here is the cases shorted by Viceroy Research. For each company, it outlines Viceroy's core allegation, the specific detailed reasons supporting their short thesis, and the methodologies used to uncover this information.

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\*\*1. Adler Group SA (ETR: ADJ)\*\* (Multiple Reports)

\* \*\*Core Allegation:\*\* Adler Group is an over-leveraged real estate entity systematically exploited by a hidden cabal led by Cevdet Caner for personal enrichment through opaque related-party transactions. Its true financial condition is masked by fraudulent asset valuations and accounting manipulations, posing a significant risk of bond default.

\* \*\*Detailed Reasons & Supporting Evidence (Methodology):\*\*

\* \*\*Undisclosed Control by Cevdet Caner:\*\*

\* \*Details:\* Despite holding no official position, Caner acts as a "shadow director," dictating strategy, M&A (ADO, Consus), personnel decisions, market announcements, and receiving substantial undisclosed fees. Uses proxies (wife Gerda Caner, brother-in-law Josef Schrattbauer via entities like Bassan SAM, Bondi Beteiligungs) and associates (Richard Bunning via Meridien Capital, Gunther Walcher via Aggregate Holdings). History of bankruptcies (Level One, CLC AG) and criminal investigations raises KYC/AML red flags apparently ignored by Adler and its banks.

\* \*Methodology:\* Analysis of Austrian Takeover Commission report (Conwert case explicitly named Caner's control), obtained whistleblower report detailing fraud, KPMG Forensic Investigation report review (analysed emails, meeting minutes, payment flows confirming Caner's directives despite Adler withholding documents), analysis of complex corporate structures (Luxembourg/Monaco entities like Mezzanine IX, Bassan SAM), cross-referencing individuals involved across entities, reviewing press reports (Wirtschaftswoche, Bloomberg, Calcalist).

\* \*\*Fraudulent Related-Party Transactions (Looting & Marking Schemes):\*\*

\* \*Details:\* Adler engages in transactions designed to siphon value to Caner's network or artificially inflate asset values.

\* \*Gerresheim Example:\* Sold 75% stake to Schrattbauer's SPV (Spree) at a grossly inflated valuation (€375m vs. €142m cost basis) with minimal cash changing hands (likely funded by Adler loans to the SPV). Used to inflate Adler's balance sheet and avoid LTV covenants. Transaction now reversing, but property returns with an increased mortgage (€145m vs €90m).

\* \*Consus Example:\* Acquired from related party Aggregate Holdings (Walcher/Caner) at a vastly inflated price (~€800m value vs. Aggregate's €49m cost basis <1yr prior). Consus was stripped of assets (sales to Gröner, Ganiyev) before being merged into Adler/ADO.

\* \*Accentro Example:\* Sold 80% to entity linked to Natig Ganiyev (Vestigo/Brookline). Over €60m of purchase price remains outstanding ~5 years later, collateral pledged elsewhere.

\* \*Caesar JV:\* Sold stake to Schrattbauer-controlled entity (Repetite), significant receivables remain outstanding.

\* \*Methodology:\* Forensic analysis of specific deal announcements (Adler, Brack, Consus), annual reports (Adler, counterparty SPVs where available), bond prospectuses, regulatory filings (e.g., Israeli forced disclosure of Schrattbauer), KPMG investigation review (confirmed related parties, lack of due diligence, payment tracing), reviewing press reports detailing transaction links, connecting individuals across deals.

\* \*\*Asset Valuation Manipulation:\*\*

\* \*Details:\* Residential portfolio valued using flawed DCF model with unrealistic inputs (3-5x peer rent growth assumptions, ~100bps lower cap rates than peers despite inferior B/C class portfolio). Development portfolio valued using Residual Value method, assuming completion despite project stalls, lack of funding, and permitting issues (e.g., VauVau project reversal, Steglitzer Kreisel issues).

\* \*Methodology:\* Comparing Adler's valuation inputs (rent growth, cap rates, maintenance spend, discount rates) from annual reports/presentations against listed peers (Grand City, Vonovia, TAG, LEG) and market data (CBRE); recalculating portfolio value based on peer/market metrics; analyzing development project status (site visits referenced implicitly, media reports on stalls, supplier feedback, KPMG report confirmations); reviewing specific project SPV accounts where available.

\* \*\*Loan-to-Value (LTV) Covenant Breaches & Manipulation:\*\*

\* \*Details:\* Adler manipulates LTV calculations (changing methodology post-ADO merger, excluding convertibles, including questionable receivables/contract assets as cash equivalents) to appear compliant with ~60% bond covenants. Viceroy calculates adjusted LTV over 85%. Failure to provide \*audited\* 2021 financials (KPMG issued a \*disclaimer\*, not a clean audit) constitutes an event of default.

\* \*Methodology:\* Comparing Adler's stated LTV calculation methodology against bond prospectus requirements; comparing methodology changes over time (annual reports); recalculating LTV using consistent methodology and Viceroy's adjusted asset values; analysis of IFRS/ISA standards regarding audit disclaimers.

\* \*\*Governance Failures & Lack of Internal Controls:\*\*

\* \*Details:\* No proper due diligence conducted on major acquisitions (ADO, Consus) or related-party disposals (Gerresheim, Accentro, Groner, Partners). Payments made to Caner/associates without contracts, proof of service, or proper KYC/AML checks. Adler management demonstrably takes instructions from Caner. Withheld significant evidence (~800k documents) from KPMG investigation. Retained conflicted audit committee chair despite issues.

\* \*Methodology:\* Review of KPMG investigation findings detailing lack of controls, due diligence failures, withheld information, and payment irregularities; analysis of board composition and known Caner links; noting auditor history (Ebner Stolz/Greensill link, KPMG pushed out).

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\*\*2. Svenska Cellulosa AB (STO: SCA-B)\*\* (Multiple Reports)

\* \*\*Core Allegation:\*\* SCA significantly inflates its forest asset valuation using inappropriate methodologies and potentially manipulated biological data (volume/growth), while engaging in overharvesting. The paper value is disconnected from economic reality and cash generation.

\* \*\*Detailed Reasons & Supporting Evidence (Methodology):\*\*

\* \*\*Inappropriate Mark-to-Market (M2M) Valuation:\*\*

\* \*Details:\* Values 2.6m ha of forest based on a small number (~135 in 2022) of mostly small, non-commercial land transactions (avg. size <140ha). SCA itself is party to ~40-45% of these market transactions, potentially influencing the data. M2M valuation metric (SEK/m3fo) applied is ~10% higher than peers using same data sources, achieved by geographic misclassification. Land value (derived residually) appreciates vastly faster (~25% p.a.) than the productive biological assets (~3.3% p.a.).

\* \*Methodology:\* Analyzing SCA annual reports for valuation methodology change (2019) and market transaction data used; calculating SCA's market participation % using SCA disclosures and Svefa regional data; comparing SCA's SEK/m3fo metric vs. peers; analyzing growth rates of Land vs. Biological Asset components; analyzing market data sources cited by SCA (Ludvig & Co, Svefa) - weighted by SCA's regional holdings - showing discrepancies vs SCA's valuation/density claims. Highlighting SCA's rebuttal data limitations (timeframe, geography, units).

\* \*\*Overstated Timber Volume & Density (m3fo/ha):\*\*

\* \*Details:\* SCA reports ~35% higher timber density (m3fo/ha) than regional peers (Holmen, Stora Enso) despite having 100% of its holdings in the less dense Norrland region. Density figures also exceed weighted regional market data (Svefa/Ludvig). Forest age profile is similar/younger than regional average. Suggests SCA inflates its self-conducted, unaudited forest surveys (FTAX) or improperly includes non-productive land in productive calculations.

\* \*Methodology:\* Comparing SCA's reported m3fo/ha against peers (Holmen, Stora Enso, Sveaskog) \*specifically for their Norrland holdings\*; comparing against regional averages from official sources (SLU Skogsdata) weighted by SCA's county land distribution; analyzing forest age distribution data (SCA reports vs. SLU Skogsdata); mapping forest locations (SCA vs. peers) using company reports/GIS data.

\* \*\*Unrealistic DCF Inputs for Biological Assets:\*\*

\* \*Details:\* Uses an extremely low discount rate (~2.65%) significantly below current policy/bond rates, making valuation highly sensitive (~400bps value change for 10bps rate change). Relies on recent high timber price outliers (driven by temporary geopolitical factors) vs. low long-term historical trend (<1% p.a. avg. '95-'21). Harvest rate assumptions increased significantly post-2019 accounting change, implying unrealistic growth or premature felling inconsistent with 100-year asset cycle and regulatory age limits.

\* \*Methodology:\* Back-calculating implied discount rate from SCA's sensitivity disclosures; comparing rate to Swedish policy rates/bond yields; analyzing long-term timber price data (Skogsstyrelsen); comparing SCA's stated harvest plans (CMD presentations) over time with historical actual harvesting rates and calculated sustainable yield. Referencing Swedish Forestry Act (Skogsvårdslagen) and SIS maps for minimum felling ages.

\* \*\*Signs of Overharvesting:\*\*

\* \*Details:\* SCA harvests a disproportionately large share (17.5%) of Norrland's total timber relative to its land ownership (12.1%). Its reported forest density growth lags behind regional averages. SCA has been fined/reprimanded by regulators for underage/early harvesting. Accelerated FTAX surveys coincided with valuation/harvest changes.

\* \*Methodology:\* Calculating harvesting share vs. land share using SCA reports and official statistics (Skogsdata); comparing SCA's density growth trend vs. regional data (SLU); citing regulatory enforcement actions/reports (FSC).

\* \*\*Poor Cash Flow Yield & Disconnect from Value:\*\*

\* \*Details:\* Forest assets generate only ~1.3% cash EBITDA yield relative to their massive reported M2M value. ROIC (~3.6-3.8% ex-inflation) is below WACC (~6.1%). Free cash flow does not consistently cover dividends, requiring debt. EBITDA per harvested m3fo is significantly lower than the M2M value per m3fo.

\* \*Methodology:\* Calculating yield metrics from SCA's segment reporting; comparing ROIC vs. sell-side WACC; analyzing cash flow statements for dividend coverage and financing activities.

\* \*\*Sell-Side Analyst Errors:\*\*

\* \*Details:\* Identifies material errors in sell-side models, such as Citi triple-counting biological asset value in SOTP.

\* \*Methodology:\* Direct review and recalculation of sell-side analyst valuation models.

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\*\*3. Samhällsbyggnadsbolaget i Norden AB (STO: SBB)\*\* (Multiple Reports)

\* \*\*Core Allegation:\*\* SBB is a house of cards built on aggressive debt, related-party dealings, manipulated valuations, and revenue round-tripping, primarily benefiting CEO Ilija Batljan, while masking poor operational cash flow and governance failures.

\* \*\*Detailed Reasons & Supporting Evidence (Methodology):\*\*

\* \*\*Pervasive Governance Failures & Conflicts of Interest:\*\*

\* \*Details:\* CEO Batljan's history (fired from Rikshem for side-deals, insider trading investigation at SBB). Chairman Schuss conflicted (chaired SBB & Gimmel during deal). Other "independent" directors have direct competitor roles (Johansson/FastPartner) or significant business links to Batljan/SBB (Runesten/Effnet/Tessin). Board controls >50% votes. Legal counsel (Rasberg/Wistrand) chairs CEO's private company (IB Invest) and handles whistleblower hotline. Auditor EY (partner Novella) audits both SBB and multiple IB Invest subsidiaries (former partner Rindstig audited both and was found negligent at counterparty Oscar Properties). Valuer Newsec (partner Lindmark) values SBB & IB Invest, has close personal/business ties to Batljan family, SBB/IB Invest share registered address at Newsec office. Audit committee lacks accounting expertise and is dominated by conflicted directors.

\* \*Methodology:\* Background checks on directors/management using news archives, company websites, corporate registries (Proff.se); mapping board roles and external directorships; analyzing share structure/voting rights; identifying legal/audit/valuation providers and cross-referencing their engagements with Batljan's private entities (IB Invest annual reports, prospectuses); reviewing SBB's whistleblower policy; checking property registry data (Vågskålen 24 example); social media checks (Lindmark).

\* \*\*Systematic Overvaluation via Related-Party Deals & Round-Tripping:\*\*

\* \*Details:\* SBB uses disposals to related parties (often undisclosed or with significant SBB buyer support like loans/equity participation) to "validate" inflated asset values. Examples include deals with Kuststaden, Mälardalens Omsorgsfastigheter, Offentliga Hus, Amasten, Oscar Properties, Nyfosa. Often, SBB buys back the asset or the entire counterparty shortly after (round-tripping). Subsidiary SPV accounts show flat revenues and rising costs, contradicting parent-level FV gains. Revenue round-tripping identified in sale-leasebacks with Norwegian childcare operators (Laeringsverkstedet, Trygge Barnehager) where inflated rents (~3x national avg.) are subsidized by SBB-D share dividends paid to the seller as part of the consideration.

\* \*Methodology:\* Analyzing SBB press releases vs. counterparty disclosures (annual reports, prospectuses) for specific M&A transactions to uncover related-party links, buyer support mechanisms, and deal reversals/cancellations; analyzing ~800 SBB subsidiary accounts (obtained via Proff.se/data aggregators) for operational performance vs. parent FV gains; analyzing sale-leaseback terms (SBB releases, LV/Dibber annual reports) including rent levels, D-share consideration, and comparing rent metrics to national averages (Kostnader I barnehagene report). Checking IAS 24 related party definitions.

\* \*\*Financial Manipulation & Poor Cash Generation:\*\*

\* \*Details:\* LTV ratio artificially lowered by classifying hybrid bonds and D-shares (quasi-preference shares) as equity; adjusted LTV (~70%) breaches covenants (~65%). Over 80% of NPBT since 2019 comes from unrealized (and likely unjustified) FV gains. Cash conversion is extremely poor compared to peers (~-40% adjusted vs. ~70% peers). Dividends (including hybrid/D-share payments treated as interest by Viceroy) are paid using borrowed funds, not operating cash flow. Significant outstanding receivables from questionable disposals. Undisclosed contingent liabilities found in counterparty accounts (e.g., LV deal).

\* \*Methodology:\* Recalculating LTV by including hybrid/D-shares and payables; comparing SBB's calculation to S&P's methodology; adjusting earnings (NPBT) by removing unrealized gains and adding back hybrid/D-share payments; analyzing cash flow statements (adjusting for liability changes, adding back hybrid/D-share payments) and comparing cash conversion ratios to peers (using S&P CapIQ, CFRA data); analyzing counterparty financials (Dibber AS) for contingent assets/liabilities related to SBB deals.

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\*\*4. Abalance Corporation (TYO: 3856)\*\* (Multiple Reports)

\* \*\*Core Allegation:\*\* Abalance is primarily a vehicle for its Vietnamese subsidiary, VSUN, to circumvent US anti-dumping/countervailing duties (AD/CVD) on Chinese solar products. VSUN has ties to forced labor supply chains and potentially fraudulent related-party dealings, facing imminent regulatory shutdown in the US.

\* \*\*Detailed Reasons & Supporting Evidence (Methodology):\*\*

\* \*\*AD/CVD Circumvention & Regulatory Risk:\*\*

\* \*Details:\* VSUN (provides ~90% of Abalance revenue) performs only final, low-value assembly in Vietnam using solar cells and components imported almost entirely from China, specifically targeting the US market. US Department of Commerce (DoC) investigation officially determined VSUN is circumventing AD/CVD orders (VSUN failed to respond adequately to DoC questionnaire). A Presidential waiver delaying enforcement expires June 2024, after which VSUN faces prohibitive duties or exclusion from the US market (74% of Abalance FY22 sales). VSUN managers have advertised AD/CVD circumvention capabilities online.

\* \*Methodology:\* Citing official US DoC investigation documents and findings regarding VSUN; analyzing VSUN's manufacturing process (YouTube factory tours, industry reports showing lack of cell production); analyzing trade data (TradeSparq) confirming Chinese origin of key components (cells, modules); citing White House executive order and DoC deadlines; citing bipartisan US Senate vote against tariff exemption.

\* \*\*Links to Defunct/Fraudulent CSUN:\*\*

\* \*Details:\* VSUN was formerly a subsidiary of China Sunergy (CSUN), a bankrupt, delisted company known for fraud and AD/CVD circumvention. Strong operational links persist: identical product designs, specifications, and model numbers; shared warranty providers (PowerGuard) and documents covering both brands; overlapping senior management (Liu Zhengxun, Lewis Cai/Cai Jianfeng) and sales staff (LinkedIn evidence); shared project partners (e.g., Engie) visiting CSUN/CEEG facilities in China; VSUN job postings for key roles based in Shanghai, not Vietnam/Japan.

\* \*Methodology:\* Analysis of historical SEC filings (CSUN 20-F); review of court documents (DEPCOM v. CSUN); comparison of VSUN and CSUN product datasheets and warranty documents; analysis of employee profiles (LinkedIn); review of VSUN job postings/career pages; tracking project partner activities (press releases, news articles); citing industry reports on CSUN's history/bankruptcy (Solar Power World, PV Magazine).

\* \*\*Forced Labor Supply Chain Links:\*\*

\* \*Details:\* VSUN's identified Chinese suppliers (VSUN China - likely a purchasing front, Jiangsu Runergy, Tongwei Solar, Aiko Solar) source materials (polysilicon, wafers) directly or indirectly from companies implicated in using Uyghur forced labor in Xinjiang (Hoshine, GCL Poly, Xinte, Daqo, Asia Silicon). This poses risk under US UFLPA regulations.

\* \*Methodology:\* Analysis of VSUN import data (TradeSparq) to identify direct suppliers; cross-referencing these suppliers and \*their\* upstream suppliers (e.g., LONGi sourcing from GCL/Xinte/Daqo) with academic/NGO reports detailing forced labor links (Sheffield Hallam University report) and official US sanctions lists (CBP WRO on Hoshine).

\* \*\*Opaque Ownership, Related-Party Deals & Conflicts:\*\*

\* \*Details:\* Abalance only entitled to ~43% of VSUN profits due to undisclosed third parties owning 49% of intermediary Fuji Solar. These parties (VSUN Power Co, NA Global) linked to insiders (Cai Jianfeng, Lee Chung Chu). Abalance subsidiary WWB held stake in related VSUN Power Co off-balance sheet, then disposed of it potentially below value to insiders. Abalance bought/sold Fuji Solar shares between related/undisclosed parties at questionable prices. Fuji Solar's auditor (Lee Chung Chu) is also a part-owner and sits on related audit committees. Fuji Solar directors include insiders and Abalance's financial advisor.

\* \*Methodology:\* Mapping the corporate structure using Abalance filings and Vietnamese/Japanese/Hong Kong corporate registry searches; calculating effective ownership percentage; identifying undisclosed shareholders and directors via registry filings; tracking off-balance sheet holdings and disposals (HK registry); analyzing share transfer announcements for pricing discrepancies; identifying auditor/director conflicts via registry data.

\* \*\*Financial Weakness & Failed Workaround:\*\*

\* \*Details:\* Abalance remains cash-flow negative despite VSUN revenue. Margins declining. Attempt to build compliant cell manufacturing in Vietnam is behind schedule, lacks permits (verified via registry search and site visit showing no permit displayed), and capacity is insufficient (3GW planned vs. 5GW+ current module output).

\* \*Methodology:\* Financial statement analysis (cash flow, segment margins); checking Vietnamese government construction permit databases; conducting (or commissioning) site visits with photographic evidence; comparing planned capacity vs. current needs.

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\*\*5. Home REIT (LSE:HOME)\*\* (Multiple Reports)

\* \*\*Core Allegation:\*\* Home REIT's business model, relying on leases to financially weak/unproven charities often run by questionable actors, is unsustainable. Its reported financials are inflated by uncollectible revenues and its NAV potentially boosted by questionable property transactions and valuations, all exacerbated by misaligned external manager incentives.

\* \*\*Detailed Reasons & Supporting Evidence (Methodology):\*\*

\* \*\*Tenant Financial Instability & Questionable Operations:\*\*

\* \*Details:\* Many major tenants are newly formed CICs with no financial track record (Supportive Homes, One CIC, Redemption Project). Some show negligible rent payments in their accounts (Dovecot) or are in administration due to onerous leases (Circle Housing). Funding relies heavily on short-term (12-month) government grants or donations, not supporting 25-year leases. Several distinct tenants are run by the same individuals (Peter Mitchell group, Gurpaal Singh Judge group), concentrating counterparty risk. Some operators have dubious backgrounds (Noble Tree's Kinde involved in multiple lawsuits; Mitchell suspended councillor). Some tenants appear not to provide social housing services as primary function (CG Community Council, Dovecot).

\* \*Methodology:\* Analysis of tenant financial statements obtained from UK Charity Commission and Companies House registries; review of administrator's reports (Circle Housing); background checks on key tenant personnel using news archives, court records, and professional registries; examining tenant websites and public statements regarding their activities; mapping shared directors/trustees across tenant entities. Citing third-party reports on service quality (Women's Aid Federation). Observing interviews regarding tenant disputes (Noble Tree).

\* \*\*Revenue Recognition & Collectibility Issues:\*\*

\* \*Details:\* Poor cash conversion driven by high and rising accounts receivable days (70+ days vs. 30-day terms) with no impairments taken. Aggressive use of straight-line rent recognition creates significant accrued income (~10.5% of HY22 gross profit) unlikely to be collected over 25 years from unstable tenants. Home REIT's rebuttal confirmed vendors provide 12 months' rent funding to tenants upon acquisition, indicating rent round-tripping and contradicting the stated need for a 3-month rent-free period.

\* \*Methodology:\* Calculation of debtor days from Home REIT's financial statements; analyzing the impact of disclosed straight-line rent accrual; reviewing lease terms obtained from HM Land Registry (showing standard payment terms); critical analysis of Home REIT's rebuttal regarding rent-free periods vs. vendor funding disclosures.

\* \*\*NAV Inflation & Questionable Valuations:\*\*

\* \*Details:\* Property valuation relies entirely on rental yields ("Investment Method"), making NAV highly sensitive to revenue issues. Evidence suggests Home REIT overpaid for properties via SPV structures where properties were flipped multiple times on the same day for huge markups immediately before Home REIT acquired the SPV (Stoke-on-Trent & Plymouth portfolio examples). Claimed refurbishment costs are questionable given lack of evidence and properties having low/expired Energy Performance Certificates (EPCs) long after acquisition deadlines. External valuer (Knight Frank) admitted in their report they did not inspect properties internally nor review the long-term leases.

\* \*Methodology:\* Forensic analysis of property transaction histories using HM Land Registry Price Paid data and Title Summaries for properties identified via charge registrations linked to Home REIT SPVs; mapping SPV ownership changes (Companies House); checking property EPC ratings via government databases; critically reviewing the Valuer's (Knight Frank) report limitations and methodology disclosures. Analyzing Home REIT's rebuttal disclosures on vendor profits and refurbishment costs.

\* \*\*Misaligned Management Incentives & Governance:\*\*

\* \*Details:\* External Investment Advisor (Alvarium) paid a fee based on % of NAV, incentivizing asset growth (acquisition spending, leverage, upward revaluations) rather than operational performance or tenant quality/rent collection. High CFO turnover (3 individuals held the function via Alvarium in 2022).

\* \*Methodology:\* Analysis of the Investment Advisory Agreement terms disclosed in Home REIT's annual reports; tracking management/CFO changes.

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\*\*6. Truecaller (STO: TRUEB)\*\* (Multiple Reports)

\* \*\*Core Allegation:\*\* Truecaller operates as spyware, violating GDPR and other privacy regulations (especially regarding non-user data and minors), uses deceptive practices regarding its operational base for tax/compliance advantages, suffers from poor data security, and faces existential threats from regulation and competition.

\* \*\*Detailed Reasons & Supporting Evidence (Methodology):\*\*

\* \*\*Systemic Privacy Violations (GDPR & Local Laws):\*\*

\* \*Details:\* Scrapes and publishes contact data (names, numbers) of users \*and\* non-users from address books without valid consent, particularly outside the EU via "Enhanced Search" (often auto-enabled or obtained via web login bypass). Fails GDPR requirements (Art 7 consent, Art 14 info for non-users, Art 34 breach notification) and hinders user rights (Art 15 access, 16 rectify, 17 erase, 18 restrict). Collects data from minors (<18) without verifiable guardian consent, violating Indian law. Processes excessive data (SMS content for financial profiling, location data shared with third parties, network info) beyond core functionality. Uses undisclosed third-party trackers. Falsely claims user is responsible for obtaining consent from \*their\* contacts.

\* \*Methodology:\* Analyzing Truecaller privacy policies (global, EU, Nigeria etc.) against GDPR/local laws (Indian Contract Act); citing EU regulatory communications (Article 29 WP letter); testing app permissions/functionality with dummy accounts (Mike Rotch) across different regions/download methods (Play Store vs direct APK); using app analysis tools (Exodus Privacy) to identify trackers/permissions; analyzing user interface for consent mechanisms (Enhanced Search default status); citing investigative journalism (The Caravan) and former employee interviews (Tegus) regarding data scraping/SMS access; checking listed third-party processors vs identified trackers.

\* \*\*Tax Avoidance & Compliance Catch-22:\*\*

\* \*Details:\* Claims Indian operational base to sidestep GDPR for non-EU users but structures taxes as if Swedish. Bills global advertising revenue from Sweden, avoiding higher Indian corporate taxes (~29% vs ~21%) and withholding taxes. Uses inappropriate cost-plus transfer pricing for its Indian subsidiary (Truecaller International LLP) which performs critical functions (servers, R&D, sales, majority of staff). Indian subsidiary historically reported losses despite group profitability. Subject to ongoing tax proceedings/investigations in India (TP/GST - confirmed by auditor EOM and prospectus) and Sweden (TP).

\* \*Methodology:\* Comparing Truecaller's statements on operational location vs its billing/tax structure; analyzing Indian subsidiary financial statements (obtained via filings) showing intercompany revenue reliance, losses, and auditor Emphasis of Matter regarding TP/GST; reviewing Truecaller's prospectus for disclosure of tax investigations; comparing effective tax rates between India and Sweden; analyzing advertising Terms & Conditions identifying the contracting entity.

\* \*\*Poor Data Security & History of Breaches:\*\*

\* \*Details:\* Platform repeatedly compromised: Syrian Electronic Army (2013), IMEI vulnerability (Cheetah Mobile 2016), massive user data leaks sold on dark web (2019), profile picture link vulnerability (2019), developer access vulnerability (Angry Wizard 2019), Guardians app vulnerability (2021). Cracked/bootleg versions of the premium app readily available online, potentially containing malware and allowing unauthorized database access (tested by Viceroy). Company often denies or downplays breaches. Platform easily abused by scammers/spies (cited by Privacy International).

\* \*Methodology:\* Citing news reports and security researcher publications detailing specific breaches/vulnerabilities; searching for and testing cracked versions of the app (including packet capture); referencing third-party verification of vulnerabilities (Techpoint Africa verification of Angry Wizard claims).

\* \*\*Existential Threat from Competition & Regulation:\*\*

\* \*Details:\* Core caller ID/spam filtering function being made redundant by network-level solutions (TRAI developing KYC-based system in India) and built-in OEM features (Google Dialer, Samsung Smart Call/Hiya). Over-the-Top (OTT) messaging apps like WhatsApp offer spam-free communication channels and are integrating business features, eroding Truecaller's potential B2B market. Truecaller ineffective on iOS due to Apple's privacy restrictions. Very low R&D spend limits ability to compete/innovate. Indian Draft Telecom Bill proposes government alternative and criminalizes spam.

\* \*Methodology:\* Citing regulatory announcements (TRAI, Indian Draft Telecom Bill); reviewing competitor features (OEMs, WhatsApp); analyzing app store reviews (especially iOS); citing former employee interviews (Tegus) on competitive threats; analyzing Truecaller's R&D expenditure from financial statements.

\* \*\*Questionable Financials & Insider Exits:\*\*

\* \*Details:\* Recent revenue growth surge was artificial, driven by a one-time increase in ad frequency (spamming users), not fundamentals; impressions per user now flat/declining. Premium subscriber growth stagnant or potentially falling (calculation based on ARPU/revenue). Significant insider and VC selling since IPO. Indian auditor (SR Batliboi) has a history of regulatory issues (RBI ban, ICAI finding).

\* \*Methodology:\* Analyzing advertising metrics (revenue, DAU, impressions/user, CPM) over time from financial reports; calculating estimated premium subscribers; tracking major shareholder sales via RNS/press releases; researching auditor's background.

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