



Q3 2024 Update

November 12th, 2024

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Executive Summary

The business delivered strong Q3 results, as all of our KPIs met or exceeded guidance and profitability reached record levels. MAU net additions ticked up to 14 million, surpassing guidance by 1 million. Subscriber net additions of 6 million were also ahead by 1 million. Despite greater than anticipated headwinds from unfavorable currency movements, Revenue was in-line and grew 21% Y/Y on a constant currency* basis. Gross Margin of 31.1% was ahead of guidance and up 473 bps Y/Y, while Operating Income of €454 million was better due to Gross Margin strength and lower personnel related and marketing costs. Operating Income was affected by €54 million in Social Charges, which were €39 million above forecast due to share price appreciation during the quarter. Q3 Free Cash Flow* reached €711 million, bringing year-to-date Free Cash Flow generation to €1.4 billion.

Overall, we are very pleased with our performance heading into year-end and view the business as well positioned to sustainably grow towards the long-term goals outlined at our 2022 Investor Day.

USER & FINANCIAL SUMMARY	Q3 2023	Q2 2024	Q3 2024	Y/Y	Q/Q
USERS (M)					
Total Monthly Active Users ("MAUs")	574	626	640	11%	2%
Premium Subscribers	226	246	252	12%	2%
Ad-Supported MAUs	361	393	402	11%	2%
FINANCIALS (€M)					
Premium	2,910	3,351	3,516	21%	5%
Ad-Supported	447	456	472	6%	4%
Total Revenue	3,357	3,807	3,988	19%	5%
Gross Profit	885	1,112	1,240	40%	12%
Gross Margin	26.4%	29.2%	31.1%	--	--
Operating Income	32	266	454	--	--
Operating Margin	1.0%	7.0%	11.4%	--	--
Net Cash Flows From Operating Activities	211	492	715	--	--
Free Cash Flow*	216	490	711	--	--



* 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

Double digit Y/Y growth in MAUs and Subscribers

- MAUs grew 11% Y/Y to 640 million, reflecting Y/Y and Q/Q growth across all regions
- Premium Subscribers grew 12% Y/Y to 252 million, reflecting Y/Y and Q/Q growth across all regions

Strong Revenue growth with record high profitability

- Total Revenue grew 19% Y/Y to €4.0 billion; on a constant currency* basis, Total Revenue grew 21% Y/Y
- On a constant currency basis, Premium ARPU grew 11% Y/Y (146 bps of acceleration vs. Q2'24)
- Gross Margin finished at a record high of 31.1% (up 473 bps Y/Y)
- Operating Income finished at a record high of €454 million (an 11.4% margin), solidly positioning the company to deliver its first full year of Operating Income profitability

Expanded user experiences and engagement globally

- Launched AI DJ to Spanish-speaking music fans in 18 markets
- Expanded AI Playlist in Beta to the United States, Canada, Ireland and New Zealand (6 markets in total)
- Rolled-out comments for podcasts, bringing interactivity to the industry
- In October, expanded music video availability to 85 additional markets (97 markets in total); incorporated over 200,000 audiobook titles into our Premium offering in France, Belgium, the Netherlands and Luxembourg (10 markets in total)



* 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.

Key Highlights: Actuals vs. Guidance



	Results	Q3 2024 Actuals	Guidance
Monthly Active Users (M)	Above	640	639
Premium Subscribers (M)	Above	252	251



	Results	Q3 2024 Actuals	Guidance
Total Revenue (€B)	In-Line	€4.0	€4.0
Gross Margin	Above	31.1%	30.2%
Operating Income (€M)*	Above	€454	€405



*Includes €54 million of Social Charge accruals which were €39 million higher than forecast / guidance driven by share price appreciation during the quarter.

FINANCIAL SUMMARY

Financial Summary

USER, FINANCIAL & LIQUIDITY SUMMARY	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Y/Y	Y/Y FXN*
USERS (M)							
Total Monthly Active Users ("MAUs")	574	602	615	626	640	11%	--
Premium Subscribers	226	236	239	246	252	12%	--
Ad-Supported MAUs	361	379	388	393	402	11%	--
FINANCIALS (€M)							
Premium	2,910	3,170	3,247	3,351	3,516	21%	24%
Ad-Supported	447	501	389	456	472	6%	7%
Total Revenue	3,357	3,671	3,636	3,807	3,988	19%	21%
Gross Profit	885	980	1,004	1,112	1,240	40%	43%
Gross Margin	26.4%	26.7%	27.6%	29.2%	31.1%	--	--
Total Operating Expenses	853	1,055	836	846	786	-8%	-6%
Operating (Loss)/Income	32	(75)	168	266	454	--	--
Operating Margin	1.0%	(2.0%)	4.6%	7.0%	11.4%	--	--
FREE CASH FLOW & LIQUIDITY (€M, unless otherwise denoted)							
Net Cash Flows From Operating Activities	211	397	211	492	715	--	--
Free Cash Flow*	216	396	207	490	711	--	--
Cash & Cash Equivalents, Restricted Cash & Short Term Investments (€B)	3.8	4.3	4.7	5.4	6.1	--	--



* 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 €3,988 million grew 19% Y/Y in Q3 (or 21% Y/Y constant currency*), reflecting:

- Premium Revenue growth of 21% Y/Y (or 24% Y/Y constant currency*), driven by subscriber gains and ARPU increases; and
- Ad-Supported Revenue growth of 6% Y/Y (or 7% Y/Y constant currency*)
- Unfavorable currency movements affected Total Revenue Y/Y growth by ~270 bps vs. guidance for ~100 bps

Profitability

Gross Margin was 31.1% in Q3, up 473 bps Y/Y reflecting:

- Premium gains driven by music and audiobooks; and
- Ad-Supported gains driven by music and podcasts
- Other Costs of Revenue favorability benefited both the Premium and Ad-Supported segments

Operating Income was €454 million in Q3 and reflected:

- Lower personnel and related costs and lower marketing spend, partially offset by
- €54 million in Social Charges

At the end of Q3, our workforce consisted of 7,242 full-time employees** globally

Free Cash Flow & Liquidity

Free Cash Flow* was €711 million in Q3. Our liquidity and balance sheet remained strong, with €6.1 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.

** Includes employees impacted by workforce reductions that remained on garden leave.

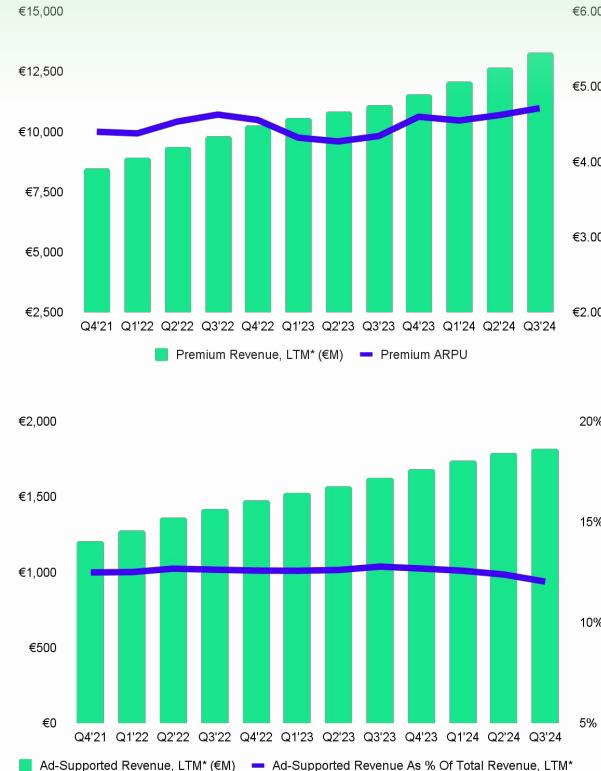
Revenue

Improved Premium growth led by ARPU acceleration

Premium Revenue grew 21% Y/Y to €3,516 million (or 24% Y/Y constant currency*), reflecting subscriber growth of 12% Y/Y and a Premium ARPU increase of 9% Y/Y to €4.71 (or up 11% Y/Y constant currency* vs. 10% Y/Y in Q2'24). 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 6% Y/Y (or 7% Y/Y constant currency*), reflecting Y/Y growth across all regions. Music advertising was driven by growth in impressions sold, partially offset by softness in pricing. Podcasting advertising was driven by growth in impressions sold, partially offset by softness in pricing. The Spotify Audience Network saw high single digit Q/Q growth in participating publishers.



* 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 broad-based favorability across Premium and Ad-Supported segments

Total Gross Margin



Gross Margin finished at 31.1% in Q3, up 473 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 33.5% in Q3, up 436 bps Y/Y. The Y/Y trend was driven by favorability in music, audiobooks and Other Cost of Revenue.

Ad-Supported Gross Margin



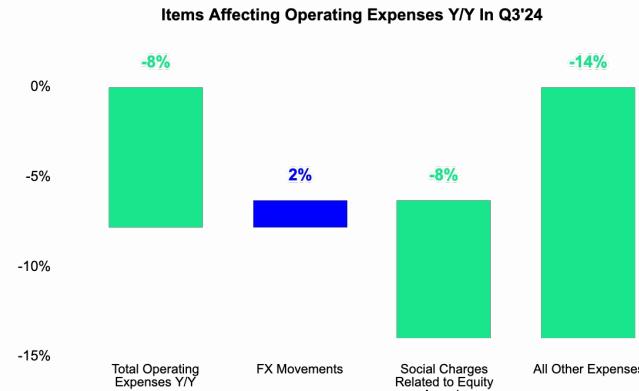
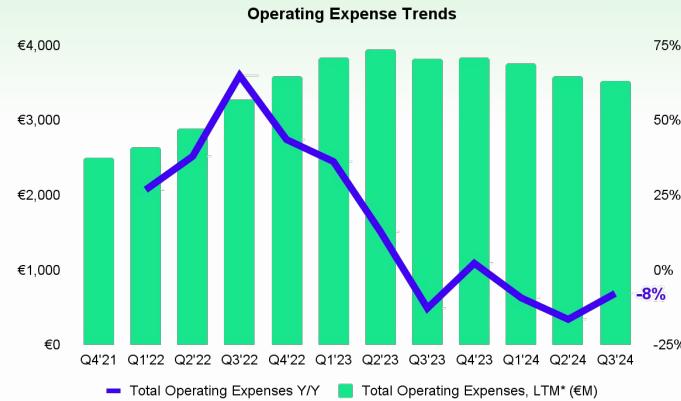
Ad-Supported Gross Margin was 13.1% in Q3, up 486 bps Y/Y. The Y/Y trend was driven by favorability in music, podcasts and Other Cost of Revenue.

Operating Expenses

Y/Y declines driven by increased focus on efficiency

Operating Expenses declined 8% Y/Y in Q3. Y/Y currency movements contributed ~200 bps of the Operating Expense decline, while Y/Y changes in Social Charge movements elevated Y/Y expense growth by ~800 bps. The remaining 14% Y/Y decline in Operating Expenses reflected 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 €54 million in the current period, €53 million of which were in Operating Expenses. Prior year period Operating Expenses included €1 million in Social Charges.



* 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.

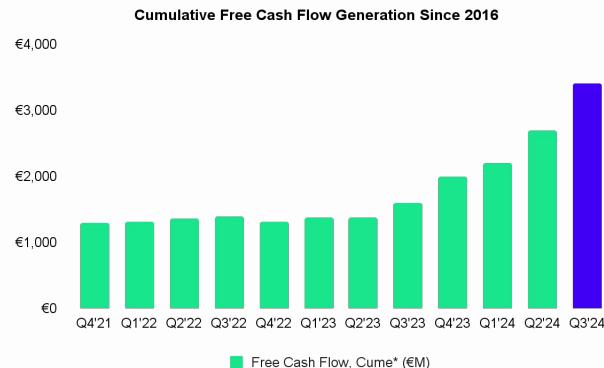
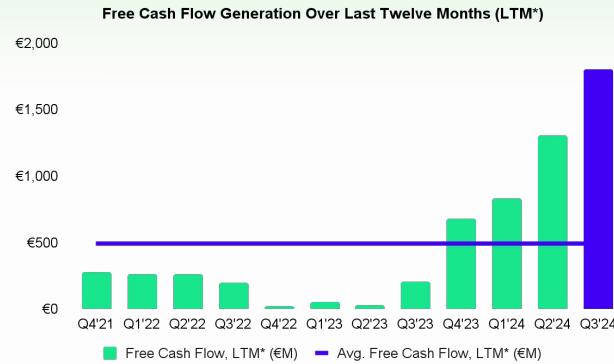
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Free Cash Flow

Record performance aids balance sheet strength

Free Cash Flow was €711 million in Q3, a record high as a result of higher Net Income adjusted for non-cash items and favorability in net working capital. Capital expenditures rose \$3 million Y/Y to €4 million.

While the magnitude of Free Cash Flow can fluctuate from quarter to quarter based on seasonality and timing, we have averaged €494 million of positive Free Cash Flow on a trailing 12 month basis for the past three years. In Q3, trailing 12 month Free Cash Flow expanded to €1.8 billion. On a cumulative basis, we have generated €3.4 billion of Free Cash Flow since the beginning of 2016, supporting our strong balance sheet and €6.1 billion in cash and cash equivalents, restricted cash and short term investments balance.



* 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.

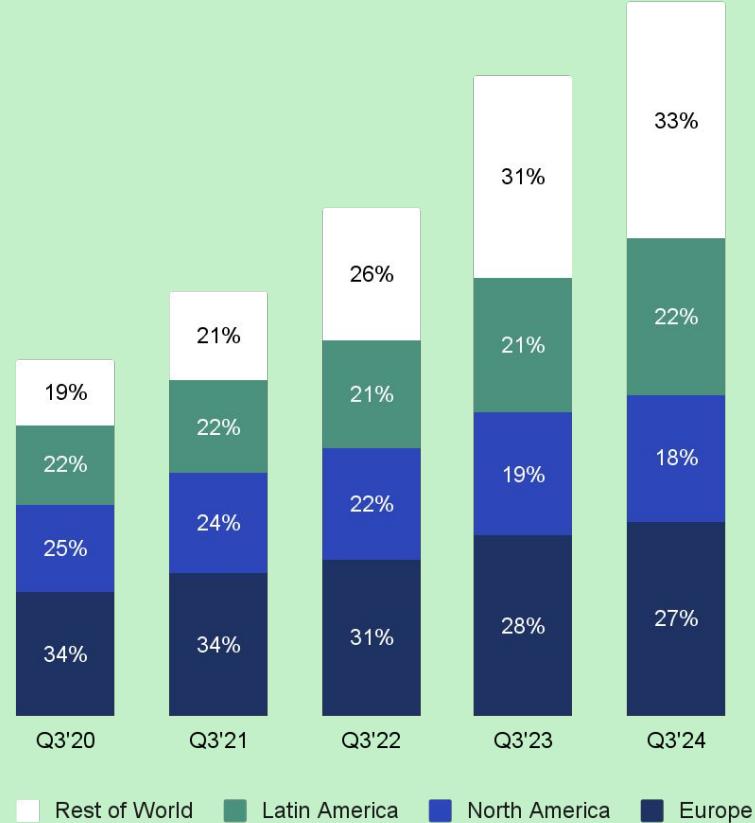
MAUS

& SUBSCRIBERS

Monthly Active Users (MAUs)

Total MAUs grew 11% Y/Y to 640 million, up from 626 million last quarter and 1 million above our guidance. Quarterly performance reflected:

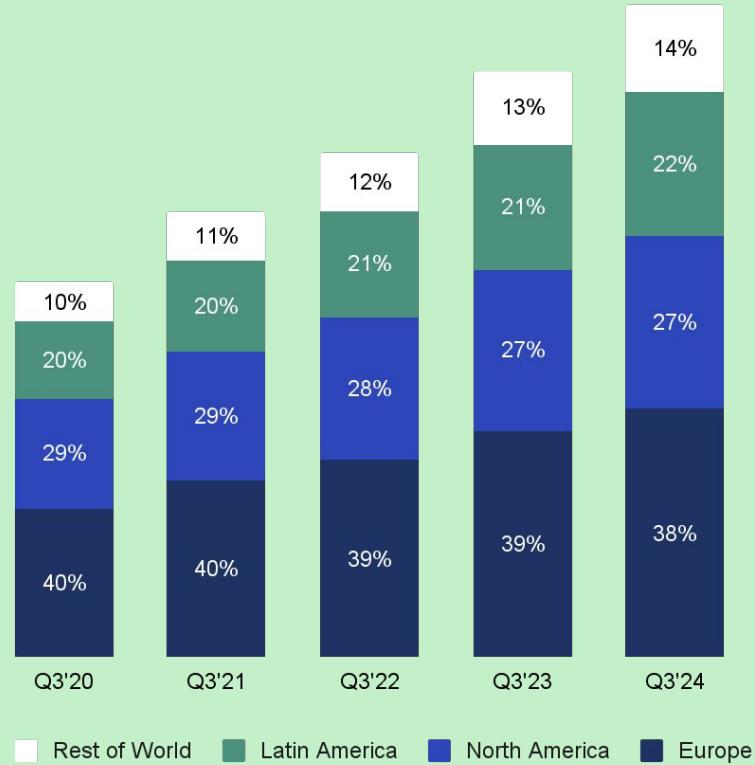
- Q/Q and Y/Y growth across all regions, led by Rest of World and Latin America
- Continued recalibration of our marketing activities



Premium Subscribers

Our Premium Subscribers grew 12% Y/Y to 252 million, up from 246 million last quarter and 1 million above guidance. Quarterly performance reflected:

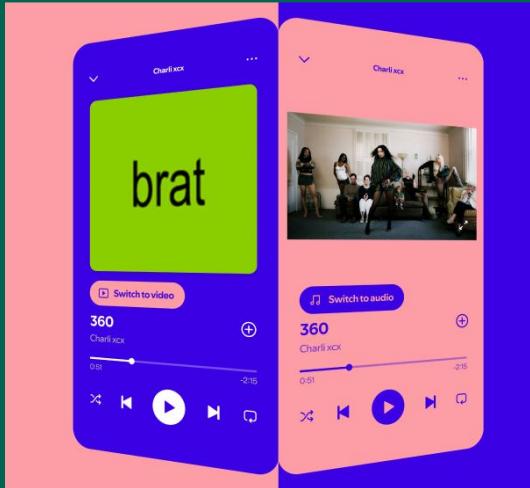
- Q/Q and Y/Y growth across all regions, with outperformance led by Europe and Latin America
- Continued strong promotional campaign performance due to top-of-funnel health



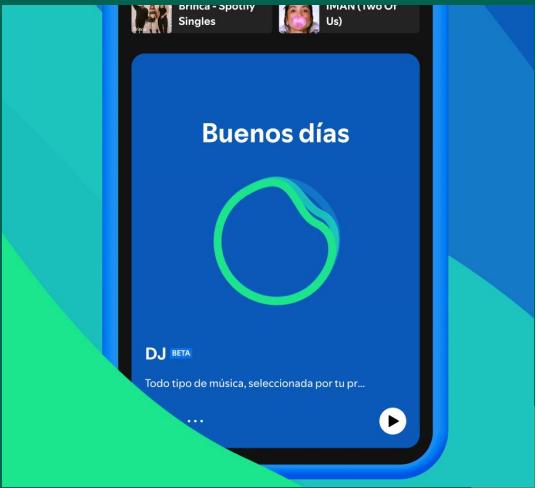
PRODUCT

& PLATFORM

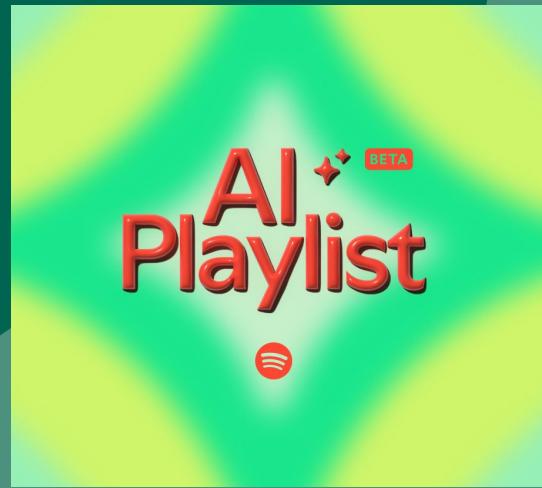
Expanding Music Features and Personalization



Launched Music Videos in Beta in 85 new markets (97 markets in total), giving Premium Subscribers across the globe the chance to dive into the visual worlds of top artists.

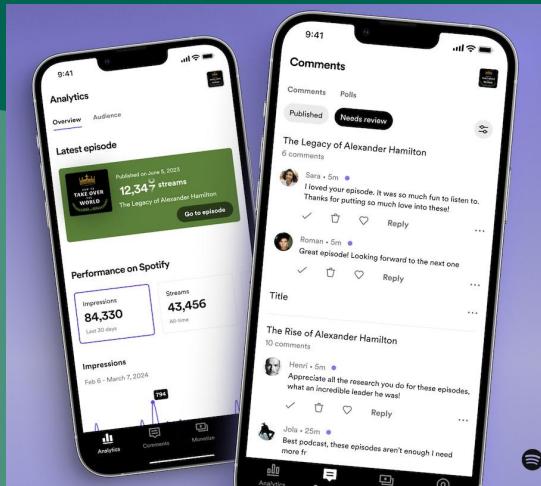


Expanded AI DJ to Spanish-speaking music fans in 18 markets and expanded Daylist to 14 new languages, opening access to some of our new personalization features to more fans globally.



After launching in select markets last quarter, expanded AI Playlist in Beta to the United States, Canada, Ireland and New Zealand, enabling Premium Subscribers to create playlists by typing in their own prompts.

Growing User Experiences



Rolled out comments for podcasts, bringing interactivity into the podcast industry, enabling podcast creators to better connect with and grow their audiences.



Celebrated our first anniversary of Audiobooks in Premium and expanded this offering into non-English speaking countries including France, Belgium, the Netherlands, and Luxembourg with access to 200,000+ titles.



Launched first-of-its-kind vodcast series “Countdown to” with Jelly Roll and mgk. This series offers fans an intimate, behind-the-scenes look at upcoming album releases, giving exclusive insights as the countdown to launch approaches.

OUTLOOK

Outlook for Q4'24

The following forward-looking statements reflect Spotify's expectations for Q4 2024 as of November 12, 2024 and are subject to substantial uncertainty.

Total MAUs	665 million	Implies the addition of approximately 25 million net new MAUs in the quarter
Total Premium Subscribers	260 million	Implies the addition of approximately 8 million net new subscribers in the quarter
Total Revenue	€4.1 billion	Assumes approximately ~350 bps headwind to growth Y/Y due to foreign exchange rate movements; based on currency rates as of the Q3 close
Gross Margin	31.8%	Primarily driven by Y/Y favorability across Premium and Ad-Supported segments
Operating Income	€481 million	Incorporates €16 million in Social Charges based on a Q3 close share price of \$368.53

Webcast Information

We will host a live question and answer session starting at 5:00 p.m. ET today on investors.spotify.com. Daniel Ek, our Founder and CEO, and Christian Luiga, our Chief Financial Officer, will be on hand to answer questions submitted through slido.com using the event code #SpotifyEarningsQ324. Participants also may join using the listen-only conference line by registering through the following site: <https://registrations.events/direct/Q4I5705088>

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, 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, user listening 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; interruptions, delays, or discontinuations in services 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

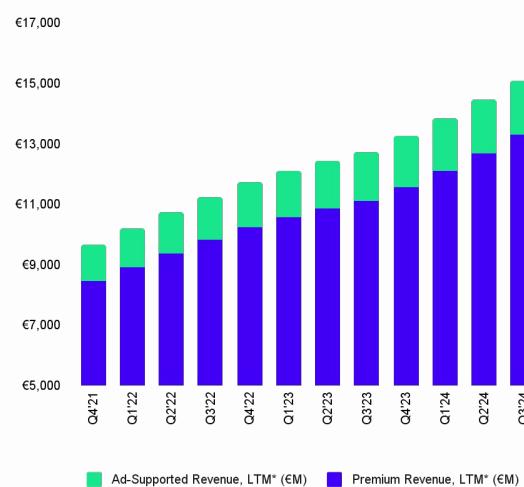
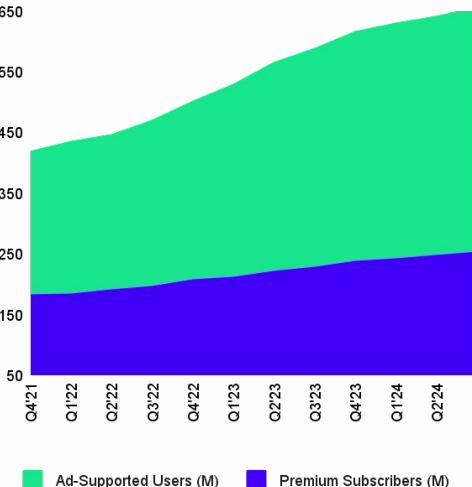
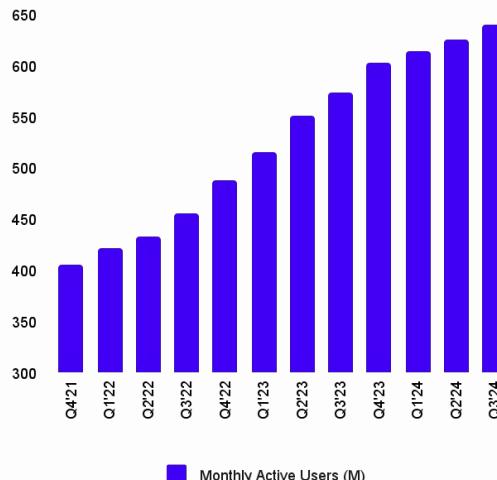
Certain monetary amounts, percentages, and other figures included in this update have been subject to rounding adjustments. The sum of individual metrics may not always equal total amounts indicated due to rounding.

FINANCIAL

STATEMENTS

Trending Charts

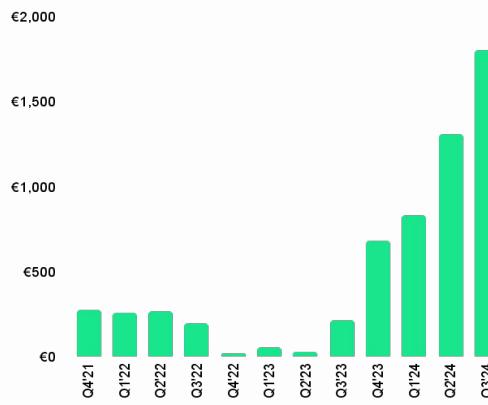
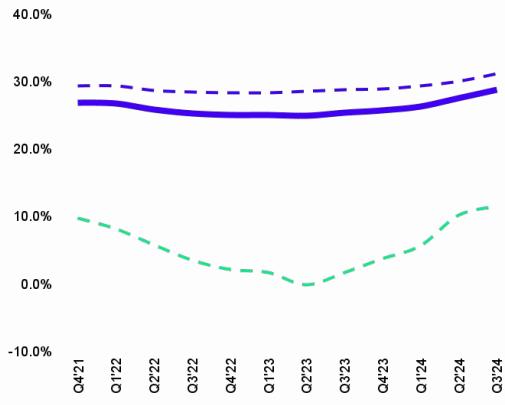
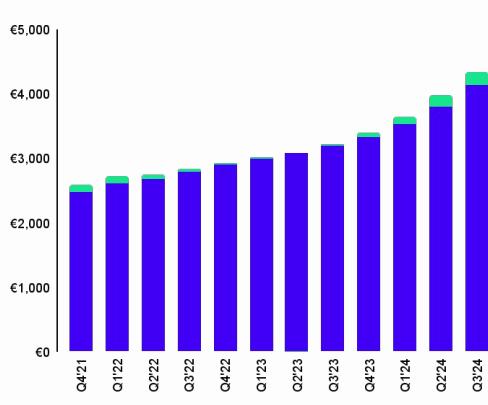
MAUs, Ad-Supported Users, Premium Subscribers & Revenue By Segment



* 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



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

Interim condensed consolidated statement of operations

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

	Three months ended		
	September 30, 2024	June 30, 2024	September 30, 2023
Revenue	3,988	3,807	3,357
Cost of revenue	2,748	2,695	2,472
Gross profit	1,240	1,112	885
Research and development	342	379	369
Sales and marketing	332	343	355
General and administrative	112	124	129
	786	846	853
Operating income	454	266	32
Finance income	66	76	55
Finance costs	(122)	(72)	(14)
Finance (costs)/income - net	(56)	4	41
Income before tax	398	270	73
Income tax expense/(benefit)	98	(4)	8
Net income attributable to owners of the parent	300	274	65
Earnings per share attributable to owners of the parent			
Basic	1.49	1.37	0.33
Diluted	1.45	1.33	0.33
Weighted-average ordinary shares outstanding			
Basic	201,575,568	199,959,172	194,881,723
Diluted	207,399,501	206,119,851	198,012,369

Interim condensed consolidated statement of financial position

(Unaudited)
(in € millions)

	September 30, 2024	December 31, 2023
Assets		
Non-current assets		
Lease right-of-use assets	235	300
Property and equipment	195	247
Goodwill	1,128	1,137
Intangible assets	58	84
Long term investments	1,604	1,215
Restricted cash and other non-current assets	72	75
Finance lease receivables	64	—
Deferred tax assets	194	28
	3,550	3,086
Current assets		
Trade and other receivables	749	858
Income tax receivable	27	20
Short term investments	1,392	1,100
Cash and cash equivalents	4,688	3,114
Other current assets	147	168
	7,003	5,260
Total assets	10,553	8,346
Equity and liabilities		
Equity		
Share capital	—	—
Other paid in capital	5,825	5,155
Treasury shares	(262)	(262)
Other reserves	2,481	1,812
Accumulated deficit	(3,411)	(4,182)
Equity attributable to owners of the parent	4,633	2,523
Non-current liabilities		
Exchangeable Notes	1,340	1,203
Lease liabilities	446	493
Accrued expenses and other liabilities	5	26
Provisions	3	3
Deferred tax liabilities	20	8
	1,814	1,733
Current liabilities		
Trade and other payables	1,084	978
Income tax payable	21	12
Deferred revenue	680	622
Accrued expenses and other liabilities	2,275	2,440
Provisions	24	21
Derivative liabilities	22	17
	4,106	4,090
Total liabilities	5,920	5,823
Total equity and liabilities	10,553	8,346

Interim condensed consolidated statement of cash flows

(Unaudited)
(in € millions)

	Three months ended		
	September 30, 2024	June 30, 2024	September 30, 2023
Operating activities			
Net income	300	274	65
Adjustments to reconcile net income to net cash flows			
Depreciation of property and equipment	21	21	26
Amortization of intangible assets	9	9	10
Impairment charges on real estate assets	—	14	—
Write-off of content assets	—	—	—
Share-based compensation expense	63	81	85
Finance income	(66)	(76)	(55)
Finance costs	122	72	14
Income tax expense	98	(4)	8
Other	—	(1)	(1)
Changes in working capital:			
(Increase)/decrease in trade receivables and other assets	(4)	40	(69)
Increase in trade and other liabilities	86	28	62
Increase in deferred revenue	33	21	56
Increase/(decrease) in provisions	—	4	(2)
Interest paid on lease liabilities	(9)	(9)	(9)
Interest received	77	41	28
Income tax paid	(15)	(23)	(7)
Net cash flows from operating activities	715	492	211
Investing activities			
Payment of deferred consideration pertaining to business combinations	—	(3)	—
Purchases of property and equipment	(4)	(2)	(1)
Purchases of short term investments	(1,439)	(1,285)	(406)
Sales and maturities of short term investments	1,364	1,179	201
Dividends received	—	18	—
Change in restricted cash	—	—	6
Other	(3)	1	(3)
Net cash flows used in investing activities	(82)	(92)	(203)
Financing activities			
Proceeds from exercise of stock options	152	240	32
Payments of lease liabilities	(18)	(24)	(13)
Payments for employee taxes withheld from restricted stock unit releases	(35)	(32)	(20)
Net cash flows from/(used in) financing activities	99	184	(1)
Net increase in cash and cash equivalents	732	584	7
Cash and cash equivalents at beginning of the period	4,054	3,451	2,550
Net foreign exchange (losses)/gains on cash and cash equivalents	(98)	19	58
Cash and cash equivalents at period end	4,688	4,054	2,615

Calculation of basic and diluted earnings per share

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

	Three months ended		
	September 30, 2024	June 30, 2024	September 30, 2023
Basic earnings per share			
Net income attributable to owners of the parent	300	274	65
<i>Shares used in computation:</i>			
Weighted-average ordinary shares outstanding	201,575,568	199,959,172	194,881,723
Basic earnings per share attributable to owners of the parent	1.49	1.37	0.33
Diluted earnings per share			
Net income attributable to owners of the parent	300	274	65
Net income used in the computation of diluted earnings per share	300	274	65
<i>Shares used in computation:</i>			
Weighted-average ordinary shares outstanding	201,575,568	199,959,172	194,881,723
Stock options	3,989,363	4,216,472	1,191,994
Restricted stock units	1,814,968	1,925,727	1,917,347
Other contingently issuable shares	19,602	18,480	21,305
Diluted weighted-average ordinary shares	207,399,501	206,119,851	198,012,369
Diluted earnings per share attributable to owners of the parent	1.45	1.33	0.33

Reconciliation of IFRS to non-IFRS results

Revenue on a constant currency basis

(Unaudited)
(in € millions, except percentages)

	Three months ended	
	September 30, 2024	September 30, 2023
IFRS revenue	3,988	3,357
Foreign exchange effect on 2024 revenue using 2023 rates	(90)	
Revenue excluding foreign exchange effect	4,078	
IFRS revenue year-over-year change %	19%	
Revenue excluding foreign exchange effect year-over-year change %	21%	
IFRS Premium revenue	3,516	2,910
Foreign exchange effect on 2024 Premium revenue using 2023 rates	(84)	
Premium revenue excluding foreign exchange effect	3,600	
IFRS Premium revenue year-over-year change %	21%	
Premium revenue excluding foreign exchange effect year-over-year change %	24%	
IFRS Ad-Supported revenue	472	447
Foreign exchange effect on 2024 Ad-Supported revenue using 2023 rates	(6)	
Ad-Supported revenue excluding foreign exchange effect	478	
IFRS Ad-Supported revenue year-over-year change %	6%	
Ad-Supported revenue excluding foreign exchange effect year-over-year change %	7%	

Reconciliation of IFRS to non-IFRS results

Operating expenses on a constant currency basis

(Unaudited)
(in € millions, except percentages)

	Three months ended	
	September 30, 2024	September 30, 2023
IFRS Operating expenses	786	853
Foreign exchange effect on 2024 operating expenses using 2023 rates	(13)	
Operating expenses excluding foreign exchange effect	799	
IFRS Operating expenses year over year change %	(8)%	
Operating expenses excluding foreign exchange effect year-over-year change %	(6)%	

	Three months ended	
	September 30, 2024	September 30, 2023
IFRS Research and development expenses	342	369
Foreign exchange effect on 2024 expenses using 2023 rates	(6)	
Research and development expenses excluding foreign exchange effect	348	
IFRS Research and development expenses year over year change %	(7)%	
Research and development expenses excluding foreign exchange effect year-over-year change %	(6)%	

	Three months ended	
	September 30, 2024	September 30, 2023
IFRS Sales and marketing expenses	332	355
Foreign exchange effect on 2024 expenses using 2023 rates	(6)	
Sales and marketing expenses excluding foreign exchange effect	338	
IFRS Sales and marketing expenses year over year change %	(6)%	
Sales and marketing expenses excluding foreign exchange effect year-over-year change %	(5)%	

	Three months ended	
	September 30, 2024	September 30, 2023
IFRS General and administrative expenses	112	129
Foreign exchange effect on 2024 expenses using 2023 rates	(1)	
General and administrative expenses excluding foreign exchange effect	113	
IFRS General and administrative expenses year over year change %	(13)%	
General and administrative expenses excluding foreign exchange effect year-over-year change %	(12)%	

Reconciliation of IFRS to non-IFRS results

Free Cash Flow

(Unaudited)
(in € millions)

	Three months ended														
	March 31, 2021	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
Net cash flows from/(used in) operating activities	65	54	123	119	37	39	40	(70)	59	13	211	397	211	492	715
Capital expenditures	(24)	(20)	(25)	(16)	(10)	(5)	(5)	(5)	(2)	(2)	(1)	(1)	(5)	(2)	(4)
Change in restricted cash	—	—	1	—	(5)	3	—	2	—	(2)	6	—	1	—	—
Free Cash Flow	41	34	99	103	22	37	35	(73)	57	9	216	396	207	490	711

Free Cash Flow

(Unaudited)
(in € millions)

	Last twelve months ended											
	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
Net cash flows from operating activities	361	333	318	235	46	68	42	213	680	832	1,311	1,815
Capital expenditures	(85)	(71)	(56)	(36)	(25)	(17)	(14)	(10)	(6)	(9)	(9)	(12)
Change in restricted cash	1	(4)	(1)	(2)	—	5	—	6	4	5	7	1
Free Cash Flow	277	258	261	197	21	56	28	209	678	828	1,309	1,804

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
Net cash flows from operating activities	101	179	344	573	259	361	46	680
Capital expenditures	(27)	(36)	(125)	(135)	(78)	(85)	(25)	(6)
Change in restricted cash	(1)	(34)	(10)	2	2	1	—	4
Free Cash Flow	73	109	209	440	183	277	21	678

APPENDIX

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 Q3 close, our stock price was \$368.53. In Q3, a 10% increase or decrease in our stock price compared to the quarter-end price would have an approximate +/- €32M impact on Social Charges.

