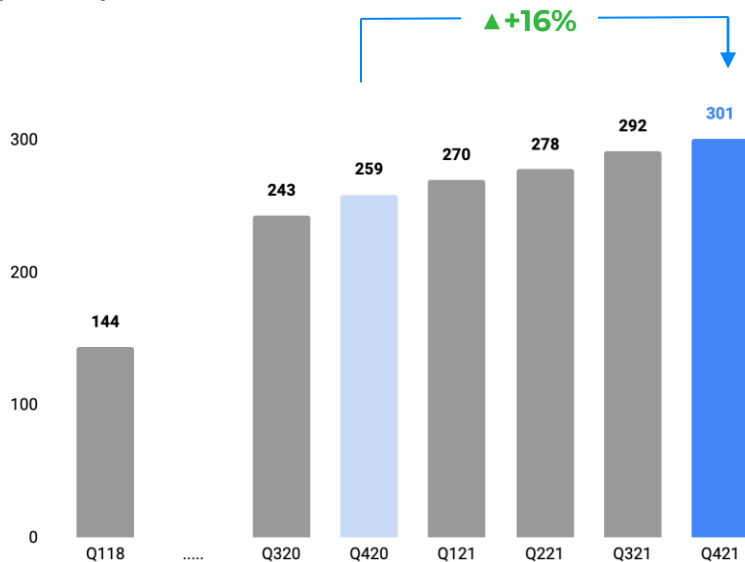


Over 770 billion calls and messages identified¹ by Truecaller in 2021

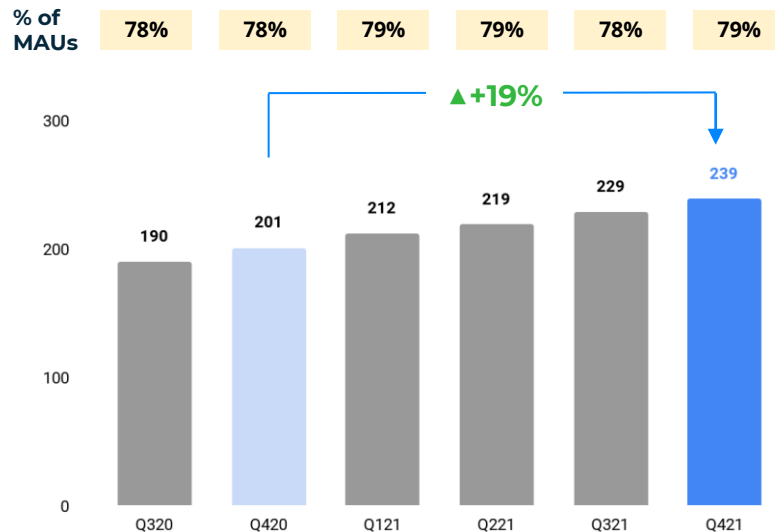
¹ Truecaller Global Scam and Spam Report 2021.

Strong growth in user base; MAUs up **▲42M YoY**

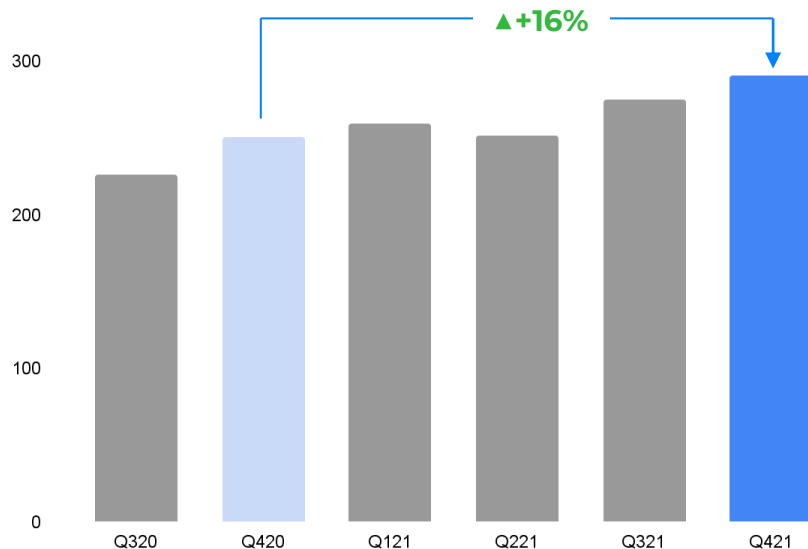
Monthly Active Users¹
(Millions)



Daily Active Users¹
(Millions)



Incoming Calls to Truecaller users (Billions)



Call volume

Incoming call volume continues to grow and grew by **+16%** in Q4 compared to previous year and indicates a continued strong need of Truecaller.



A young woman with dark curly hair tied back, wearing black-rimmed glasses and a blue denim jacket over a yellow and orange striped shirt, is smiling while looking at a white smartphone. She is outdoors, with a blurred green background of trees and foliage. The text 'Quarterly Product Update' is overlaid in white, bold, sans-serif font. The 'truecaller' logo is in the bottom right corner.

Quarterly Product Update

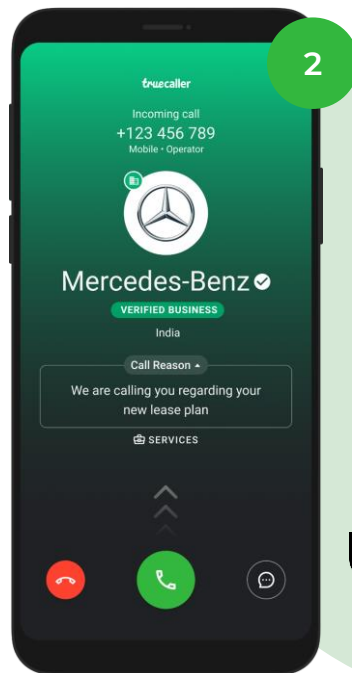
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Our Holistic Platform Enables a Trusted and Secure Communication Experience



For Consumers

All-in-one communication suite creating trust and efficiency for more than 300 million active users



For Businesses

Help businesses grow by reaching their customers effectively

Select clients



Q4 Product Highlights



Truecaller 12

Launch of Truecaller 12 on Android



Premium

Enhancements to Truecaller Premium



Machine Learning

Continued innovation through machine learning



Ads & Enterprise

Investments in AdTech and Truecaller for Business



TRUECALLER 12

Improved user experience

The latest version of Truecaller provides a more streamlined, user-friendly experience across the app on Android devices

The fully redesigned user interface allows users to navigate through calls, messages and other functionalities in a more intuitive way to improve engagement

New features such as Call Recording and Video Caller ID add more value to the calling experience

TRUECALLER 12

More relevant information at a glance

A new profile view gives users the most important information on contacts and verified businesses, as well as opportunities to leave feedback on spammers to improve usability and engagement





TRUECALLER 12

Video Caller ID

Video Caller ID gives users a more unique calling experience through personalized video greetings that can be self-recorded or selected from built-in templates

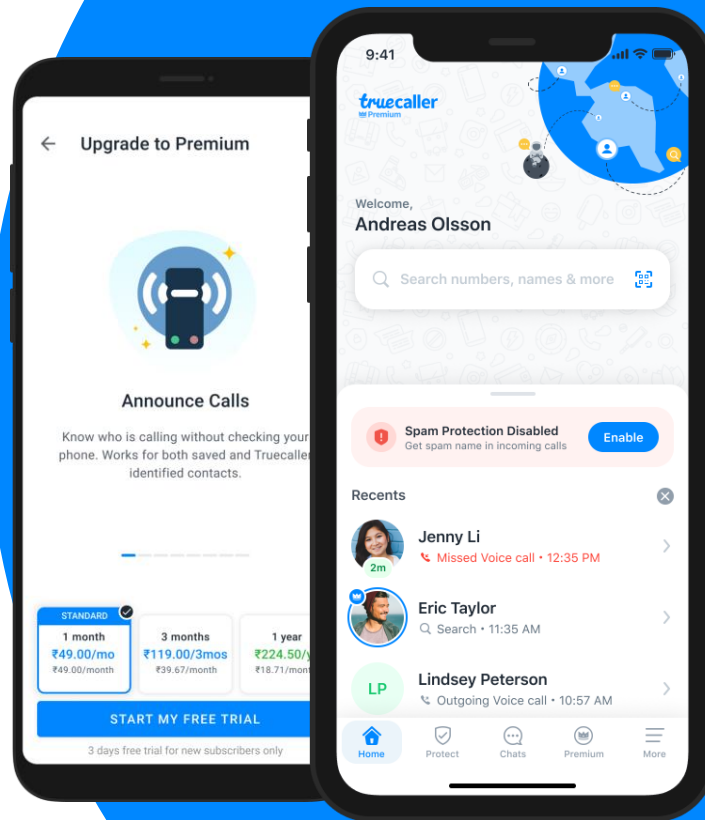
TRUECALLER PREMIUM

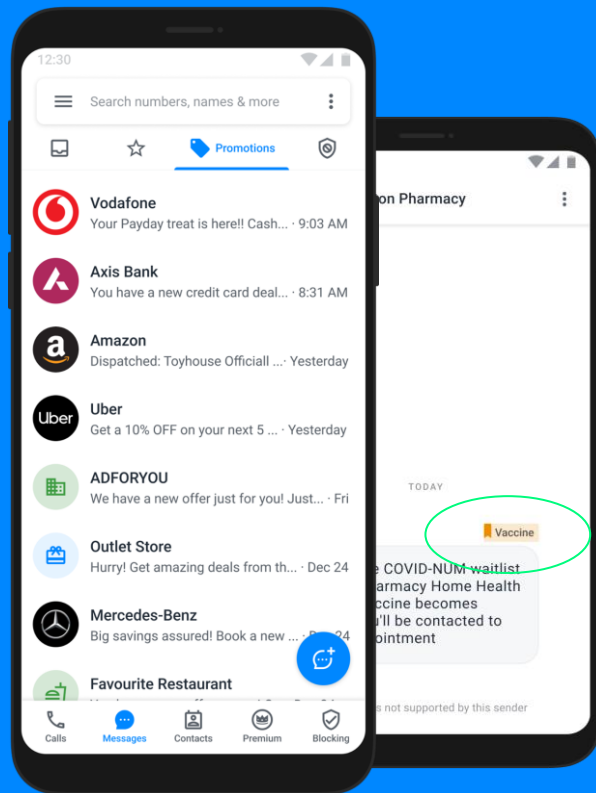
Enhancements to paid offering

Announce Call gives users information on **who is calling through voice assistant** without looking at their phone

Advanced Caller ID was further developed with the **launch of Voicemail**, which was developed as an initial step towards **cloud telephony services**

Becoming a Premium user is now much easier with the **enablement of web payments**, which has been rolled out to support 25 payment methods





MACHINE LEARNING

Continued innovation to improve spam detection and messaging experience

The introduction of new machine learning-powered algorithms and predictive analytics models increases Truecaller's ability to identify what's most relevant to users

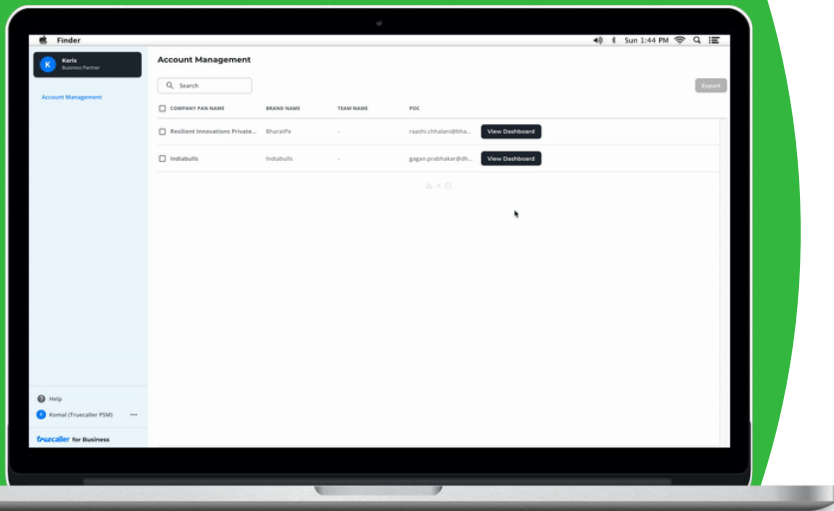
CONTINUED INVESTMENT IN ADTECH PLATFORM

Truecaller continues to invest in improving demand side liquidity, auction efficiency and supply side optimisations to drive ads revenue growth while providing more value to our advertising partners

Investments on our AdTech have enabled us to deliver on the scale and relevance needed to serve **over five million ads per minute**



Select advertising partners



SCALING TRUECALLER FOR BUSINESS

A number of operational improvements have been introduced in order to support the growing demand for Truecaller's business solutions, including the **launch of dedicated self-serve portals** for business customers and resellers, respectively

SELF-SERVE PORTAL FOR BUSINESS CUSTOMERS

In December 2021 alone, **over a third of business customers** came from our self-onboarding portal

aramex zomato TVS

OLA digit matrimony.com



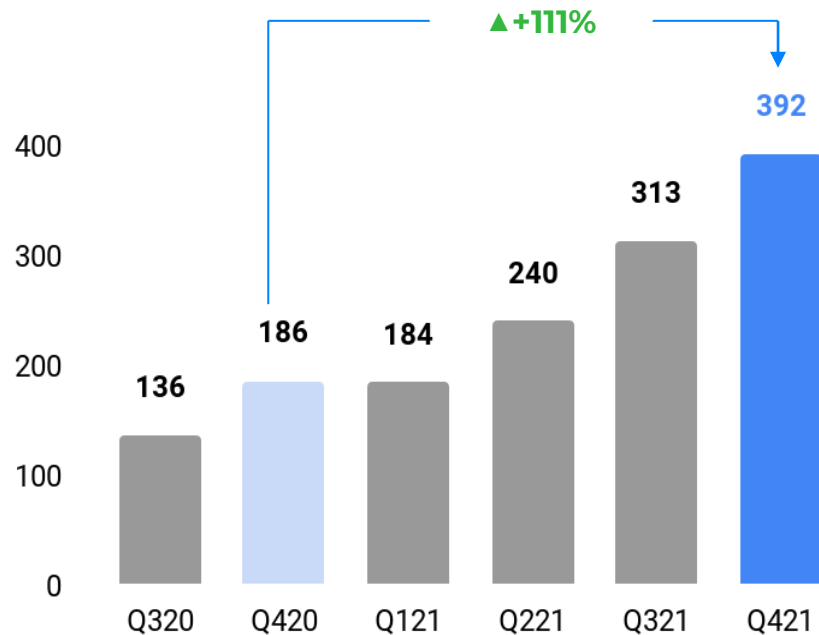
Financial Performance

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Revenue

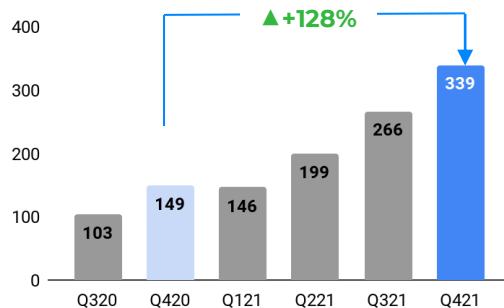
- Strong net sales performance driven by:
 - Increase in monthly active users (MAU) in several markets
 - Continued growth in revenue-generating ad impressions per user
 - Positive trend for CPM rates, with extra seasonal impact in Q4
- Foundation set for continued growth in 2022
 - Organic growth of user base (MAU)
 - Investments in user acquisition to boost user growth further in existing and new markets
 - Strong demand for Truecaller for Business

Total net sales
SEKm



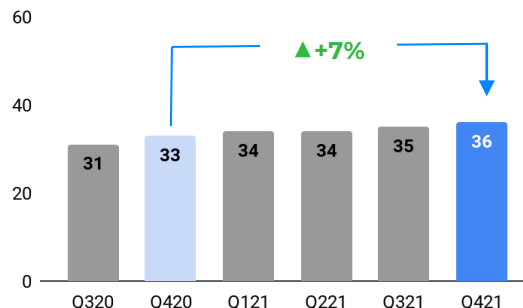
Revenue by service type

Advertising SEKm



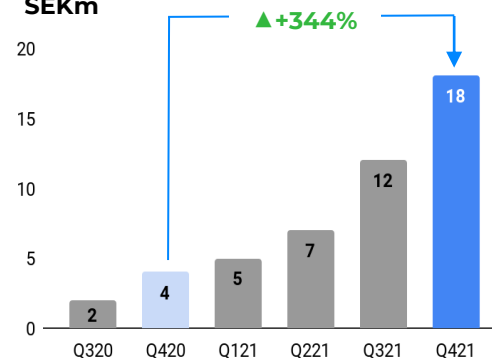
- Continued growth in number of ad impressions
- Changes to the ad server's auction mechanism introduced in Q3 have scaled well, driving overall auction efficiency, improving fill rates and CPM

Consumer subscriptions SEKm



- Increased ARPU due to growth in markets with higher price picture
- Positive trend in subscriber growth towards end of Q4

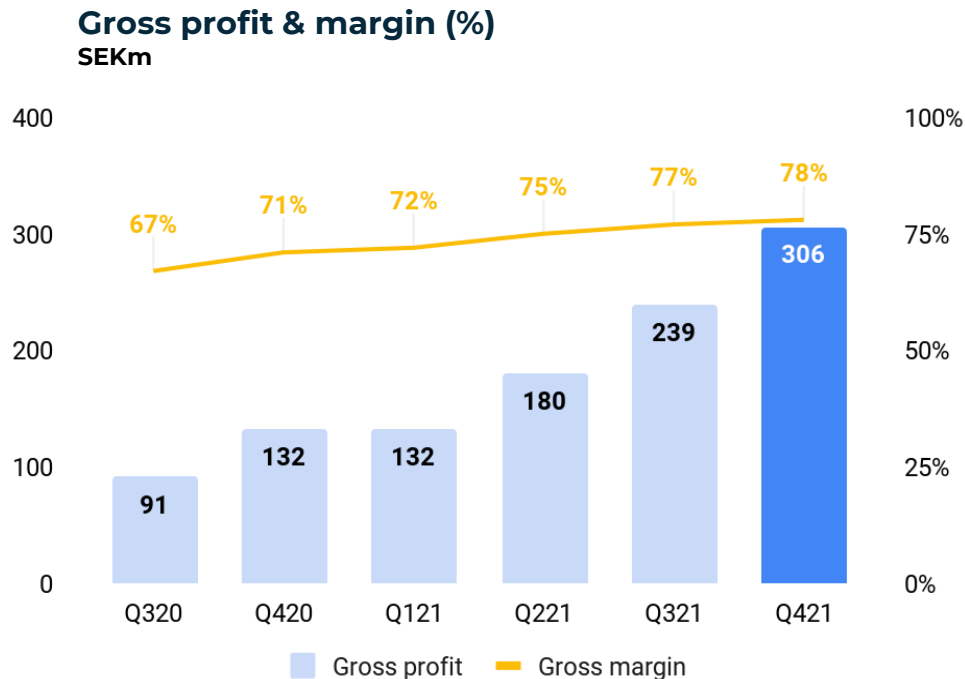
Other SEKm



- Strong momentum for Truecaller for Business, reaching a milestone of 1,000 registered customers in Q4
- Self-onboarding portal improves growth potential significantly

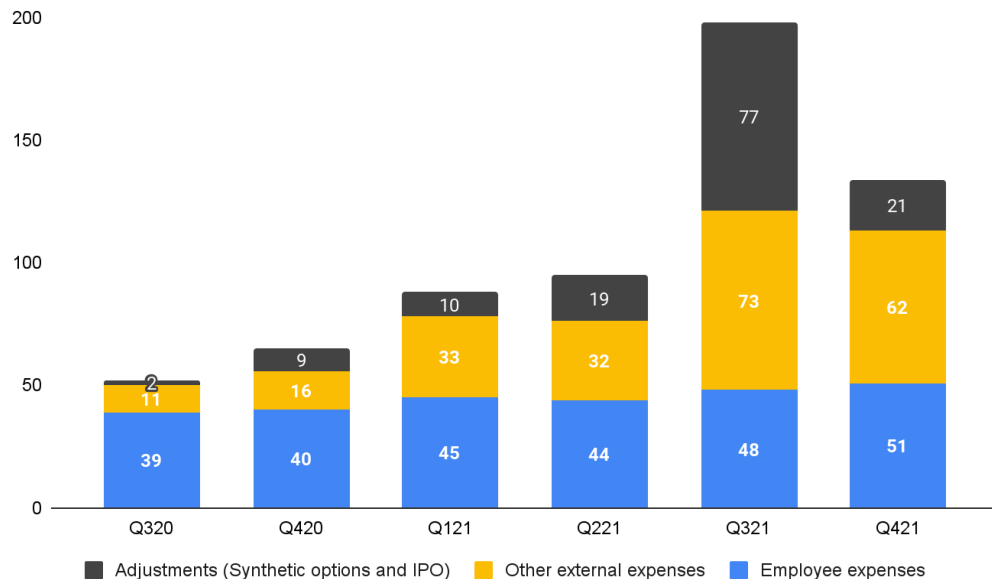
Gross profit

- Gross margin improvement of 6.9% YoY
- Adtech improvements in Q3 driving a more intelligent bidding process
- Gross margin improvements mainly coming from:
 - Sales via partners with lower fees, as well as partners that don't report precise commission figures, so that we report income net of commission (i.e. 100% gross margin)
 - Economies of scale for server hosting
 - Larger share of direct sales



Opex and adjustments

SEKm

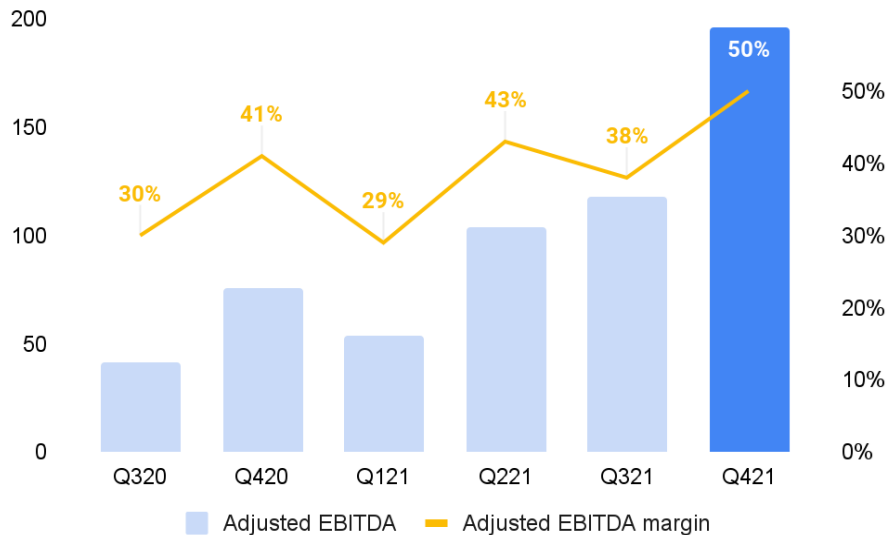


- Adj. EBITDA excludes non-recurring expenses related to IPO and synthetic option costs of SEK 20.8 m in Q4'21
 - IPO expenses: SEK 18.7m
 - Revaluation of synthetic options: SEK 2.1m
- Other external expenses consists of marketing, user acquisition, and other operational costs.
- Employee expenses increasing in line with expectations
- In 2022, we expect to continue increasing our investments in growth-focused activities such as user acquisition, pre-installs of our app in new smartphones, and marketing
- We expect to increase such investments by a factor of 2-3x compared to FY2021, as we focus our efforts towards substantial user growth in the mid- to long-term.

Adjusted EBITDA

- Adj. EBITDA margin increased by 9%-points YoY
- Stronger improvement in adj YoY EBITDA margin compared to YoY Gross margin due to strong operational leverage, i.e revenues grow faster than employee costs
- Improvement trend partly offset by increased investments in user acquisitions

Adj. EBITDA and margin (%)
SEKm



Cash flow

- Free operating cash flow in 2021 includes a short-term investment of 150 MSEK in interest-bearing funds, which is being classified as capex.
- Free cash flow for before financing activities for 2021, excluding the short-term investment was 419 MSEK.
- Cash conversion ratio was 89%.

Financial targets

	FY2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY2021	Medium-term financial targets
Net sales growth ¹	64%	91%	229%	129%	111%	130%	Targeting an average net sales growth of above 45% per year over the medium term (2021E-2024E)
Adj. EBITDA margin	21%	29%	43%	38%	50%	42%	Long-term financial targets Targeting an annual EBITDA margin of 35%+ from 2024
The company expects the combination of revenue growth and EBITDA margin to stay above 70% during the period of 2021E-2024E							

Note: Forward looking guidance are management estimates and not guarantees of future performance

1. Year-on-year growth.

A young couple is standing outdoors on a city street, looking at a smartphone together. The woman, on the left, has long brown hair and is wearing a black and white striped shirt. The man, on the right, has dark hair and a beard, and is wearing a white button-down shirt. They are both smiling and looking at the phone. The background shows a blurred city street with buildings and trees.

Summary

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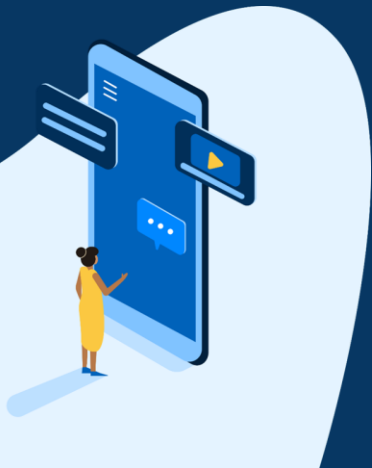
In summary

- ▶ **Exceptional year** in terms of growth and profitability, with ▲130% net sales growth (YoY) combined with a 41.9% adj. EBITDA margin
- ▶ **Strong revenue growth** with a slower increase in OPEX resulted in a very strong profit margin, exceeding our long-term financial target
- ▶ **Product first focus:** continued focus on investing in the product, machine learning and data analysis capabilities, strong focus on initiative to drive development of the iPhone user experience, and continued investments in the adtech platform and Truecaller for Business
- ▶ **Acquisition of CallHero** in the beginning of 2022 strengthens the iOS user experience as well as market position in the US
- ▶ **Several milestones reached** during the quarter such as 300 million active users, 1,000 customers on Truecaller for Business, surpassed 1 billion SEK in net sales and closed the year at 1.129 billion SEK

Q&A

Thank you

To our users, employees, and our partners for a phenomenal year 🎉



Appendix

Income Statement & Free Cash Flow

Income Statement and Cash Flow Metrics	FY2018	FY2019	FY2020	FY2021	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
<i>SEKm</i>									
Revenue from contracts with customers									
Advertising	160.1	219.7	362.5	948.9	148.7	145.5	198.8	265.7	338.9
Consumer subscriptions	19.2	70.7	121.0	139.0	33.3	34.0	34.5	35.0	35.6
Other revenue, incl. Truecaller for Business	4.6	4.0	7.7	41.0	3.7	4.6	6.7	11.9	17.8
Total Revenue from contracts with customers	183.9	294.4	491.2	1 128.9	185.7	184.0	240.0	312.6	392.2
Other operating income	6.4	4.5	0.5	3.8	0.0	0.4	0.3	0.2	2.9
Total Revenue (incl. other operating income)	190.3	299.0	491.7	1 132.7	185.7	184.4	240.4	312.8	395.1
Cost of Sales	-59.3	-123.9	-169.3	-272.8	-53.8	-52.3	-60.4	-73.6	-86.6
Employee expenses	-107.3	-199.1	-178.4	-266.8	-49.1	-50.7	-52.8	-110.4	-52.8
Other external expenses	-76.5	-61.6	-56.0	-248.0	-15.9	-37.2	-42.0	-88.4	-80.3
EBITDA	-52.9	-85.6	88.0	345.1	66.9	44.1	85.1	40.5	175.4
Adjustments for IPO related expenses & Synthetic options	--	--	--	127.4	--	10.1	19.3	77.2	20.8
Adj. EBITDA	-52.9	-85.6	88.0	472.5	66.9	54.2	104.4	117.7	196.2
(Increase) / Decrease in NWC	13.0	-24.1	-0.4	-33.6	-2.0	4.8	-0.2	-23.5	-14.7
Cash taxes	--	--	--	-4.7	--	--	--	--	-4.7
Capex	--	--	-1.3	-151.9	0.6	--	--	-1.1	-150.8
Amortisation of lease liabilities	-8.9	-11.5	-18.7	-15.3	-4.9	-3.7	-3.7	-3.9	-4.0
Adj. Free Cash Flow excl. financing activities	-48.8	-121.2	67.6	267.0	60.6	55.3	100.5	89.2	21.9

* Investment of 150 SEKm in a fixed income fund impacts adjusted free cash flow of Q4 and FY 2021

Balance Sheet

Balance sheet	FY2020	FY2021	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Non-current assets	162.0	125.1	162.0	156.6	152.9	139.8	125.1
Current receivables	78.6	179.3	78.6	94.4	98.0	153.2	179.3
Short term placements	-	150.1	-	-	-	-	150.1
Cash & cash equivalents	195.2	1,238.4	195.2	254.4	342.7	259.6	1,238.4
Current assets	273.8	1,567.8	273.8	348.8	440.7	412.8	1,567.8
TOTAL ASSETS	435.8	1,692.9	435.8	505.4	593.5	552.6	1,692.9
Total equity	145.9	1,411.4	145.9	194.6	270.7	289.9	1,411.4
Liability arising from defined-benefit pension plans	3.0	4.5	3.0	3.0	3.3	3.8	4.5
Lease liability	86.1	72.4	86.1	85.4	79.1	75.7	72.4
Deferred tax liability	20.8	18.0	20.8	20.0	19.8	18.4	18.0
Total non-current liabilities	109.9	95.0	109.9	108.5	102.2	97.9	95.0
Liability arising from synthetic options	91.0	22.5	91.0	98.3	110.0	21.9	22.5
Lease liability	14.9	16.0	14.9	12.1	14.6	14.6	16.0
Other current liabilities	74.0	148.0	74.0	92.0	96.0	128.3	148.0
Current liabilities	180.0	186.5	180.0	202.4	220.6	164.8	186.5
TOTALT EQUITY AND LIABILITIES	435.8	1,692.9	435.8	505.4	593.5	552.6	1,692.9

*true*caller