

**The Board of Directors' of Truecaller AB, reg. no. 559278-2774 (the "Company"), proposal for resolution regarding implementation of employee stock option program 2023, directed issue of warrants and approval of transfer of warrants to fulfil the Company's commitments under the employee stock option program (Item 16)**

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The Board of Directors proposes that the Annual General Meeting resolves on:

- (A) implementation of employee stock option program for certain senior executives, key employees and other employees in the Truecaller group – employee stock option program 2023; and
- (B) hedging arrangements in respect of the employee stock option program 2023, consisting of a directed issue of warrants and approval to transfer the warrants.

**Objectives and reasons for the proposal**

Truecaller has during a number of years resolved to implement long-term incentive programs. Following an evaluation, the Board of Directors has decided to propose to the Annual General Meeting the establishment of a new incentive program for current employees based on employee stock options. The purpose of employee stock option program 2023 is to reward long term commitments of certain senior executives, key employees and other employees in the Truecaller group, to ensure that the Company's long term value increase is reflected in the remuneration for the participants of the program, to contribute to the capability to retain competent co-workers and to otherwise increase shared incentives between the group's employees and the Company's shareholders. In view of the terms proposed below, the size of the allotment and other circumstances, the Board of Directors assesses that employee stock option program 2023 is well-balanced and that it will be beneficial for the Company and its shareholders.

To secure the Company's commitments under the employee stock option program 2023, the Board of Directors also proposes that the Annual General Meeting resolves on a directed issue of warrants and to approve the transfer of warrants in accordance with item B below.

**Proposed resolution regarding implementation of employee stock option program 2023 (Item 16 (A))**

The Board of Directors proposes that the Annual General Meeting resolves to implement employee stock option program 2023, according to the following main principles:

- (a) Employee stock option program 2023 shall include not more than 2,800,000 employee stock options.
- (b) Each employee stock option shall initially entitle the holder to subscribe for one new ordinary share of series B in the Company at a subscription price corresponding to 130 percent of the volume weighted average price of the ordinary share of series B according to the official share list of Nasdaq Stockholm during the ten trading days immediately preceding the Annual General Meeting 2023, however not less than the quota value of the shares. The subscription price and the number of shares for which each employee stock option entitles the holder to subscribe may be subject to recalculation pursuant to a bonus issue, share split, new issue with preferential rights and similar measures, whereby conventional terms and conditions for recalculation shall be applied.

- (c) Employee stock option program 2023 shall comprise the following categories of employees, whereby no participant is entitled a minimum allotment.

Category	Maximum number of employee stock options per person
A. Senior executives and key employees (maximum 50 persons)	250,000
B. Other employees (maximum 350 persons)	80,000

The allotment per participant will depend on position within the Truecaller group. Employees who are also board members in Truecaller AB do not have the right to participate in employee stock option program 2023.

- (d) Allotted employee stock options shall be offered free of charge. Such offer shall be made within 10 banking days from the date the resolution on allotment is made. Allotment may take place during the period until the end of the next Annual General Meeting. Over-allocation may not occur.
- (e) 1/3 of the employee stock options may be exercised to subscribe for new ordinary shares of series B during the period 12 June 2025 – 20 November 2025, 1/3 of the employee stock options may be exercised to subscribe for new ordinary shares of series B during the period 12 June 2026 – 20 November 2026 and 1/3 of the employee stock options may be exercised to subscribe for new ordinary shares of series B during the period 12 June 2027 – 20 November 2027. The reason for the duration of 1/3 of the employee stock options being less than three years is that the Board of Directors has made the assessment that a longer duration than the proposed not sufficiently would contribute to the ability to retain key competence and increase motivation for the employees.
- (f) The holder shall be entitled to exercise the employee stock options during the periods set out above, provided that the holder concerned at the time of exercise (i) is still employed by the Company or by any company within the group, (ii) has not received notice of dismissal (Sw. *avsked*) or termination (Sw. *uppsägning*) from his or her employment in the Company or in any company within the group for reasons other than scarcity of work (Sw. *arbetsbrist*) and (iii) the Company achieves a combination of revenue growth rate (%) and adjusted EBITDA (%) of at least 35 percent annually, on average, during the two financial years preceding the respective exercise period. In the event that the performance target falls below 35 percent, the entitlement to exercise the employee stock options shall decrease linearly, and in the event that the performance target falls below 10 percent, no exercise of employee stock options can be made.
- (g) Upon exercise, each employee stock option will entitle the holder to receive one warrant immediately exercisable for one ordinary share of series B against payment of the subscription price.
- (h) For participation in employee stock option program 2023 it is required that such participation is legally possible, and that such participation in the Board of Directors' opinion is possible at reasonable administrative costs and with reasonable financial resources.

- (i) Issued employee stock options do not constitute securities and may not be transferred, pledged or otherwise disposed of by the holder.
- (j) In other respects, the Board of Directors shall establish the general terms for participation in the program.

**Directed issue of warrants and approval of transfer of warrants to secure the Company's commitments under employee stock option program 2023 (Item 16 (B))**

To enable the Company's delivery of shares pursuant to employee stock option program 2023 the Board of Directors proposes that the Annual General Meeting resolves on a directed issue of warrants and to approve the transfer of warrants on the following terms:

- (a) A maximum of 2,800,000 warrants shall be issued, entailing an increase in the share capital of a maximum of SEK 5,600.
- (b) Right to subscribe shall, with deviation from the preferential right for existing shareholders, reside in the Company's wholly owned subsidiary True Software Scandinavia Incentive AB, reg. no. 559011-2073 (the "**Subsidiary**").
- (c) Subscription must be completed no later than three weeks after the resolution on issue of warrants. The Board of Directors shall be entitled to extend the subscription period.
- (d) The warrants shall be issued free of charge.
- (e) Each warrant shall entitle the holder to subscribe for one new ordinary share of series B in the Company.
- (f) Each warrant shall entitle the holder to subscribe for one new ordinary share of series B in the Company at a subscription price corresponding to to 130 percent of the volume weighted average price of the ordinary share of series B according to the official share list of Nasdaq Stockholm during the ten trading days immediately preceding the Annual General Meeting 2023, however not less than the quota value of the shares. The subscription price and the number of shares for which each warrant entitles the holder to subscribe may be subject to recalculation pursuant to a bonus issue, share split, new issue with preferential rights and similar measures, whereby conventional terms and conditions for recalculation shall be applied.
- (g) Subscription of ordinary shares of series B in the Company by virtue of 1/3 of the warrants may take place during the period 12 June 2025 – 20 November 2025, subscription of ordinary shares of series B in the Company by virtue of 1/3 of the warrants may take place during the period 12 June 2026 – 20 November 2026 and subscription of ordinary shares of series B in the Company by virtue of 1/3 of the warrants may take place during the period 12 June 2027 – 20 November 2027. The share premium shall be transferred to the unrestricted premium reserve.
- (h) Shares issued following exercise of warrants during a certain financial year shall entitle to dividend for the first time on the record day for dividend which occurs following registration of the shares with the Swedish Companies Registration Office.
- (i) The complete terms and conditions for the warrants are set out in "*Terms and conditions for warrants of series 2023:1 regarding subscription of shares in Truecaller AB*".

The reason for the deviation from the shareholders' preferential right is that the issue forms part of the implementation of employee stock option program 2023. In view of what is set forth

under *Objectives and reasons for the proposal* above, the Board of Directors is of the opinion that it is of benefit to the Company and its shareholders that certain senior executives, key employees and other employees of the group are offered to participate in employee stock option program 2023.

The Board of Directors further proposes that the Annual General Meeting resolves to approve that the Subsidiary transfers warrants to participants in employee stock option program 2023.

Finally, the Board of Directors proposes that the Board of Directors, or anyone appointed by the Board of Directors, should be authorised to make such minor adjustments to the above proposal that may be necessary in connection with the registration procedures with the Swedish Companies Registration Office, and possible registration of the warrants with Euroclear.

#### Costs and effects on important key ratios

The costs of employee stock option program 2023, which are charged in the profit and loss account, are calculated in accordance with the accounting standard IFRS 2 and distributed over the duration of the employee stock option program 2023. The calculation has been made based on the following assumptions: (i) a market price of the Truecaller ordinary share of series B of SEK 28.30 based on the closing price as of 24 April 2023, (ii) no dividends are paid by Truecaller during the employee stock option program 2023 and (iii) an employee turnover of 5 percent per year. In total, this can lead to maximum costs for the employee stock option program 2023 of approximately SEK 22 million, excluding social security costs. The costs for social security charges are estimated to approximately SEK 17 million assuming an annual share price increase of 45 percent during the duration of the employee stock option program 2023.

The expected annual costs of the employee stock option program 2023, including annualized social security charges of approximately SEK 3 million, would have corresponded to approximately 2.7 percent of Truecaller's total annual employee costs 2022.

Given the above assumptions regarding scope and costs, and that the employee stock option program 2023 was introduced in 2021 instead, it is estimated that the key ratio earnings per share for the full year 2022 had decreased from SEK 1.43 to approximately SEK 1.41.

The Board of Directors deems that the positive effects on earnings that are expected to result from increased share ownership among senior executives, key employees and other employees, which may be further increased through the employee stock option program 2023, outweighs the costs related to the employee stock option program 2023.

#### Dilution

Upon full exercise of all employee stock options, 2,800,000 new ordinary shares of series B can be issued, which corresponds to a dilution of approximately 0.73 percent of the total number of shares and approximately 0.35 percent of the total number of votes in the Company, however, subject to any potential adjustment which may occur under the terms and conditions for the warrants. Accordingly, the program offers the employees the possibility to increase their shareholding in the Company to the corresponding figure.<sup>1</sup>

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<sup>1</sup> Excluding dilution as a result of previous incentive programs and excluding dilution as a result of Share Program 2023, which is proposed under item 17 in the notice to the Annual General Meeting 2023.

#### Preparation of the matter

The principles of employee stock option program 2023 have been prepared by the Board of Directors of the Company. The Board of Directors has thereafter decided to submit this proposal to the Annual General Meeting. Except for the officials who prepared the matter pursuant to instructions from the Board of Directors, no employee that may be included in the program has taken part in the drafting thereof.

#### Other share related incentive programs etc.

Truecaller's ongoing share-based incentive programs and variable compensation to senior executives will be described in the annual report for 2022, in note 7 to the consolidated financial statements. The Board of Directors' accounts of the remuneration committee's evaluation of the principles for remuneration to senior executives which are published on Truecaller's website, describes how Truecaller applies its principles for remuneration to senior executives in accordance with the Swedish Companies Act.

#### Authorization for the Board of Directors

The Board of Directors proposes that the Annual General Meeting authorizes the Board of Directors to execute the resolutions in accordance with the above and to ensure that the Subsidiary's Board of Directors carries out the transfer of the warrants in accordance with the above.

#### Majority requirements

A decision according to the proposal is valid only when supported by shareholders holding not less than nine-tenths (9/10) of both the votes cast and of the shares represented at the Annual General Meeting.

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Stockholm in April 2023

**Truecaller AB**

*The Board of Directors*