



# Q4 2024 Update

February 4th, 2025

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# Executive Summary

We ended 2024 with strong Q4 performance, as nearly all of our KPIs exceeded guidance and profitability reached record levels. MAU net additions of 35 million marked the largest Q4 in our history and exceeded guidance by 10 million. Subscriber net additions of 11 million also significantly outperformed, surpassing guidance by 3 million. Revenue was ahead of plan due to favorable currency movements and underlying strength in the business. Gross Margin of 32.2% was above guidance and up 555 bps Y/Y. Operating Income of €477 million was slightly below our guidance as Gross Profit strength and lower personnel and related and marketing costs were more than offset by €96 million in Social Charges. Social Charges were €80 million above forecast due to share price appreciation during the quarter. Free Cash Flow\* reached €877 million in Q4, bringing full year 2024 Free Cash Flow generation to €2.3 billion.

Looking into 2025, we view the business as well positioned to deliver another year of continued growth and improving margins as we reinvest to support our long-term potential.

USER & FINANCIAL SUMMARY	Q4 2023	Q3 2024	Q4 2024	Y/Y	Q/Q
<b>USERS (M)</b>					
Total Monthly Active Users ("MAUs")	602	640	675	12%	5%
Premium Subscribers	236	252	263	11%	4%
Ad-Supported MAUs	379	402	425	12%	6%
<b>FINANCIALS (€M)</b>					
Premium	3,170	3,516	3,705	17%	5%
Ad-Supported	<u>501</u>	<u>472</u>	<u>537</u>	<u>7%</u>	<u>14%</u>
<b>Total Revenue</b>	<b>3,671</b>	<b>3,988</b>	<b>4,242</b>	<b>16%</b>	<b>6%</b>
Gross Profit	980	1,240	1,368	40%	10%
<b>Gross Margin</b>	<b>26.7%</b>	<b>31.1%</b>	<b>32.2%</b>	--	--
<b>Operating (Loss)/Income</b>	<b>(75)</b>	<b>454</b>	<b>477</b>	--	<b>5%</b>
Operating Margin	(2.0%)	11.4%	11.2%	--	--
Net Cash Flows From Operating Activities	397	715	883	122%	23%
<b>Free Cash Flow*</b>	<b>396</b>	<b>711</b>	<b>877</b>	<b>121%</b>	<b>23%</b>



\* Constant Currency adjusted measures and Free Cash Flow are non-IFRS measures. See "Use of Non-IFRS Measures" and "Reconciliation of IFRS to Non-IFRS Results" for additional information.

# Key Highlights

## Record net additions drive double digit Y/Y growth in MAUs and Subscribers

- MAUs grew 12% Y/Y to 675 million, reflecting Y/Y and Q/Q growth across all regions; net additions of 35 million marked the largest Q4 in our history
- Premium Subscribers grew 11% Y/Y to 263 million, reflecting Y/Y and Q/Q growth across all regions; net additions of 11 million matched Q4'19's record performance

## Continued top-line strength drives first full year of Operating Income profitability

- Total Revenue grew 16% Y/Y to €4.2 billion; on a constant currency\* basis, Total Revenue grew 17% Y/Y
- Gross Margin finished at a record high of 32.2% (up 555 bps Y/Y)
- Operating Income finished at a record high of €477 million (an 11.2% margin), driving Spotify's first full year of Operating Income to €1.4 billion
- Free Cash Flow\* finished at record high €877 million, bringing full year 2024 Free Cash Flow generation to €2.3 billion

## Largest ever Wrapped, expanding video experience and record music payouts

- 10th annual Wrapped campaign delivered double-digit Y/Y growth in user engagement across 184 markets
- Unveiled Uninterrupted Video Podcasts for Premium Subscribers in select markets, giving fans a new way to experience video podcasts
- Evolved Spotify for Podcasters into Spotify for Creators and introduced Spotify Partner Program to create new monetization opportunities for creators
- Paid out a record \$10 billion in royalties to the music industry in 2024

# Key Highlights: Actuals vs. Guidance

## Users

	Results	Q4 2024 Actuals	Guidance
Monthly Active Users (M)	Above	675	665
Premium Subscribers (M)	Above	263	260

## Financials

	Results	Q4 2024 Actuals	Guidance
Total Revenue (€B)	Above	€4.2	€4.1
Gross Margin	Above	32.2%	31.8%
Operating Income (€M)*	Below	€477	€481

**FINANCIAL**

**SUMMARY**

# Financial Summary

USER, FINANCIAL & LIQUIDITY SUMMARY	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Y/Y	Y/Y FXN*
<b>USERS (M)</b>							
Total Monthly Active Users ("MAUs")	602	615	626	640	675	12%	--
Premium Subscribers	236	239	246	252	263	11%	--
Ad-Supported MAUs	379	388	393	402	425	12%	--
<b>FINANCIALS (€M)</b>							
Premium	3,170	3,247	3,351	3,516	3,705	17%	19%
Ad-Supported	<u>501</u>	<u>389</u>	<u>456</u>	<u>472</u>	<u>537</u>	<u>7%</u>	<u>6%</u>
<b>Total Revenue</b>	<b>3,671</b>	<b>3,636</b>	<b>3,807</b>	<b>3,988</b>	<b>4,242</b>	<b>16%</b>	<b>17%</b>
Gross Profit	980	1,004	1,112	1,240	1,368	40%	41%
<b>Gross Margin</b>	<b>26.7%</b>	<b>27.6%</b>	<b>29.2%</b>	<b>31.1%</b>	<b>32.2%</b>	--	--
<b>Total Operating Expenses</b>	<b>1,055</b>	<b>836</b>	<b>846</b>	<b>786</b>	<b>891</b>	<b>-16%</b>	<b>-18%</b>
<b>Operating (Loss)/Income</b>	<b>(75)</b>	<b>168</b>	<b>266</b>	<b>454</b>	<b>477</b>	--	--
Operating Margin	(2.0%)	4.6%	7.0%	11.4%	11.2%	--	--
<b>FREE CASH FLOW &amp; LIQUIDITY (€M, unless otherwise denoted)</b>							
Net Cash Flows From Operating Activities	397	211	492	715	883	122%	--
<b>Free Cash Flow*</b>	<b>396</b>	<b>207</b>	<b>490</b>	<b>711</b>	<b>877</b>	<b>121%</b>	--
Cash & Cash Equivalents, Restricted Cash & Short Term Investments (€B)	4.3	4.7	5.4	6.1	7.5	--	--



\* Free Cash Flow and Constant Currency adjusted measures (FXN) are non-IFRS measures. See "Use of Non-IFRS Measures" and "Reconciliation of IFRS to Non-IFRS Results" for additional information.

# Financial Summary

## Revenue

Revenue of €4,242 million grew 16% Y/Y in Q4 (or 17% Y/Y constant currency\*), reflecting:

- Premium Revenue growth of 17% Y/Y (or 19% Y/Y constant currency\*), driven by subscriber gains and ARPU increases; and
- Ad-Supported Revenue growth of 7% Y/Y (or 6% Y/Y constant currency\*)
- Unfavorable currency movements slowed Total Revenue Y/Y growth by ~160 bps vs. guidance for ~350 bps

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## Profitability

Gross Margin was 32.2% in Q4, up 555 bps Y/Y reflecting:

- Premium gains driven by audiobooks and music; and
- Ad-Supported gains driven by music and podcasts (partially offset by real estate impairment activity); and
- Other Costs of Revenue favorability, which benefited both the Premium and Ad-Supported segments

Operating Income was €477 million in Q4 and reflected:

- Lower personnel and related costs and lower marketing spend, partially offset by
- €96 million in Social Charges

At the end of Q4, our workforce consisted of 7,261 full-time employees globally

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## Free Cash Flow & Liquidity

Free Cash Flow\* was €877 million in Q4. Our liquidity and balance sheet remained strong, with €7.5 billion in cash and cash equivalents, restricted cash and short term investments.



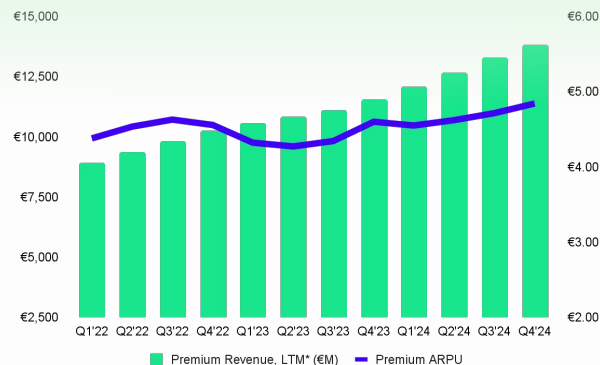
\* Constant Currency adjusted measures and Free Cash Flow are non-IFRS measures. See "Use of Non-IFRS Measures" and "Reconciliation of IFRS to Non-IFRS Results" for additional information.



# Revenue

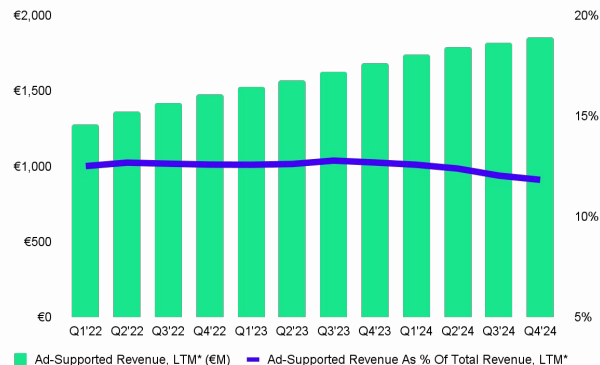
## Premium growth driven by Subscriber and ARPU gains

Premium Revenue grew 17% Y/Y to €3,705 million (or 19% Y/Y constant currency\*), reflecting subscriber growth of 11% Y/Y and a Premium ARPU increase of 5% Y/Y to €4.85 (or up 7% Y/Y constant currency\*). Excluding the impact of FX, ARPU performance was driven by price increase benefits, partially offset by product/market mix.



## Advertising growth in challenging brand environment

Ad-Supported Revenue grew 7% Y/Y (or 6% Y/Y constant currency\*), reflecting Y/Y growth across all regions. Both Music and Podcast advertising was driven by growth in impressions sold, partially offset by softness in pricing. Our automated sales channels were the largest contributors to overall advertising growth.



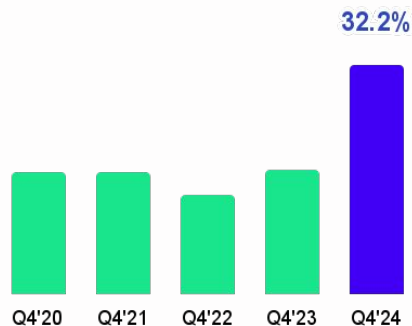
\* Constant Currency adjusted measures are non-IFRS measures. See "Use of Non-IFRS Measures" and "Reconciliation of IFRS to Non-IFRS Results" for additional information.  
ARPU means Premium Average Revenue per User.

\* Last Twelve Months (LTM) represents annual performance covering the preceding 12 months relative to the last day of the quarter.

# Gross Margin

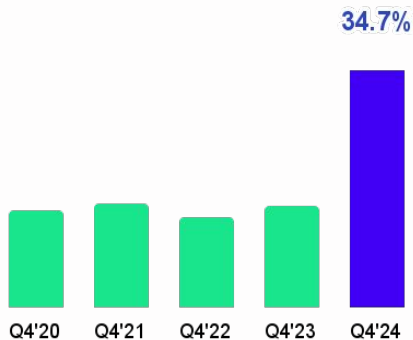
Driven by continued improvement across Premium and Ad-Supported segments

Total Gross Margin



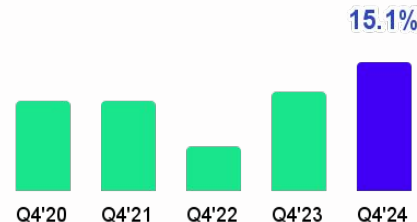
Gross Margin finished at 32.2% in Q4, up 555 bps Y/Y. The Y/Y trend was driven by improvements in our Premium and Ad-Supported segments.

Premium Gross Margin



Premium Gross Margin was 34.7% in Q4, up 565 bps Y/Y. The Y/Y trend was driven by favorability from audiobooks, music and Other Costs of Revenue.

Ad-Supported Gross Margin



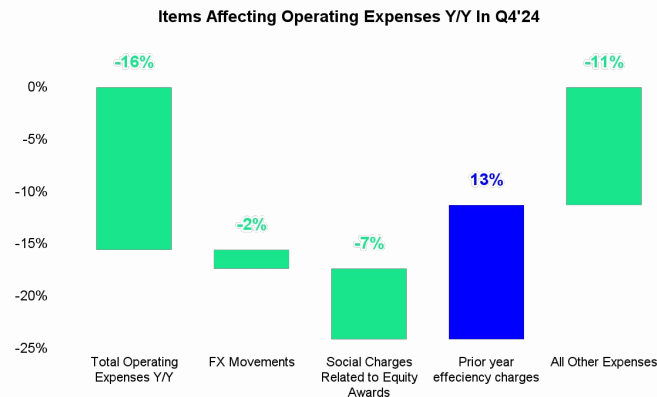
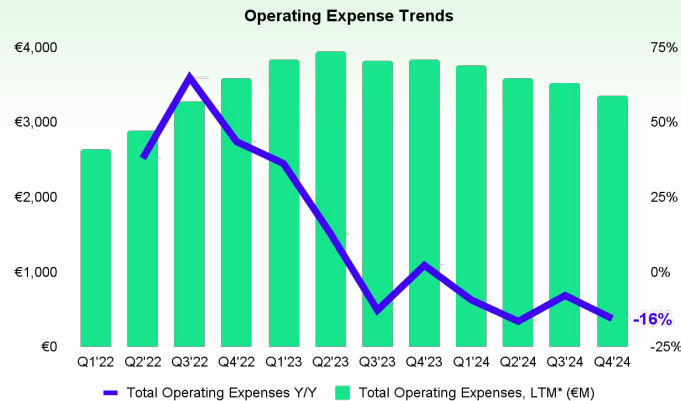
Ad-Supported Gross Margin was 15.1% in Q4, up 351 bps Y/Y. The Y/Y trend was driven by favorability from music, Other Cost of Revenue and podcasts, partially offset by real estate impairment activity.

# Operating Expenses

## Y/Y declines led by efficiency initiatives

Operating Expenses declined 16% Y/Y in Q4. Currency movements and changes in Social Charge movements elevated Y/Y Operating Expense growth by ~200 bps and ~700 bps, respectively, while the lapping of prior year efficiency charges contributed ~1,300 bps of Operating Expense decline. Absent these items, the remaining 11% Y/Y decline in Operating Expenses was driven primarily by a decrease in personnel and related costs and lower marketing spend.

As a reminder, Social Charges are payroll taxes associated with employee salaries and benefits in select countries where we operate. Since a portion of these taxes is tied to the intrinsic value of share-based compensation awards, movements in our stock price can lead to fluctuations in the taxes we accrue. This resulted in Social Charges related to share-based compensation of €96 million in the current period. Prior year period Operating Expenses included €33 million in Social Charges.



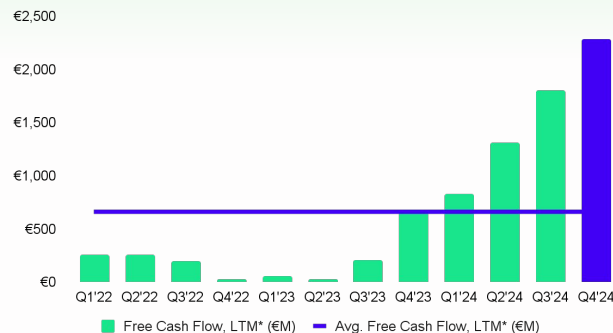
# Free Cash Flow

## Record performance aids balance sheet strength

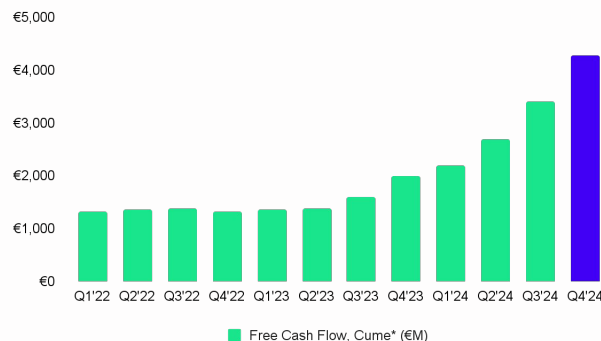
Free Cash Flow\* was €877 million in Q4, a record high as a result of higher Net Income adjusted for non-cash items and a positive contribution from net working capital. Capital expenditures rose €5 million Y/Y to €6 million.

While the magnitude of Free Cash Flow can fluctuate from quarter to quarter based on seasonality and timing, we have averaged €661 million of positive Free Cash Flow on a trailing 12 month basis for the past three years. In Q4, trailing 12 month Free Cash Flow expanded to €2.3 billion. On a cumulative basis, we have generated €4.3 billion of Free Cash Flow since the beginning of 2016, supporting our strong balance sheet and €7.5 billion in cash and cash equivalents, restricted cash and short term investments balance.

Free Cash Flow Generation Over Last Twelve Months (LTM\*)



Cumulative Free Cash Flow Generation Since 2016



\* Free Cash Flow is a non-IFRS measure. See "Use of Non-IFRS Measures" and "Reconciliation of IFRS to Non-IFRS Results" for additional information\* to be consistent with other slides. Last Twelve Months (LTM) represents annual performance covering the preceding 12 months relative to the last day of the quarter. Cume represents cumulative performance since the beginning of 2016.

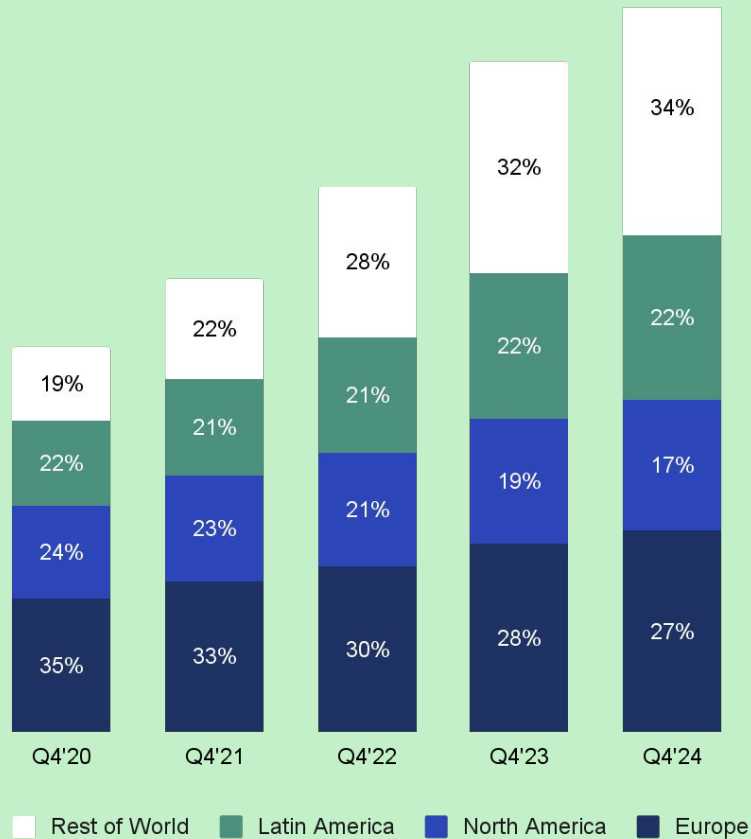
**MAUS**

**& SUBSCRIBERS**

# Monthly Active Users (MAUs)

Total MAUs grew 12% Y/Y to 675 million, up from 640 million last quarter and 10 million above our guidance. Quarterly performance reflected:

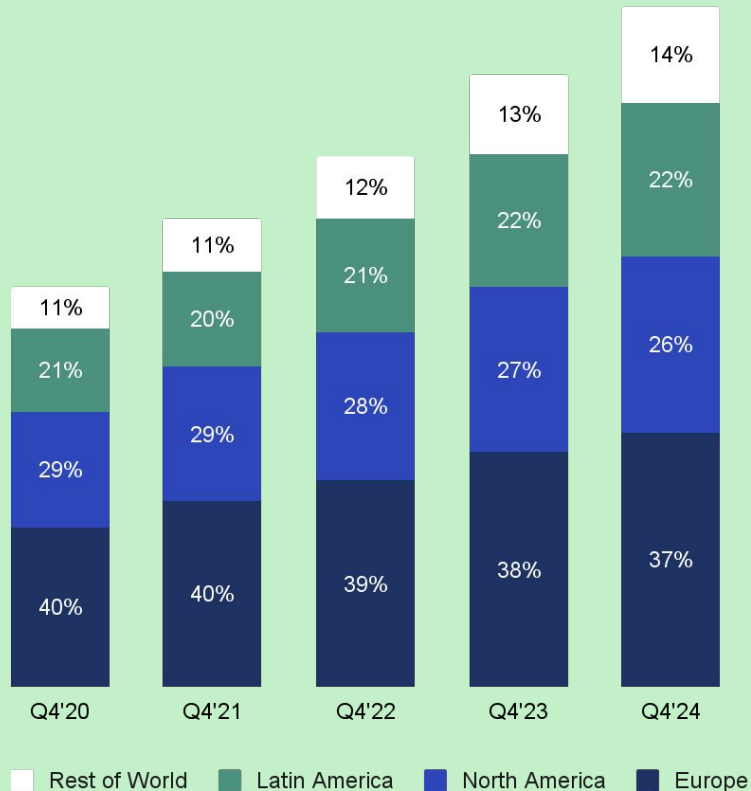
- Y/Y and Q/Q growth across all regions, led by Rest of World and Latin America
- Strong holiday and Wrapped Campaigns
- Shifts in competitor dynamics in select developing markets



# Premium Subscribers

Our Premium Subscribers grew 11% Y/Y to 263 million, up from 252 million last quarter and 3 million above guidance. Quarterly performance reflected:

- Y/Y and Q/Q growth across all regions, with outperformance led by Rest of World
- Strong holiday and Wrapped Campaigns
- Shifts in competitor dynamics in select developing markets



**PRODUCT**

**& PLATFORM**

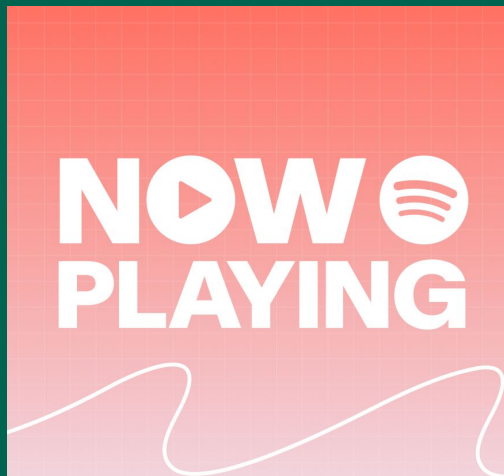


# 10th Annual Wrapped Campaign

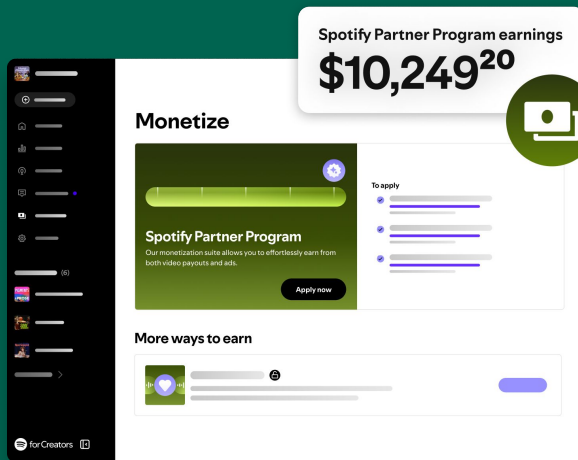


**Celebrated our biggest Spotify Wrapped campaign ever**, which delivered record-high user engagement (+10% Y/Y) across 184 markets and 53 languages. The 2024 campaign included personalized data stories and playlists, a custom AI DJ Wrapped experience, Artist and Podcaster Clips and editorial playlists and insights.

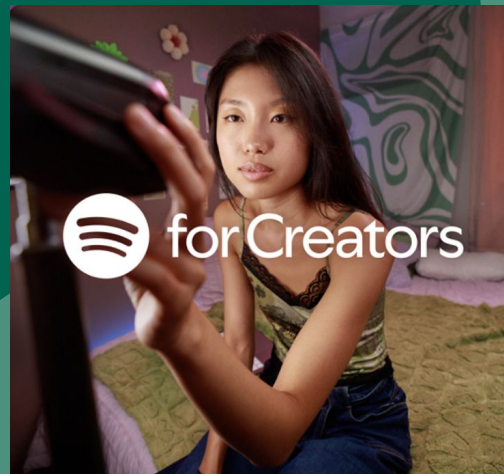
# Delivering a Best-In-Class Video Experience



Unveiled a new video podcast offering for Premium Subscribers in the United States, United Kingdom, Australia and Canada, giving fans the ability to watch their favorite participating podcasts uninterrupted by dynamic ads



Launched the **Spotify Partner Program**, a new monetization program for creators hosted on Spotify, enabling creators to earn more from their audio and video content

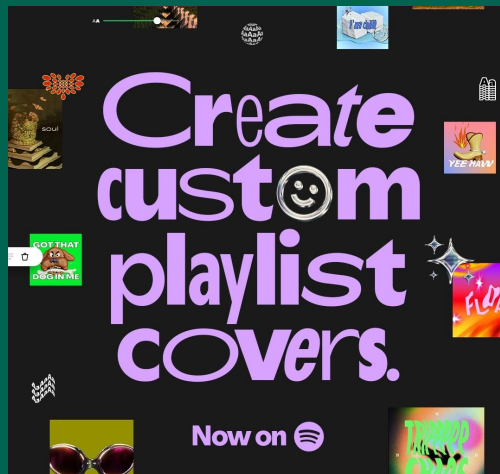


Evolved **Spotify for Podcasters** to **Spotify for Creators**, opening up the Spotify Partner Program for video podcasts, improved analytics and audience growth tools and new ways to promote podcasts

# Expanding Features for Creators and Consumers



**Launched Spotify for Authors**, giving authors and publishers better tools, insights and data to maximize their success on Spotify



**Rolled-out Custom playlist covers in Beta**, giving users the ability to create their own cover art for the over 8 billion user generated playlists on Spotify



**Introduced Offline Backup**, enabling Premium users to access tracks without an internet connection—no downloads required

# A Decade of Getting the World to Value Music

For another year, Spotify set the record for the highest annual payment to the music industry from any single retailer:

**\$10B+**

That figure has grown tenfold over the past decade and represents a big part of the nearly **\$60B** Spotify has paid since its founding.

In 2024, Spotify alone paid out a record \$10 billion in royalties to the music industry—totaling nearly \$60 billion since our founding.

# OUTLOOK

# Outlook for Q1'25

The following forward-looking statements reflect Spotify's expectations for Q1 2025 as of February 4, 2025 and are subject to substantial uncertainty.

Total MAUs	678 million	Implies the addition of approximately 3 million net new MAUs in the quarter
Total Premium Subscribers	265 million	Implies the addition of approximately 2 million net new subscribers in the quarter
Total Revenue	€4.2 billion	Assumes approximately ~90 bps benefit to growth Y/Y due to foreign exchange rate movements; based on currency rates as of the Q4 close
Gross Margin	31.5%	Primarily driven by Y/Y favorability across Premium and Ad-Supported segments
Operating Income	€548 million	Incorporates €18 million in Social Charges based on a Q4 close share price of \$447.38

## Webcast Information

We will host a live question and answer session starting at 8:00 a.m. ET today on [investors.spotify.com](https://investors.spotify.com). The session will be led by Daniel Ek, our Co-Founder and Chief Executive Officer, and Christian Luiga, our Chief Financial Officer. Questions can be submitted by going to [slido.com](https://slido.com) and using the code #SpotifyEarningsQ424. Participants also may join using the listen-only conference line by registering through the following site: <https://registrations.events/direct/Q415705088>

We use [investors.spotify.com](https://investors.spotify.com) and [newsroom.spotify.com](https://newsroom.spotify.com) websites as well as other social media listed in the “Resources – Social Media” tab of our Investors website to disclose material company information.

## Use of Non-IFRS Measures

To supplement our financial information presented in accordance with IFRS, we use the following non-IFRS financial measures: Revenue excluding foreign exchange effect, Premium revenue excluding foreign exchange effect, Ad-Supported revenue excluding foreign exchange effect, gross profit excluding foreign exchange effect, Operating expense excluding foreign exchange effect, and Free Cash Flow. Management believes that Revenue excluding foreign exchange effect, Premium revenue excluding foreign exchange effect, Ad-Supported revenue excluding foreign exchange effect, gross profit excluding foreign exchange effect, and Operating expense excluding foreign exchange effect, are useful to investors because they present measures that facilitate comparison to our historical performance. However, these should be considered in addition to, not as a substitute for or superior to, Revenue, Premium revenue, Ad-Supported revenue, Gross Profit, Operating expense, or other financial measures prepared in accordance with IFRS. Management believes that Free Cash Flow is useful to investors because it presents a measure that approximates the amount of cash generated that is available to repay debt obligations, to make investments, and for certain other activities that exclude certain infrequently occurring and/or non-cash items. However, Free Cash Flow should be considered in addition to, not as a substitute for or superior to, net cash flows (used in)/from operating activities or other financial measures prepared in accordance with IFRS. For more information on these non-IFRS financial measures, please see “Reconciliation of IFRS to Non-IFRS Results” section below.

## Forward Looking Statements

This shareholder update contains estimates and forward-looking statements. All statements other than statements of historical fact are forward-looking statements. The words “may,” “might,” “will,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “intend,” “seek,” “believe,” “estimate,” “predict,” “potential,” “continue,” “contemplate,” “possible,” and similar words are intended to identify estimates and forward-looking statements. Our estimates and forward-looking statements are mainly based on our current expectations and estimates of future events and trends, which affect or may affect our businesses and operations. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to numerous risks and uncertainties and are made in light of information currently available to us. Many important factors may adversely affect our results as indicated in forward-looking statements. These factors include, but are not limited to: our ability to attract prospective users, retain existing users, and monetize our products and services; competition for users, their time, and advertisers; risks associated with our international operations and our ability to manage our growth and the scope and complexity of our business; risks associated with our new products or services and our emphasis on long-term user engagement over short-term results; our ability to predict, recommend, and play content that our users enjoy; our ability to generate profit or positive cash flow on a sustained basis; our ability to convince advertisers of the benefits of our advertising offerings; our ability to forecast or optimize advertising inventory amid evolving industry trends in digital advertising; our ability to generate revenues from podcasts, audiobooks, and other non-music content; potential disputes or liabilities associated with content made available on our premium service and ad-supported service (collectively, the “Service”); risks relating to acquisitions, investments, and divestitures; our dependence upon third-party licenses for most of the content we stream; our lack of control over third-party content providers who are concentrated and can unilaterally affect our access to content; our ability to comply with complex license agreements; our ability to accurately estimate royalty payments under our license agreements and relevant statutes; the limitations on our operating flexibility due to financial commitments required under certain of our license agreements; our ability to identify the compositions embodied in sound recordings and ownership thereof in order to obtain licenses or comply with existing license agreements; assertions by third parties of infringement or other violations by us of their intellectual property rights; our ability to protect our intellectual property; the dependence of streaming on operating systems, online platforms, hardware, networks, regulations, and standards that we do not control; our ability to maintain the integrity of our technology infrastructure and systems or the security of confidential information; undetected errors, misconfigurations, bugs, or vulnerabilities in our products and services; interruptions, delays, or discontinuations in service arising from our systems or systems of third parties; changes in laws or regulations affecting us; risks relating to privacy and data security, content moderation, and use of artificial intelligence; our ability to maintain, protect, and enhance our brand; risks associated with increased scrutiny of environmental, social, and governance matters; payment acceptance-related risks; our dependence on key personnel and ability to attract, retain, and motivate highly skilled employees; our ability to access additional capital to support strategic objectives; risks relating to currency exchange rate fluctuations and foreign exchange controls; the impact of economic, social, or political conditions, including inflation, changes in interest rates, geopolitical conflicts in Europe and the Middle East, and related market uncertainty; our ability to accurately estimate user metrics and other estimates; our ability to manage and remediate attempts to manipulate streams and attempts to gain or provide unauthorized access to certain features of our Service; risks related to our indebtedness, including risks related to our Exchangeable Notes; fluctuation of our operating results and fair market value of ordinary shares; tax-related risks; the concentration of voting power among our founders, which limits shareholders’ ability to influence our governance and business; and risks related to our status as a foreign private issuer and a Luxembourg company. A detailed discussion of these and other risks and uncertainties that could cause actual results and events to differ materially from our estimates and forward-looking statements is included in our filings with the U.S. Securities and Exchange Commission (“SEC”), including our Annual Report on Form 20-F filed with the SEC on February 8, 2024, as updated by subsequent reports filed with the SEC. We undertake no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of this shareholder update.

## Rounding

Certain monetary amounts, percentages, and other figures included in this update have been subject to rounding adjustments. The sum of individual metrics may not always equal total amounts indicated due to rounding.

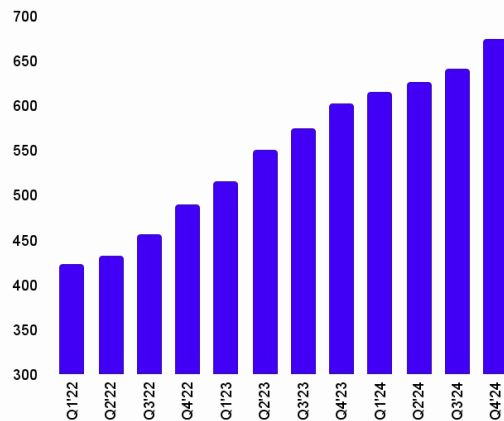
**FINANCIAL**

**STATEMENTS**

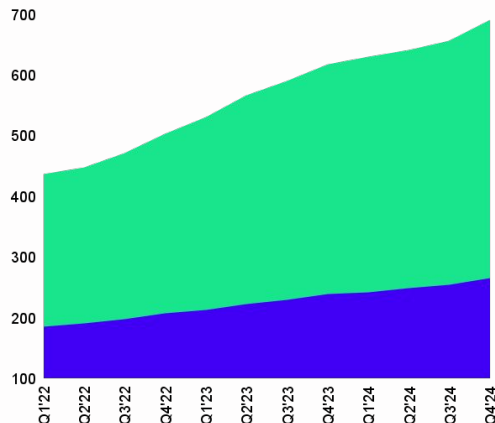


# Trending Charts

## MAUs, Ad-Supported Users, Premium Subscribers & Revenue By Segment

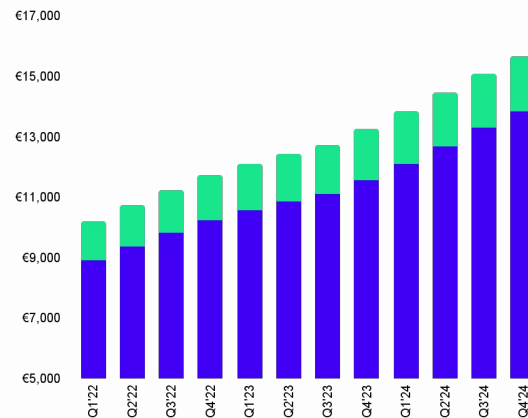


Monthly Active Users (M)



Ad-Supported Users (M)

Premium Subscribers (M)



Ad-Supported Revenue, LTM\* (€M)

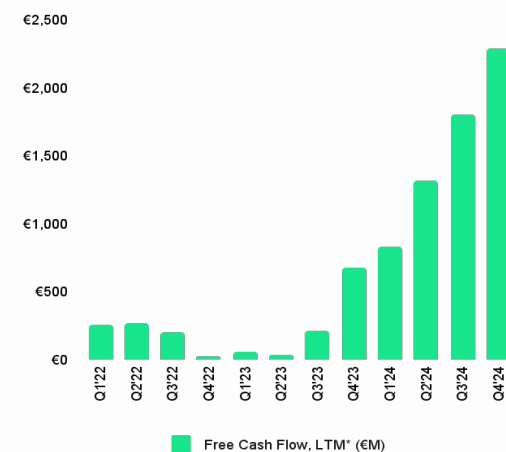
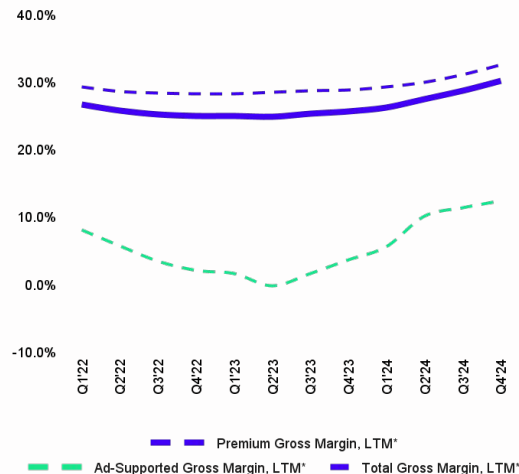
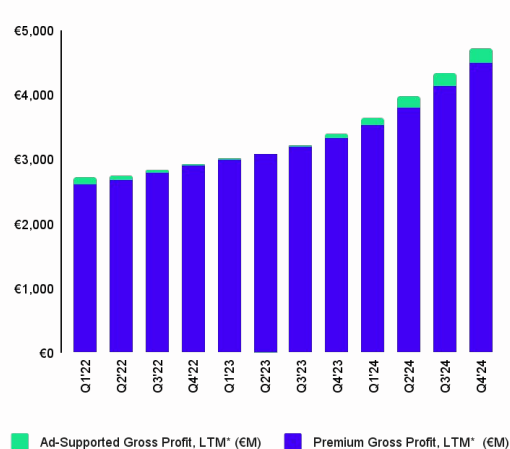
Premium Revenue, LTM\* (€M)



\* Last Twelve Months (LTM) represents annual performance covering the preceding 12 months relative to the last day of the quarter.

# Trending Charts

## Gross Profit by Segment, Gross Margin by Segment & Free Cash Flow\*



\* Free Cash Flow is a non-IFRS measure. See "Use of Non-IFRS Measures" and "Reconciliation of IFRS to Non-IFRS Results" for additional information" to be consistent with other slides. Last Twelve Months (LTM) represents annual performance covering the preceding 12 months relative to the last day of the quarter.

# Consolidated statement of operations

(Unaudited)  
(in € millions, except share and per share data)

	Three months ended			Twelve months ended	
	December 31, 2024	September 30, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Revenue	4,242	3,988	3,671	15,673	13,247
Cost of revenue	2,874	2,748	2,691	10,949	9,850
<b>Gross profit</b>	<b>1,368</b>	<b>1,240</b>	<b>980</b>	<b>4,724</b>	<b>3,397</b>
Research and development	376	342	468	1,486	1,725
Sales and marketing	393	332	432	1,392	1,533
General and administrative	122	112	155	481	585
	<b>891</b>	<b>786</b>	<b>1,055</b>	<b>3,359</b>	<b>3,843</b>
<b>Operating income/(loss)</b>	<b>477</b>	<b>454</b>	<b>(75)</b>	<b>1,365</b>	<b>(446)</b>
Finance income	127	66	46	328	161
Finance costs	(105)	(122)	(102)	(352)	(220)
<b>Finance income/(costs) - net</b>	<b>22</b>	<b>(56)</b>	<b>(56)</b>	<b>(24)</b>	<b>(59)</b>
<b>Income before tax</b>	<b>499</b>	<b>398</b>	<b>(131)</b>	<b>1,341</b>	<b>(505)</b>
Income tax expense/(benefit)	132	98	(61)	203	27
<b>Net income/(loss) attributable to owners of the parent</b>	<b>367</b>	<b>300</b>	<b>(70)</b>	<b>1,138</b>	<b>(532)</b>
<b>Earnings/(loss) per share attributable to owners of the parent</b>					
Basic	1.81	1.49	(0.36)	5.67	(2.73)
Diluted	1.76	1.45	(0.36)	5.50	(2.73)
<b>Weighted-average ordinary shares outstanding</b>					
Basic	202,907,480	201,575,568	196,036,080	200,622,518	194,732,304
Diluted	209,012,505	207,399,501	196,036,080	206,990,369	194,732,304

# Consolidated statement of financial position

(Unaudited)  
(in € millions)

	December 31, 2024	December 31, 2023
<b>Assets</b>		
<b>Non-current assets</b>		
Lease right-of-use assets	226	300
Property and equipment	188	247
Goodwill	1,201	1,137
Intangible assets	48	84
Long term investments	1,635	1,215
Restricted cash and other non-current assets	68	75
Finance lease receivables	74	—
Deferred tax assets	186	28
	<b>3,626</b>	<b>3,086</b>
<b>Current assets</b>		
Trade and other receivables	771	858
Income tax receivable	28	20
Short term investments	2,667	1,100
Cash and cash equivalents	4,781	3,114
Other current assets	132	168
	<b>8,379</b>	<b>5,260</b>
<b>Total assets</b>	<b>12,005</b>	<b>8,346</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	—	—
Other paid in capital	6,124	5,155
Treasury shares	(262)	(262)
Other reserves	2,707	1,812
Accumulated deficit	(3,044)	(4,182)
<b>Equity attributable to owners of the parent</b>	<b>5,525</b>	<b>2,523</b>
<b>Non-current liabilities</b>		
Exchangeable Notes	1,539	1,203
Lease liabilities	462	493
Accrued expenses and other liabilities	5	26
Provisions	3	3
Deferred tax liabilities	21	8
	<b>2,030</b>	<b>1,733</b>
<b>Current liabilities</b>		
Trade and other payables	1,342	978
Income tax payable	33	12
Deferred revenue	683	622
Accrued expenses and other liabilities	2,347	2,440
Provisions	25	21
Derivative liabilities	20	17
	<b>4,450</b>	<b>4,090</b>
<b>Total liabilities</b>	<b>6,480</b>	<b>5,823</b>
<b>Total equity and liabilities</b>	<b>12,005</b>	<b>8,346</b>

# Consolidated statement of cash flows

(Unaudited)  
(in € millions)

	Three months ended			Twelve months ended	
	December 31, 2024	September 30, 2024	December 31, 2023	December 31, 2024	December 31, 2023
<b>Operating activities</b>					
Net income/(loss)	367	300	(70)	1,138	(532)
Adjustments to reconcile net income/(loss) to net cash flows					
Depreciation of property and equipment	21	21	23	85	110
Amortization of intangible assets	9	9	11	36	48
Impairment charges on real estate assets	25	—	33	43	123
Write-off of content assets	—	—	(1)	—	29
Share-based compensation expense	54	63	34	267	321
Finance income	(127)	(66)	(46)	(328)	(161)
Finance costs	105	122	102	352	220
Income tax expense/(benefit)	132	98	(61)	203	27
Other	3	—	5	2	1
Changes in working capital:					
Decrease/(increase) in trade receivables and other assets	29	(4)	(97)	145	(145)
Increase in trade and other liabilities	240	86	419	183	501
(Decrease)/increase in deferred revenue	(16)	33	33	45	113
(Decrease)/increase in provisions	(1)	—	(2)	3	(5)
Interest paid on lease liabilities	(9)	(9)	(9)	(36)	(38)
Interest received	61	77	34	216	111
Income tax paid	(10)	(15)	(11)	(53)	(43)
<b>Net cash flows from operating activities</b>	<b>883</b>	<b>715</b>	<b>397</b>	<b>2,301</b>	<b>680</b>
<b>Investing activities</b>					
Payment of deferred consideration pertaining to business combinations	—	—	—	(10)	(7)
Purchases of property and equipment	(6)	(4)	(1)	(17)	(6)
Purchases of short term investments	(3,553)	(1,439)	(809)	(7,275)	(1,590)
Sales and maturities of short term investments	2,361	1,364	802	5,804	1,379
Dividends received	1	—	—	19	—
Change in restricted cash	—	—	—	1	4
Other	(1)	(3)	3	(8)	3
<b>Net cash flows used in investing activities</b>	<b>(1,198)</b>	<b>(82)</b>	<b>(5)</b>	<b>(1,486)</b>	<b>(217)</b>
<b>Financing activities</b>					
Proceeds from exercise of stock options	299	152	224	933	366
Payments of lease liabilities	(12)	(18)	(11)	(69)	(66)
Lease incentives received	—	—	—	—	2
Payments for employee taxes withheld from restricted stock unit releases	(43)	(35)	(19)	(135)	(68)
<b>Net cash flows from financing activities</b>	<b>244</b>	<b>99</b>	<b>194</b>	<b>729</b>	<b>234</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(71)</b>	<b>732</b>	<b>586</b>	<b>1,544</b>	<b>697</b>
Cash and cash equivalents at beginning of the period	4,688	4,054	2,615	3,114	2,483
Net foreign exchange gains/(losses) on cash and cash equivalents	164	(98)	(87)	123	(66)
<b>Cash and cash equivalents at period end</b>	<b>4,781</b>	<b>4,688</b>	<b>3,114</b>	<b>4,781</b>	<b>3,114</b>

# Calculation of basic and diluted earnings/(loss) per share

(Unaudited)  
(in € millions, except share and per share data)

	Three months ended			Twelve months ended	
	December 31, 2024	September 30, 2024	December 31, 2023	December 31, 2024	December 31, 2023
<b>Basic earnings/(loss) per share</b>					
Net income/(loss) attributable to owners of the parent	367	300	(70)	1,138	(532)
<i>Shares used in computation:</i>					
Weighted-average ordinary shares outstanding	202,907,480	201,575,568	196,036,080	200,622,518	194,732,304
<b>Basic earnings/(loss) per share attributable to owners of the parent</b>	<b>1.81</b>	<b>1.49</b>	<b>(0.36)</b>	<b>5.67</b>	<b>(2.73)</b>
<b>Diluted earnings/(loss) per share</b>					
Net income/(loss) attributable to owners of the parent	367	300	(70)	1,138	(532)
<b>Net income/(loss) used in the computation of diluted earnings/(loss) per share</b>	<b>367</b>	<b>300</b>	<b>(70)</b>	<b>1,138</b>	<b>(532)</b>
<i>Shares used in computation:</i>					
Weighted-average ordinary shares outstanding	202,907,480	201,575,568	196,036,080	200,622,518	194,732,304
Stock options	4,332,408	3,989,363	—	4,407,037	—
Restricted stock units	1,751,801	1,814,968	—	1,939,539	—
Other contingently issuable shares	20,816	19,602	—	21,275	—
<b>Diluted weighted-average ordinary shares</b>	<b>209,012,505</b>	<b>207,399,501</b>	<b>196,036,080</b>	<b>206,990,369</b>	<b>194,732,304</b>
<b>Diluted earnings/(loss) per share attributable to owners of the parent</b>	<b>1.76</b>	<b>1.45</b>	<b>(0.36)</b>	<b>5.50</b>	<b>(2.73)</b>

# Reconciliation of IFRS to non-IFRS results

## Revenue on a constant currency basis

(Unaudited)  
(in € millions, except percentages)

	Three months ended		Twelve months ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
IFRS revenue	4,242	3,671	15,673	13,247
Foreign exchange effect on 2024 revenue using 2023 rates	(58)		(243)	
Revenue excluding foreign exchange effect	4,300		15,916	
IFRS revenue year-over-year change %	16%		18%	
Revenue excluding foreign exchange effect year-over-year change %	17%		20%	
IFRS Premium revenue	3,705	3,170	13,819	11,566
Foreign exchange effect on 2024 Premium revenue using 2023 rates	(62)		(240)	
Premium revenue excluding foreign exchange effect	3,767		14,059	
IFRS Premium revenue year-over-year change %	17%		19%	
Premium revenue excluding foreign exchange effect year-over-year change %	19%		22%	
IFRS Ad-Supported revenue	537	501	1,854	1,681
Foreign exchange effect on 2024 Ad-Supported revenue using 2023 rates	4		(3)	
Ad-Supported revenue excluding foreign exchange effect	533		1,857	
IFRS Ad-Supported revenue year-over-year change %	7%		10%	
Ad-Supported revenue excluding foreign exchange effect year-over-year change %	6%		10%	

## Gross profit on a constant currency basis

(Unaudited)  
(in € millions, except percentages)

	Three months ended		Twelve months ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
IFRS revenue	4,242	3,671	15,673	13,247
IFRS cost of revenue	2,874	2,691	10,949	9,850
IFRS gross profit	1,368	980	4,724	3,397
Foreign exchange effect on 2024 gross profit using 2023 rates	(18)		(63)	
Gross profit excluding foreign exchange effect	1,386		4,787	
IFRS gross profit year-over-year change %	40%		39%	
Gross profit excluding foreign exchange effect year-over-year change %	41%		41%	

# Reconciliation of IFRS to non-IFRS results

## Operating expenses on a constant currency basis

(Unaudited)  
(in € millions, except percentages)

	Three months ended		Twelve months ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
IFRS Operating expenses	891	1,055	3,359	3,843
Foreign exchange effect on 2024 operating expenses using 2023 rates	20		5	
Operating expenses excluding foreign exchange effect	871		3,354	
IFRS Operating expenses year over year change %	(16)%		(13)%	
Operating expenses excluding foreign exchange effect year-over-year change %	(17)%		(13)%	

	Three months ended		Twelve months ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
IFRS Research and development expenses	376	468	1,486	1,725
Foreign exchange effect on 2024 expenses using 2023 rates	12		6	
Research and development expenses excluding foreign exchange effect	364		1,480	
IFRS Research and development expenses year over year change %	(20)%		(14)%	
Research and development expenses excluding foreign exchange effect year-over-year change %	(22)%		(14)%	

	Three months ended		Twelve months ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
IFRS Sales and marketing expenses	393	432	1,392	1,533
Foreign exchange effect on 2024 expenses using 2023 rates	4		(3)	
Sales and marketing expenses excluding foreign exchange effect	389		1,395	
IFRS Sales and marketing expenses year over year change %	(9)%		(9)%	
Sales and marketing expenses excluding foreign exchange effect year-over-year change %	(10)%		(9)%	

	Three months ended		Twelve months ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
IFRS General and administrative expenses	122	155	481	585
Foreign exchange effect on 2024 expenses using 2023 rates	4		2	
General and administrative expenses excluding foreign exchange effect	118		479	
IFRS General and administrative expenses year over year change %	(21)%		(18)%	
General and administrative expenses excluding foreign exchange effect year-over-year change %	(24)%		(18)%	



# Reconciliation of IFRS to non-IFRS results

## Free Cash Flow

(Unaudited)  
(in € millions)

	Three months ended														
	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024
Net cash flows from/(used in) operating activities	54	123	119	37	39	40	(70)	59	13	211	397	211	492	715	883
Capital expenditures	(20)	(25)	(16)	(10)	(5)	(5)	(5)	(2)	(2)	(1)	(1)	(5)	(2)	(4)	(6)
Change in restricted cash	—	1	—	(5)	3	—	2	—	(2)	6	—	1	—	—	—
<b>Free Cash Flow</b>	<b>34</b>	<b>99</b>	<b>103</b>	<b>22</b>	<b>37</b>	<b>35</b>	<b>(73)</b>	<b>57</b>	<b>9</b>	<b>216</b>	<b>396</b>	<b>207</b>	<b>490</b>	<b>711</b>	<b>877</b>

## Free Cash Flow

(Unaudited)  
(in € millions)

	Last twelve months ended														
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024			
Net cash flows from operating activities	333	318	235	46	68	42	213	680	832	1,311	1,815	2,301			
Capital expenditures	(71)	(56)	(36)	(25)	(17)	(14)	(10)	(6)	(9)	(9)	(12)	(17)			
Change in restricted cash	(4)	(1)	(2)	—	5	—	6	4	5	7	1	1			
<b>Free Cash Flow</b>	<b>258</b>	<b>261</b>	<b>197</b>	<b>21</b>	<b>56</b>	<b>28</b>	<b>209</b>	<b>678</b>	<b>828</b>	<b>1,309</b>	<b>1,804</b>	<b>2,285</b>			

## Free Cash Flow

(Unaudited)  
(in € millions)

	Twelve months ended										
	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024		
Net cash flows from operating activities	101	179	344	573	259	361	46	680	2,301		
Capital expenditures	(27)	(36)	(125)	(135)	(78)	(85)	(25)	(6)	(17)		
Change in restricted cash	(1)	(34)	(10)	2	2	1	—	4	1		
<b>Free Cash Flow</b>	<b>73</b>	<b>109</b>	<b>209</b>	<b>440</b>	<b>183</b>	<b>277</b>	<b>21</b>	<b>678</b>	<b>2,285</b>		

# APPENDIX

# Annual Financial Summary

USER, FINANCIAL & LIQUIDITY SUMMARY	2020	2021	2022	2023	2024	Y/Y	Y/Y FXN*
<b>USERS (M)</b>							
Total Monthly Active Users ("MAUs")	345	406	489	602	675	12%	--
Premium Subscribers	155	180	205	236	263	11%	--
Ad-Supported MAUs	199	236	295	379	425	12%	--
<b>FINANCIALS (€M)</b>							
Premium	7,135	8,460	10,251	11,566	13,819	19%	22%
Ad-Supported	<u>745</u>	<u>1,208</u>	<u>1,476</u>	<u>1,681</u>	<u>1,854</u>	<u>10%</u>	<u>10%</u>
<b>Total Revenue</b>	7,880	9,668	11,727	13,247	15,673	18%	20%
Gross Profit	2,015	2,591	2,926	3,397	4,724	39%	41%
<b>Gross Margin</b>	25.6%	26.8%	25.0%	25.6%	30.1%	--	--
<b>Total Operating Expenses</b>	2,308	2,497	3,585	3,843	3,359	-13%	-13%
<b>Operating (Loss)/Income</b>	<b>(293)</b>	<b>94</b>	<b>(659)</b>	<b>(446)</b>	<b>1,365</b>	--	--
Operating Margin	(3.7%)	1.0%	(5.6%)	(3.4%)	8.7%	--	--
<b>FREE CASH FLOW &amp; LIQUIDITY (€M, unless otherwise denoted)</b>							
Net Cash Flows From Operating Activities	259	361	46	680	2,301	238%	--
<b>Free Cash Flow*</b>	<b>183</b>	<b>277</b>	<b>21</b>	<b>678</b>	<b>2,285</b>	<b>237%</b>	--
Cash & Cash Equivalents, Restricted Cash & Short Term Investments (€B)	1.8	3.6	3.4	4.3	7.5	--	--



\* Free Cash Flow and Constant Currency adjusted measures (FXN) are non-IFRS measures. See "Use of Non-IFRS Measures" and "Reconciliation of IFRS to Non-IFRS Results" for additional information.

# Social Charges Sensitivity

Meaningful movements in our stock price can lead to Social Charge variance

Our guidance incorporates the impact of Social Charges, the vast majority of which appear in Operating Expenses. The amount of Social Charges we accrue for and ultimately pay can be volatile, as they are tied to the value of our share price. Since we do not forecast stock price changes in our guidance, meaningful movements in our stock price over the course of a quarter can lead to meaningful changes in Social Charges. As an example, at the Q4 close, our stock price was \$447.38. In Q4, a 10% increase or decrease in our stock price compared to the quarter-end price would have an approximate +/- €33M impact on Social Charges.

