



Q3 2022 Update

October 25th, 2022

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Executive Summary

The majority of our key metrics surpassed guidance in Q3'22, led by MAU and Subscriber outperformance and healthy Revenue growth. Similar to last quarter, MAU growth saw notable acceleration, with net additions reaching a record Q3 high of 23 million, while

Subscribers came in 1 million ahead of guidance. Gross Margin came in below expectations, mainly due to an unfavorable adjustment to prior period estimates for rights holder liabilities. We also saw a margin impact due to slower than forecast advertising growth given the challenging macro environment. Free Cash Flow was a positive €35 million in the quarter.

Despite ongoing economic uncertainty, we are generally pleased with our overall results. We remain focused on delivering against the objectives we shared at our 2022 Investor Day while maintaining a strong balance sheet profile.

USER & FINANCIAL SUMMARY	Q3 2021	Q2 2022	Q3 2022	Y/Y	Q/Q
USERS (M)					
Total Monthly Active Users ("MAUs")	381	433	456	20%	5%
Premium Subscribers	172	188	195	13%	4%
Ad-Supported MAUs	220	256	273	24%	7%
FINANCIALS (€M)					
Premium	2,178	2,504	2,651	22%	6%
Ad-Supported	323	360	385	19%	7%
Total Revenue	2,501	2,864	3,036	21%	6%
Gross Profit	668	704	750	12%	7%
Gross Margin	26.7%	24.6%	24.7%	--	--
Operating (Loss)/Income	75	(194)	(228)	--	--
Operating Margin	3.0%	(6.8%)	(7.5%)	--	--
Net Cash Flows From Operating Activities	123	39	40	--	--
Free Cash Flow¹	99	37	35	--	--

¹ 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.

Key Highlights

Broad based outperformance on MAUs and Subscribers

- MAUs grew 20% Y/Y to 456 million, 6 million above guidance. Net additions of 23 million represented our largest ever Q3 growth
- MAU strength across all regions led by Rest of World and Latin America as a result of successful marketing campaigns and OEM strength
- Premium Subscribers grew 13% Y/Y to 195 million, above our guidance, aided by promotional intake and household plans

21% Y/Y Revenue growth driven by Premium

- Total Revenue grew 21% Y/Y to €3.0 billion
- Premium Revenue grew 22% Y/Y to €2.7 billion
- Ad-Supported Revenue grew 19% Y/Y to €385 million led by Podcasting

Audiobooks launched in the United States

- Launched the first iteration of Audiobooks in the Spotify app for listeners in the United States
- Announced the acquisition of interactive music trivia game, Heardle
- On October 5th, we announced the acquisition of Kinzen to further enhance our approach to platform safety

Key Highlights: Actuals vs. Guidance



	Results	Q3 2022 Actuals	Guidance
Monthly Active Users (M)	Above	456	450
Premium Subscribers (M)	Above	195	194



	Results	Q3 2022 Actuals	Guidance
Total Revenue (€M)	Above	€3,036	€3,000
Gross Margin	Below	24.7%	25.2%
Operating (Loss)/Income (€M)	Below	(€ 228)	(€ 218)

FINANCIAL SUMMARY

Financial Summary

USER, FINANCIAL & LIQUIDITY SUMMARY	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Y/Y
USERS (M)						
Total Monthly Active Users ("MAUs")	381	406	422	433	456	20%
Premium Subscribers	172	180	182	188	195	13%
Ad-Supported MAUs	220	236	252	256	273	24%
FINANCIALS (€M)						
Premium	2,178	2,295	2,379	2,504	2,651	22%
Ad-Supported	<u>323</u>	<u>394</u>	<u>282</u>	<u>360</u>	<u>385</u>	<u>19%</u>
Total Revenue	2,501	2,689	2,661	2,864	3,036	21%
Gross Profit	668	712	671	704	750	12%
Gross Margin	26.7%	26.5%	25.2%	24.6%	24.7%	--
Operating (Loss)/Income	75	(7)	(6)	(194)	(228)	--
Operating Margin	3.0%	(0.3%)	(0.2%)	(6.8%)	(7.5%)	--
FREE CASH FLOW & LIQUIDITY (€M, unless otherwise denoted)						
Net Cash Flows From Operating Activities	123	119	37	39	40	--
Free Cash Flow¹	99	103	22	37	35	--
Cash & Cash Equivalents, Restricted Cash & Short Term Investments (€B)	3.3	3.6	3.6	3.6	3.7	--

Financial Summary

Revenue

Revenue of €3,036 million grew 21% Y/Y in Q3 (or 12% Y/Y constant currency), reflecting:

- Premium Revenue growth of 22% Y/Y (or 13% Y/Y constant currency), led by subscriber gains; and
- Ad-Supported Revenue growth of 19% Y/Y (or 3% Y/Y constant currency), led by podcasting

Profitability

Gross Margin was 24.7% in Q3, down 201 bps Y/Y reflecting:

- Continued growth in Marketplace activity and favorable revenue mix shift to podcasting; offset by
- Non-music content and product enhancement spend, as well as increased publishing rates and an adjustment to prior period accruals.

Operating Loss of (€228) million reflected the above and Operating Expense growth of 65% Y/Y (or 51% Y/Y constant currency), reflecting:

- Higher personnel costs primarily due to headcount growth (global ad sales team expansion, platform investment and acquisitions) and higher advertising costs for growth initiatives (Emerging Markets, Gen Z)
- Currency movements had a negative 1,433 bps impact on expense growth, or €85 million, given the unfavorable geographic mix of employee costs relative to revenue.

Free Cash Flow & Liquidity

Free Cash Flow¹ was €35 million in Q3. Capital expenditures decreased €20 million Y/Y to €5 million in the quarter. Liquidity remained strong, with €3.7 billion in cash and cash equivalents, restricted cash and short term investments. At the end of Q3, our workforce consisted of 9,808 FTEs globally.

Revenue

Resilient Premium growth, led by subscribers

Premium Revenue grew 22% Y/Y to €2,651 million, reflecting subscriber growth of 13% Y/Y and Premium ARPU¹ growth of 7% Y/Y to €4.63 (or down 1% constant currency). Excluding the impact of FX, ARPU performance was impacted by market mix.



Ad-Supported growth driven by podcasting

Ad-Supported revenue grew 19% Y/Y and reached 13% of Total Revenue, reflecting double-digit growth across all regions with the exception of Europe where we saw the impact of challenging regional economic conditions. Our music business grew high single digits Y/Y and was led by high single digit growth in impressions sold. Podcast revenue grew in the strong double-digit range Y/Y across both our Original and Exclusive podcasts and the Spotify Audience Network. Podcast growth was led by the Spotify Audience Network, where sold impressions grew strong double-digits and CPMs increased double-digits. We also saw a substantial increase in the number of participating shows and advertisers in the Spotify Audience Network.



¹ Premium Average Revenue per User ("ARPU")

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

Gross Margin

Marketplace and Podcasting benefits offset by content/product investments and accruals

Total Gross Margin



Premium Gross Margin



Ad-Supported Gross Margin



Gross Margin finished at 24.7% in Q3, reflecting continued Y/Y benefit from Marketplace and revenue mix shift towards podcasts, offset by non-music content and product enhancement spend, increased publishing rates and an unfavorable change in historical estimates for rights holder liabilities.

Premium Gross Margin was 28.0% in Q3, down 104 bps Y/Y, reflecting Marketplace growth, offset by product enhancement spend, increased publishing rates and the change in accruals.

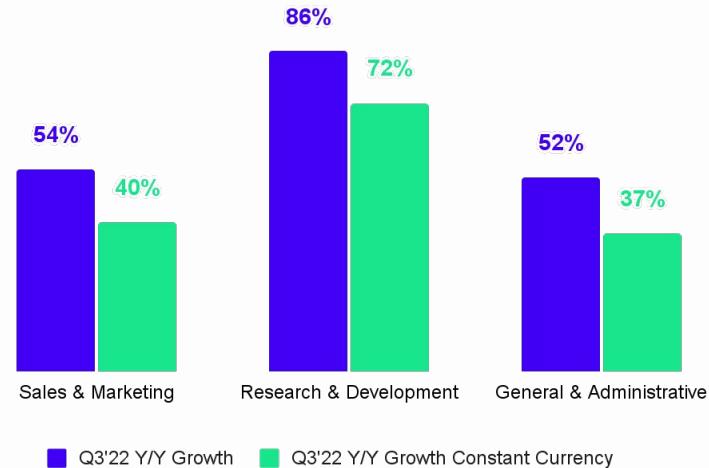
Ad-Supported Gross Margin was 1.8% in Q3, down 902 bps Y/Y, reflecting favorable revenue mix shift towards podcasts and Marketplace growth, offset by non-music content spend and product enhancement spend, increased publishing rates and the change in accruals.

Operating Expenses

Growth largely driven by headcount expansion and unfavorable FX impact

Operating Expenses grew 65% Y/Y (or 51% constant currency), largely reflecting various growth initiatives that were greenlit toward the end of 2021 and the impact of recent acquisitions such as Podights, Findaway, Sonantic, Chartable, Whooshkaa and Heardle. Additionally, Y/Y comparisons were affected by the prior year benefit from Social Charge movements, which did not recur in Q3'22.

2022 continues to be an investment year for Spotify, as we build out the resources and infrastructure necessary to drive our multi-modal, multi-vertical strategy forward. We continue to re-evaluate our spending with an eye towards increasing return efficiency and enhancing productivity across the organization. We remain focused on gaining favorable Operating Expense leverage as we progress towards the intermediate-to-long-term targets we conveyed at our 2022 Investor Day.

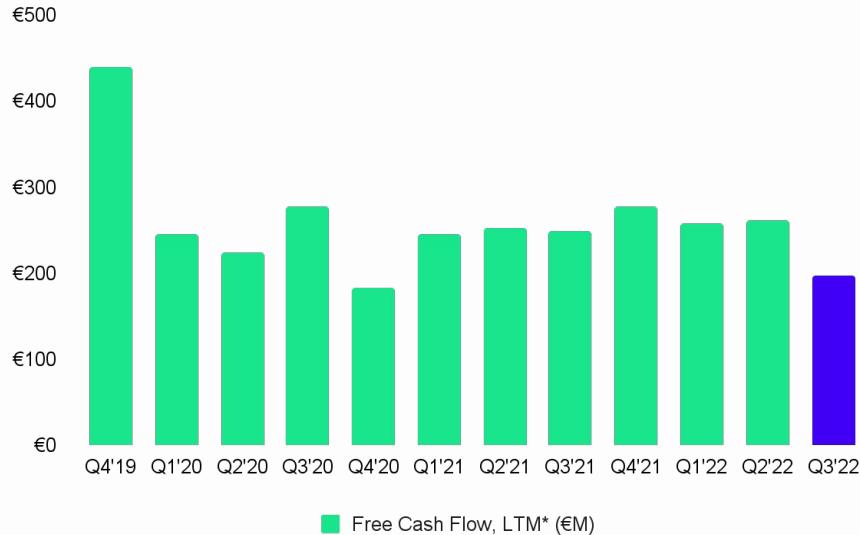


Free Cash Flow

The 10th quarter in a row of positive FCF

Free Cash Flow was €35 million in Q3, a decrease Y/Y as lower Net Income adjusted for non-cash items was partially offset by favorability in net working capital. Capital expenditures decreased €20 million Y/Y to €5 million as a result of the completion of office build-outs.

This was the 10th quarter in a row of positive Free Cash Flow. While the magnitude of Free Cash Flow can fluctuate from quarter to quarter based on seasonality and timing, we have averaged over €200 million of positive Free Cash Flow on a trailing 12 month basis for the past three years.



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

MAUS

& SUBSCRIBERS

Monthly Active Users (MAUs)

Total MAUs grew 20% Y/Y to 456 million, up from 433 million last quarter and above our guidance by 6 million. Quarterly performance versus our guidance was impacted by:

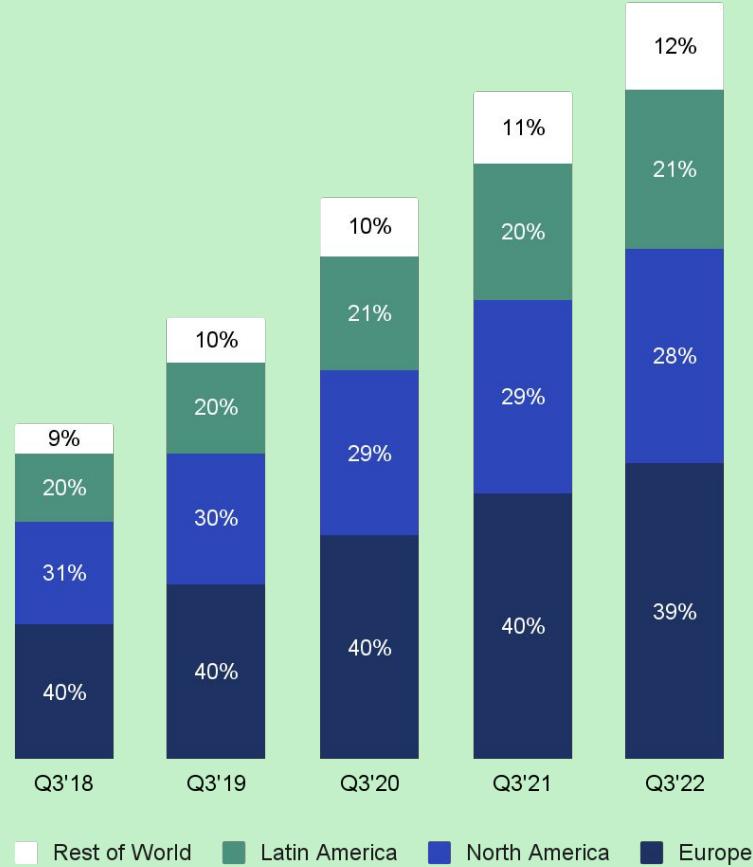
- Outperformance across all regions
- Better than expected intake in India as a result of a multimedia marketing campaign driving activations and reactivations
- Strength across Latin America, led by Brazil, due to marketing and OEM strength



Premium Subscribers

Our Premium Subscribers grew 13% Y/Y to 195 million, up from 188 million last quarter. Quarterly performance versus our guidance was impacted by:

- Outperformance across all regions led by Latin America
- Better than expected Q3 promotional campaign results across all regions
- Continued strength in multi-user plans

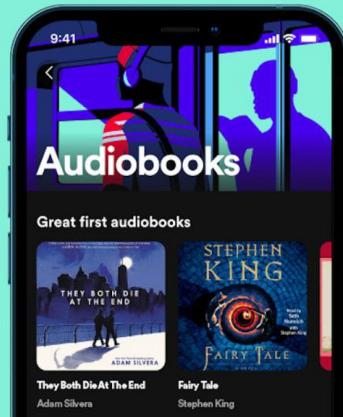


PRODUCT

& PLATFORM

Audiobooks

Listen to
music,
podcasts,
and now
Audiobooks.



At the end of September, the ability to purchase and listen to more than 300,000 audiobooks titles became available to Spotify listeners in the United States. This is the first iteration of the audiobooks experience for users on Spotify and fits seamlessly alongside preexisting music and podcast content.

Two-Sided Marketplace & Podcasting

Two-Sided Marketplace

During the quarter, Sponsored Recommendations continued to exhibit strength with triple digit Y/Y growth in total campaign volume and in Q3 we saw the largest campaign to date for the service. The strength in Sponsored Recommendations was driven by a successful launch of self-serve international targeting and increased artist access to self-serve in Q3.



Podcasting

At the end of Q3, we had 4.7 million podcasts on the platform. The number of MAUs that engaged with podcasts grew in the substantial double-digits Y/Y and per user podcast consumption rates continued to rise. Notable releases included Archwell Audio's *Archetypes* which reached #1 in the podcast charts in more than six countries.

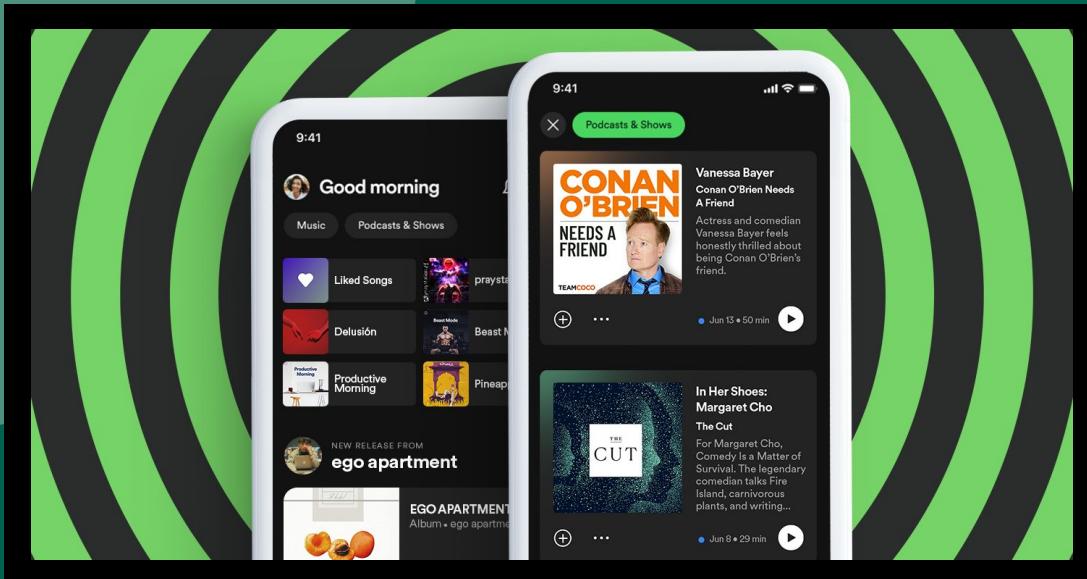


FC Barcelona Partnership Kicks Off



Kicked off our partnership with FC Barcelona by showcasing 14 artists from 8 markets across the on-stadium inventory, reaching tens of millions of TV viewers and 90,000+ fans in the stadium at each of the three La Liga matches in August and September.

New Home Feed



In August, we rolled out a new Home feed to users allowing for more personalized discovery of Music and Podcasts.

OUTLOOK

Outlook for Q4'22

The following forward-looking statements reflect Spotify's expectations for Q4 2022 as of October 25, 2022 and are subject to substantial uncertainty.

Total MAUs	479 million	Implies the addition of approximately 23 million net new MAUs in the quarter
Total Premium Subscribers	202 million	Implies the addition of approximately 7 million net new subscribers in the quarter
Total Revenue	€3.2 billion	Assumes approximately 800 bps tailwind to growth Y/Y due to favorability in foreign exchange rates
Gross Margin	24.5%	Reflects the continuing benefit from Marketplace and favorable revenue mix shift to podcasts, offset by investments in non-music content and product enhancement initiatives
Operating (Loss)/Income	€(300) million	Inclusive of the Operating Loss is approximately a €95 million impact to Operating Expenses due to Y/Y unfavorability in foreign exchange rates

Webcast Information

We will host a live question and answer session starting at 4:30 p.m. ET today on investors.spotify.com. Daniel Ek, our Founder and CEO, and Paul Vogel, our Chief Financial Officer, will be on hand to answer questions submitted through slido.com using the event code #SpotifyEarningsQ322. Participants also may join using the listen-only conference line by registering through the following site: <https://event.on24.com/wcc/r/3969731/682FC847ECD784F831C77F58E7B8DCB0>

We use investors.spotify.com and 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, Operating expense excluding foreign exchange effect, Sales and marketing expense excluding foreign exchange effect, Research and development expense excluding foreign exchange effect, General and administrative 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, Operating expense excluding foreign exchange effect, Sales and marketing expense excluding foreign exchange effect, Research and development expense excluding foreign exchange effect, and General and administrative 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, Operating expense, Sales and marketing expense, Research and development expense, and General and administrative 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, user listening time, and advertisers; risks associated with our international operations and our ability to manage our growth; our emphasis on innovation and long-term user engagement over short-term results; our ability to predict, recommend, and play content that our users enjoy; our ability to be profitable or generate 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 emerging industry trends in digital advertising; our ability to generate revenues from podcasts 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 strategic alliances; 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 and ownership thereof embodied in sound recordings 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 user data security; undetected errors, bugs or vulnerabilities in our products; 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; our ability to maintain, protect, and enhance our brand; our ability to achieve our net zero emissions target or make progress in other environmental, social, and governance initiatives; payment-related risks; our dependence on key personnel and ability to attract, retain, and motivate highly skilled employees; our ability to access to capital to support growth; risks relating to currency exchange rate fluctuations and foreign exchange controls; the impact of economic, social, or political conditions, such as the continuing effects of the COVID-19 pandemic, rising inflation and interest rates, the continued conflict between Russia and Ukraine, and supply chain disruptions; 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 Exchangeable Notes; 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 3, 2022, as updated by subsequently filed reports for our interim results on Form 6-K. We undertake no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of this shareholder update.

Rounding

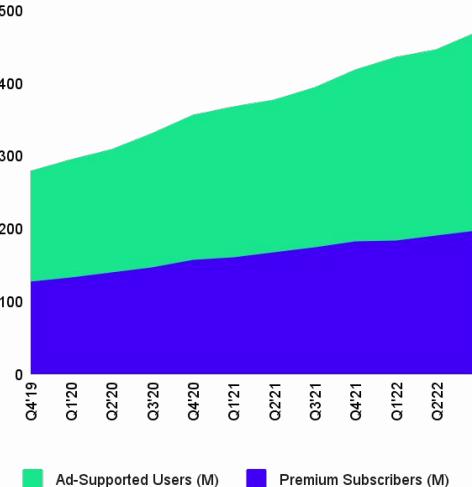
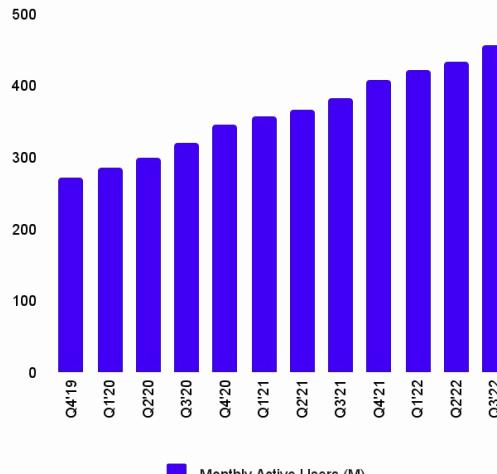
Certain monetary amounts, percentages, and other figures included in this update have been subject to rounding adjustments. The sum of individual metrics may not always equal total amounts indicated due to rounding.

FINANCIAL

STATEMENTS

Trending Charts

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



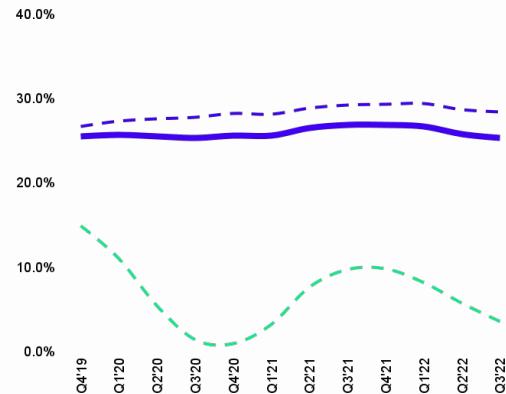
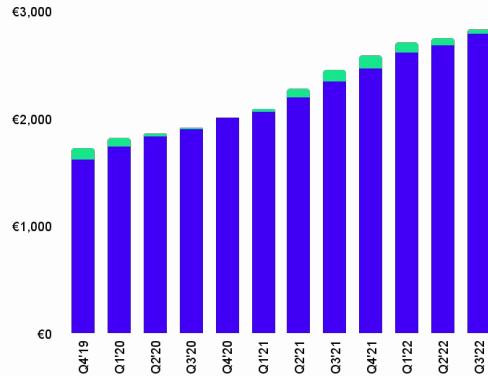
Monthly Active Users (M)

Ad-Supported Users (M) Premium Subscribers (M)

Ad-Supported Revenue, LTM* (€M) Premium Revenue, LTM* (€M)

Trending Charts

Gross Profit By Segment, Gross Margin By Segment & Free Cash Flow



Condensed consolidated statement of operations

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

	Three months ended			Nine months ended	
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Revenue	3,036	2,864	2,501	8,561	6,979
Cost of revenue	2,286	2,160	1,833	6,436	5,100
Gross profit	750	704	668	2,125	1,879
Research and development	386	336	208	972	659
Sales and marketing	432	391	280	1,119	795
General and administrative	160	171	105	462	324
	978	898	593	2,553	1,778
Operating (loss)/income	(228)	(194)	75	(428)	101
Finance income	102	118	101	395	226
Finance costs	(18)	(14)	(14)	(46)	(70)
Finance income/(costs) - net	84	104	87	349	156
(Loss)/income before tax	(144)	(90)	162	(79)	257
Income tax expense	22	35	160	81	252
Net (loss)/income attributable to owners of the parent	(166)	(125)	2	(160)	5
(Loss)/earnings per share attributable to owners of the parent					
Basic	(0.86)	(0.65)	0.01	(0.83)	0.02
Diluted	(0.99)	(0.85)	(0.41)	(1.63)	(0.85)
Weighted-average ordinary shares outstanding					
Basic	193,077,334	192,948,032	191,485,473	192,835,999	191,077,975
Diluted	195,988,834	195,859,532	194,551,862	195,747,499	193,559,697

Condensed consolidated statement of financial position

(Unaudited)
(in € millions)

	September 30, 2022	December 31, 2021
Assets		
Non-current assets		
Lease right-of-use assets	453	437
Property and equipment	382	372
Goodwill	1,261	894
Intangible assets	153	89
Long term investments	630	916
Restricted cash and other non-current assets	86	77
Deferred tax assets	8	13
	2,973	2,798
Current assets		
Trade and other receivables	648	621
Income tax receivable	2	5
Short term investments	815	756
Cash and cash equivalents	2,851	2,744
Other current assets	343	246
	4,659	4,372
Total assets	7,632	7,170
Equity and liabilities		
Equity		
Share capital	—	—
Other paid in capital	4,789	4,746
Treasury shares	(262)	(260)
Other reserves	1,085	853
Accumulated deficit	(3,379)	(3,220)
Equity attributable to owners of the parent	2,233	2,119
Non-current liabilities		
Exchangeable Notes	1,197	1,202
Lease liabilities	608	579
Accrued expenses and other liabilities	31	37
Provisions	3	7
Deferred tax liabilities	2	—
	1,841	1,825
Current liabilities		
Trade and other payables	947	793
Income tax payable	16	23
Deferred revenue	522	458
Accrued expenses and other liabilities	2,020	1,841
Provisions	29	22
Derivative liabilities	24	89
	3,558	3,226
Total liabilities	5,399	5,051
Total equity and liabilities	7,632	7,170

Condensed consolidated statement of cash flows

(Unaudited)
(in € millions)

	Three months ended			Nine months ended	
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Operating activities					
Net (loss)/income	(166)	(125)	2	(160)	5
Adjustments to reconcile net (loss)/income to net cash flows					
Depreciation of property and equipment and lease right-of-use assets	30	29	24	86	69
Amortization of intangible assets	14	11	9	35	25
Share-based compensation expense	108	105	57	281	173
Excess and obsolete reserve	(2)	16	—	14	—
Finance income	(102)	(118)	(101)	(395)	(226)
Finance costs	18	14	14	46	70
Income tax expense	22	35	160	81	252
Other	5	(5)	(2)	4	3
Changes in working capital:					
Increase in trade receivables and other assets	(6)	(68)	(102)	(15)	(182)
Increase in trade and other liabilities	117	138	82	152	45
Increase/(decrease) in deferred revenue	20	10	(4)	36	50
(Decrease)/increase in provisions	(12)	14	(2)	(1)	(3)
Interest paid on lease liabilities	(14)	(13)	(13)	(40)	(37)
Interest received	12	4	1	17	3
Income tax paid	(4)	(8)	(2)	(25)	(5)
Net cash flows from operating activities	40	39	123	116	242
Investing activities					
Business combinations, net of cash acquired	(107)	(114)	—	(306)	(101)
Purchases of property and equipment	(5)	(5)	(25)	(20)	(69)
Purchases of short term investments	(78)	(78)	(161)	(289)	(385)
Sales and maturities of short term investments	78	141	63	297	287
Change in restricted cash	—	3	1	(2)	1
Other	3	(4)	1	(2)	(7)
Net cash flows used in investing activities	(109)	(57)	(121)	(322)	(274)
Financing activities					
Payments of lease liabilities	(11)	(10)	(9)	(31)	(25)
Lease incentives received	—	—	7	2	7
Proceeds from exercise of stock options	—	—	26	43	103
Proceeds from issuance of Exchangeable Notes, net of costs	—	—	—	—	1,223
Proceeds from issuance of warrants	—	—	31	—	31
Repurchases of ordinary shares	—	—	(24)	(2)	(24)
Payments for employee taxes withheld from restricted stock unit releases	(10)	(10)	(12)	(31)	(40)
Net cash flows (used in)/from financing activities	(21)	(20)	19	(19)	1,275
Net (decrease)/increase in cash and cash equivalents	(90)	(38)	21	(225)	1,243
Cash and cash equivalents at beginning of the period	2,786	2,721	2,440	2,744	1,151
Net foreign exchange gains on cash and cash equivalents	155	103	51	332	118
Cash and cash equivalents at period end	2,851	2,786	2,512	2,851	2,512

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

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

	Three months ended			Nine months ended	
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Basic (loss)/earnings per share					
Net (loss)/income attributable to owners of the parent	(166)	(125)	2	(160)	5
<i>Share used in computation:</i>					
Weighted-average ordinary shares outstanding	193,077,334	192,948,032	191,485,473	192,835,999	191,077,975
Basic (loss)/earnings per share attributable to owners of the parent	(0.86)	(0.65)	0.01	(0.83)	0.02
Diluted loss per share					
Net (loss)/income attributable to owners of the parent	(166)	(125)	2	(160)	5
Fair value gains on dilutive warrants	—	—	(30)	—	(51)
Fair value gains on dilutive Exchangeable Notes	(28)	(41)	(52)	(159)	(117)
Net loss used in the computation of diluted loss per share	(194)	(166)	(80)	(319)	(163)
<i>Shares used in computation:</i>					
Weighted-average ordinary shares outstanding	193,077,334	192,948,032	191,485,473	192,835,999	191,077,975
Warrants	—	—	154,889	—	229,029
Exchangeable Notes	2,911,500	2,911,500	2,911,500	2,911,500	2,252,693
Diluted weighted-average ordinary shares	195,988,834	195,859,532	194,551,862	195,747,499	193,559,697
Diluted loss per share attributable to owners of the parent	(0.99)	(0.85)	(0.41)	(1.63)	(0.85)

Reconciliation of IFRS to non-IFRS results

Revenue on a constant currency basis

(Unaudited)
(in € millions, except percentages)

	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
IFRS revenue	3,036	2,501	8,561	6,979
Foreign exchange effect on 2022 revenue using 2021 rates	236		520	
Revenue excluding foreign exchange effect	2,800		8,041	
IFRS revenue year-over-year change %	21%		23%	
Revenue excluding foreign exchange effect year-over-year change %	12%		15%	
IFRS Premium revenue	2,651	2,178	7,534	6,165
Foreign exchange effect on 2022 Premium revenue using 2021 rates	185		413	
Premium revenue excluding foreign exchange effect	2,466		7,121	
IFRS Premium revenue year-over-year change %	22%		22%	
Premium revenue excluding foreign exchange effect year-over-year change %	13%		16%	
IFRS Ad-Supported revenue	385	323	1,027	814
Foreign exchange effect on 2022 Ad-Supported revenue using 2021 rates	51		107	
Ad-Supported revenue excluding foreign exchange effect	334		920	
IFRS Ad-Supported revenue year-over-year change %	19%		26%	
Ad-Supported revenue excluding foreign exchange effect year-over-year change %	3%		13%	

Reconciliation of IFRS to non-IFRS results

Free Cash Flow

(Unaudited)
(in € millions)

	Nine months ended	
	September 30, 2022	September 30, 2021
Net cash flows from operating activities	116	242
Capital expenditures	(20)	(69)
Change in restricted cash	(2)	1
Free Cash Flow	94	174

Free Cash Flow

(Unaudited)
(in € millions)

	Three months ended														
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022
Net cash flows from/(used in) operating activities	209	90	71	203	(9)	39	122	107	65	54	123	119	37	39	40
Capital expenditures	(37)	(40)	(26)	(32)	(12)	(14)	(17)	(35)	(24)	(20)	(25)	(16)	(10)	(5)	(5)
Change in restricted cash	1	—	3	(2)	—	2	(2)	2	—	—	1	—	(5)	3	—
Free Cash Flow	173	50	48	169	(21)	27	103	74	41	34	99	103	22	37	35

Free Cash Flow

(Unaudited)
(in € millions)

	Last twelve months ended												
	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022	
Net cash flows from operating activities	573	355	304	355	259	333	348	349	361	333	318	235	
Capital expenditures	(135)	(110)	(84)	(75)	(78)	(90)	(96)	(104)	(85)	(71)	(56)	(36)	
Change in restricted cash	2	1	3	(2)	2	2	—	3	1	(4)	(1)	(2)	
Free Cash Flow	440	246	223	278	183	245	252	248	277	258	261	197	

Reconciliation of IFRS to non-IFRS results

Operating expenses on a constant currency basis

(Unaudited)
(in € millions, except percentages)

	Three months ended	
	September 30, 2022	September 30, 2021
IFRS Operating expenses	978	593
Foreign exchange effect on 2022 operating expenses using 2021 rates	85	
Operating expenses excluding foreign exchange effect	893	
IFRS Operating expenses year over year change %	65 %	
Operating expenses excluding foreign exchange effect year-over-year change %	51 %	
	Three months ended	
	September 30, 2022	September 30, 2021
IFRS Research and development expenses	386	208
Foreign exchange effect on 2022 expenses using 2021 rates	28	
Research and development expenses excluding foreign exchange effect	358	
IFRS Research and development expenses year over year change %	86 %	
Research and development expenses excluding foreign exchange effect year-over-year change %	72 %	
	Three months ended	
	September 30, 2022	September 30, 2021
IFRS Sales and marketing expenses	432	280
Foreign exchange effect on 2022 expenses using 2021 rates	41	
Sales and marketing expenses excluding foreign exchange effect	391	
IFRS Sales and marketing expenses year over year change %	54 %	
Sales and marketing expenses excluding foreign exchange effect year-over-year change %	40 %	
	Three months ended	
	September 30, 2022	September 30, 2021
IFRS General and administrative expenses	160	105
Foreign exchange effect on 2022 expenses using 2021 rates	16	
General and administrative expenses excluding foreign exchange effect	144	
IFRS General and administrative expenses year over year change %	52 %	
General and administrative expenses excluding foreign exchange effect year-over-year change %	37 %	

