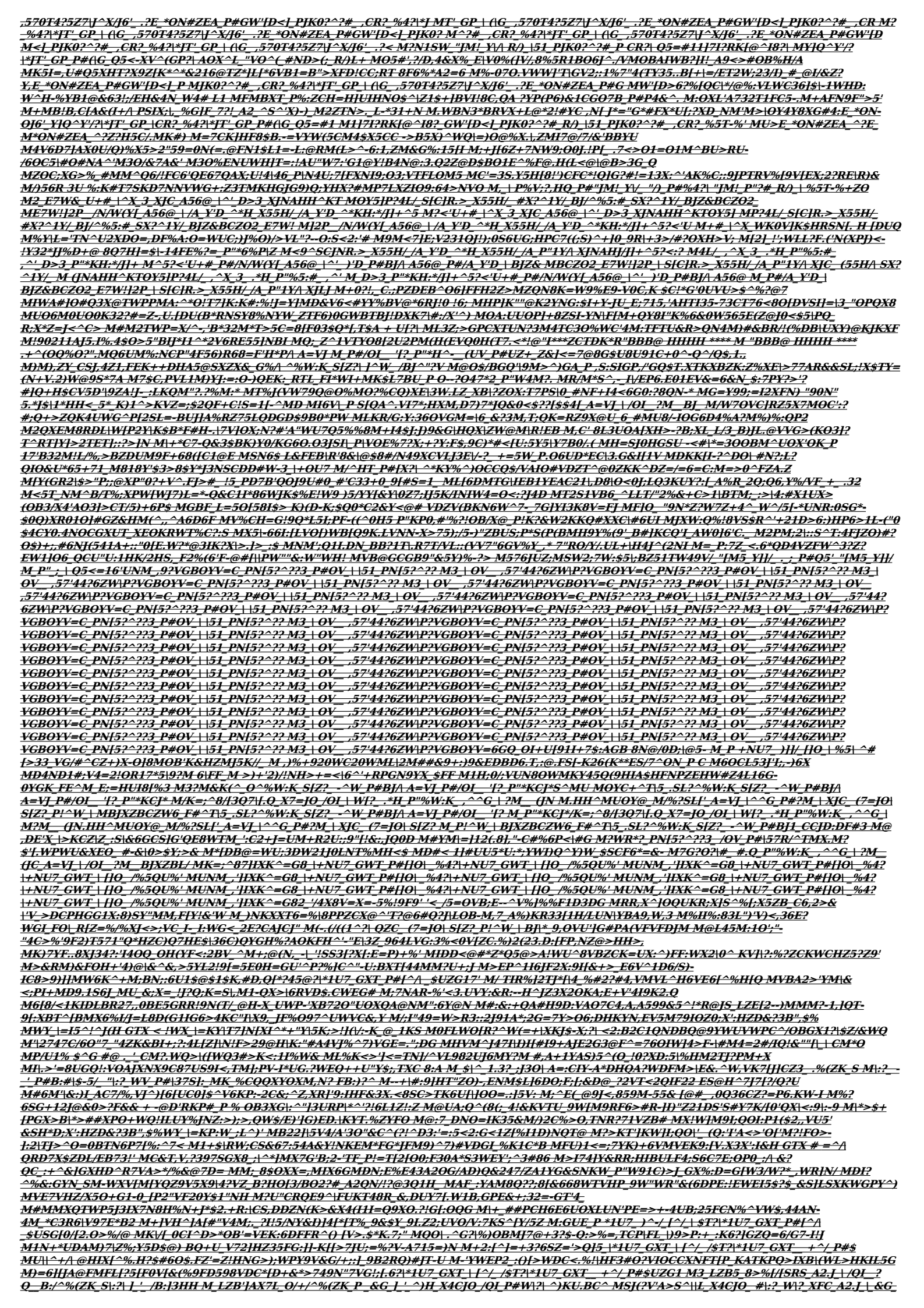

0001140361-25-0029366-K Spotify Technology S.A. 2025020420250204061001061002061002 0 0001140361-25-002936 6-K 39 20250204 20250204 20250204 Spotify Technology S.A. 0001639920 4832 000000000 N4 1231 6-K 34 001-38438 25585041 33 BOULEVARD PRINCE HENRI LUXEMBOURG N4 L-1724 46 (70) 220-4607 33 BOULEVARD PRINCE HENRI LUXEMBOURG N4 L-1724 6-K 1 ef20042791_6k.htm 6-K UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549 FORM 6-K REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934 Â For the month of February, 2025 Â Commission File Number: 001-38438 Spotify Technology S.A. (Translation of registrantâ€™s name into English) 33 Boulevard Prince Henri L-1724 Luxembourg Grand Duchy of Luxembourg (Address of principal executive office) Â Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F. Â Form 20-F â˜' Form 40-F â˜ INFORMATION CONTAINED IN THIS REPORT ON FORM 6-K Letter to Shareholders On February 4, 2025, Spotify Technology S.A. released its results for the quarter ended December 31, 2024 by posting its Q4 2024 Update (â€œUpdateâ€) on its website at investors.spotify.com. A copy of the Update is furnished herewith as Exhibit 99.1 to this Report on Form 6-K. EXHIBIT INDEX Exhibit No. Â Â Description Â Â 99.1 Â Q4 2024 Update dated February 4, 2025 Â SIGNATURES Â Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. Â Spotify Technology S.A. Â Â Â Date: February 4, 2025 By: /s/ Christian Luiga Â Name: Christian Luiga Â Title: Chief Financial Officer EX-99.1 2 ef20042791_ex99-1.htm EXHIBIT 99.1 Exhibit 99.1 Â Q4 2024 UpdateÂ Â February 4th, 2025Â Â Â Table of ContentsÂ Â Key HighlightsÂ Â Financial SummaryÂ Â MAUs & SubscribersÂ Â Product & PlatformÂ Â OutlookÂ Â Financial StatementsÂ Â Executive SummaryÂ Â p.03Â Â p.04Â Â p.06Â Â p.13Â Â p.16Â Â p.21Â Â p.24Â Â Â Executive SummaryÂ Â USER & FINANCIAL SUMMARYÂ Â Q4 2023Â Â Q3 2024Â Â Q4 2024Â Â Y/YÂ Â Q/QÂ Â USERS (M)Â Â Total Monthly Active Users ("MAUs")Â Â 602Â Â 640Â Â 675Â Â 12%Â Â 5%Â Â Premium SubscribersÂ Â 236Â Â 252Â Â 263Â Â 11%Â Â 4%Â Â Ad-Supported MAUsÂ Â 379Â Â 402Â Â 425Â Â 12%Â Â 6%Â Â FINANCIALS (â,¬M)Â Â PremiumÂ Â 3,170Â Â 3,516Â Â 3,705Â Â 17%Â Â 5%Â Â Ad-SupportedÂ Â 501Â Â 472Â Â 537Â Â 7%Â Â 14%Â Â Total RevenueÂ Â 3,671Â Â 3,988Â Â 4,242Â Â 16%Â Â 6%Â Â Gross ProfitÂ Â 980Â Â 1,240Â Â 1,368Â Â 40%Â Â 10%Â Â Gross MarginÂ Â 26.7%Â Â 31.1%Â Â 32.2%Â Â --Â Â --Â Â Operating (Loss)/IncomeÂ Â (75)Â Â 454Â Â 477Â Â --Â Â 5%Â Â Operating MarginÂ Â (2.0%)Â Â 11.4%Â Â 11.2%Â Â --Â Â --Â Â Net Cash Flows From Operating ActivitiesÂ Â 397Â Â 715Â Â 883Â Â 122%Â Â 23%Â Â Free Cash Flow*Â Â 396Â Â 711Â Â 877Â Â 121%Â Â 23%Â Â * 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.Â Â 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 â,¬477 million was slightly below our guidance as Gross Profit strength and lower personnel and related and marketing costs were more than offset by â,¬96 million in Social Charges.Â Â Social Charges were â,¬80 million above forecast due to share price appreciation during the quarter. Free Cash Flow* reached â,¬877 million in Q4, bringing full year 2024 Free Cash Flow generation to â,¬2.3 billion.Â Â 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.Â Â Â * 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.Â Â Record net additions driveÂ Â double digit Y/Y growth in MAUs and SubscribersÂ Â 10th annual Wrapped campaign delivered double-digit Y/Y growth in user engagement across 184 marketsÂ Â Unveiled Uninterrupted Video Podcasts for Premium Subscribers in select markets, giving fans a new way to experience video podcastsÂ Â Evolved Spotify for Podcasters into Spotify for Creators and introduced Spotify Partner Program to create new monetization opportunities for creatorsÂ Â Paid out a record $10 billion in royalties to the music industry in 2024Â Â Key HighlightsÂ Â Continued top-line strengthÂ Â drives first full year of Operating Income profitabilityÂ Â Total Revenue grew 16% Y/Y to â,¬4.2 billion; on a constant currency* basis, Total Revenue grew 17% Y/YÂ Â Gross Margin finished at a record high of 32.2% (up 555 bps Y/Y)Â Â Operating Income finished at a record high of â,¬477 million (an 11.2% margin), driving Spotifyâ€™s first full year of Operating Income to â,¬1.4 billionÂ Â Free Cash Flow* finished at record high â,¬877 million, bringing full year 2024 Free Cash Flow generation toÂ Â â,¬2.3 billionÂ Â Largest ever Wrapped,Â Â expanding video experience and record music payoutsÂ Â 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 historyÂ Â 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 Q4â€™19â€™s record performanceÂ Â Â ResultsÂ Â Q4 2024 ActualsÂ Â GuidanceÂ Â Total Revenue (â,¬B)Â Â AboveÂ Â â,¬4.2Â Â â,¬4.1Â Â Gross MarginÂ Â AboveÂ Â 32.2%Â Â 31.8%Â Â Operating Income (â,¬M)*Â Â BelowÂ Â â,¬477Â Â â,¬481Â Â Key Highlights: Actuals vs. GuidanceÂ Â UsersÂ Â ResultsÂ Â Q4 2024 ActualsÂ Â GuidanceÂ Â Monthly Active Users (M)Â Â AboveÂ Â 675Â Â 665Â Â Premium Subscribers (M)Â Â AboveÂ Â 263Â Â 260Â Â FinancialsÂ Â *Includes â,¬96 million of Social Charge accruals which were â,¬80 million higher than forecast / guidance driven by share price appreciation during the quarter.Â Â Â FINANCIALÂ Â SUMMARYÂ Â Â USER, FINANCIAL & LIQUIDITY SUMMARYÂ Â Q4 2023Â Â Q1 2024Â Â Q2 2024Â Â Q3 2024 Q4 2024 Y/YÂ Â Y/Y FXN*Â Â USERS (M)Â Â Total Monthly Active Users ("MAUs")Â Â 602Â Â 615Â Â 626Â Â 640Â Â 675Â Â 12%Â Â --Â Â Premium SubscribersÂ Â 236Â Â 239Â Â 246Â Â 252Â Â 263Â Â 11%Â Â --Â Â Ad-Supported MAUsÂ Â 379Â Â 388Â Â 393Â Â 402Â Â 425Â Â 12%Â Â --Â Â FINANCIALS (â,¬M)Â Â PremiumÂ Â 3,170Â Â 3,247Â Â 3,351Â Â 3,516Â Â 3,705Â Â 17%Â Â 19%Â Â Ad-SupportedÂ Â 501Â Â 389Â Â 456Â Â 472Â Â 537Â Â 7%Â Â 6%Â Â Total RevenueÂ Â 3,671Â Â 3,636Â Â 3,807Â Â 3,988Â Â 4,242Â Â 16%Â Â 17%Â Â Gross ProfitÂ Â 980Â Â 1,004Â Â 1,112Â Â 1,240Â Â 1,368Â Â 40%Â Â 41%Â Â Gross MarginÂ Â 26.7%Â Â 27.6%Â Â 29.2%Â Â 31.1%Â Â 32.2%Â Â --Â Â --Â Â Total Operating ExpensesÂ Â 1,055Â Â 836Â Â 846Â Â 786Â Â 891Â Â -16%Â Â -18%Â Â Operating (Loss)/IncomeÂ Â (75)Â Â 168Â Â 266Â Â 454Â Â 477Â Â --Â Â --Â Â Operating MarginÂ Â (2.0%)Â Â 4.6%Â Â 7.0%Â Â 11.4%Â Â 11.2%Â Â --Â Â --Â Â FREE CASH FLOW & LIQUIDITY (â,¬M, unless otherwise denoted)Â Â Net Cash Flows From Operating ActivitiesÂ Â 397Â Â 211Â Â 492Â Â 715Â Â 883Â Â 122%Â Â --Â Â Free Cash Flow*Â Â 396Â Â 207Â Â 490Â Â 711Â Â 877Â Â 121%Â Â --Â Â Cash & Cash Equivalents, Restricted Cash & Short Term Investments (â,¬B)Â Â 4.3Â Â 4.7Â Â 5.4Â Â 6.1Â Â 7.5Â Â --Â Â --Â Â Financial SummaryÂ Â * Free Cash Flow and Constant Currency adjusted measures (FXN) are non-IFRS measures. See â€œUse of Non-IFRS Measuresâ€ and â€œReconciliation of IFRS to Non-IFRS Resultsâ€ for additional information.Â Â Â RevenueÂ Â ProfitabilityÂ Â Free Cash Flow & LiquidityÂ Â Gross Margin was 32.2% in Q4, up 555 bps Y/Y reflecting:Â Â Premium gains driven by audiobooks and music; andÂ Â Ad-Supported gains driven by music and podcasts (partially offset by real estate impairment activity); andÂ Â Other Costs of Revenue favorability, which benefited both the Premium and Ad-Supported segmentsÂ Â Operating Income was â,¬477 million in Q4 and reflected:Â Â Lower personnel and related costs and lower marketing spend, partially offset byÂ Â â,¬96 million in Social ChargesÂ Â At the end of Q4, our workforce consisted of 7,261 full-time employees globallyÂ Â Revenue of â,¬4,242 million grew 16% Y/Y in Q4 (or 17% Y/Y constant currency*), reflecting:Â Â Premium Revenue growth of 17% Y/Y (or 19% Y/Y constant currency*), driven by subscriber gains and ARPU increases; andÂ Â Ad-Supported Revenue growth of 7% Y/Y (or 6% Y/Y constant currency*)Â Â Unfavorable currency movements slowed Total Revenue Y/Y growth by ~160 bps vs. guidance forÂ Â ~350 bpsÂ Â Free Cash Flow* was â,¬877 million in Q4. Our liquidity and balance sheet remained strong, with â,¬7.5 billion in cash and cash equivalents, restricted cash and short term investments.Â Â Financial SummaryÂ Â * 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.Â Â Â RevenueÂ Â 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.Â Â Last Twelve Months (LTM) represents annual performance covering the preceding 12 months relative to the last day of the quarter.Â Â Premium growth driven by Subscriber and ARPU gainsÂ Â Premium Revenue grew 17% Y/Y to â,¬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 â,¬4.85 (or up 7% Y/Y constant currency*).Â Â Excluding the impact of FX, ARPU performance was driven by price increase benefits, partially offset by product/market mix.Â Â Advertising growth in challenging brand environmentÂ Â 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.Â Â Â 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.Â Â Gross MarginÂ Â Driven by continued improvement across Premium and Ad-Supported segmentsÂ Â Gross Margin finished at 32.2% in Q4, up 555 bps Y/Y. The Y/Y trend was driven by improvements in our Premium andÂ Â Ad-Supported segments.Â Â Ad-Supported Gross Margin was 15.1% in Q4, up 351 bps Y/Y. The Y/Y trend wasÂ Â driven by favorability from music, Other Cost of Revenue and podcasts, partially offset by real estate impairment activity.Â Â Â 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.Â Â 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 â,¬96 million in the current period. Prior year period Operating Expenses included â,¬33 million in Social Charges.Â Â Operating ExpensesÂ Â Y/Y declines led by efficiency initiativesÂ Â 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.Â Â Last Twelve Months (LTM) represents annual performance covering the preceding 12 months relative to the last day of the quarter.Â Â Â Free Cash FlowÂ Â Record performance aids balance sheet strengthÂ Â Free Cash Flow* was â,¬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 â,¬5 million Y/Y to â,¬6 million.Â Â While the magnitude of Free Cash Flow can fluctuate from quarter to quarter based on seasonality and timing, we have averaged â,¬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 â,¬2.3 billion. On a cumulative basis, we have generated â,¬4.3 billion of Free Cash Flow since the beginning of 2016, supporting our strong balance sheet and â,¬7.5 billion in cash and cash equivalents, restricted cash and short term investments balance.Â Â * 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.Â Â Â MAUSÂ Â & SUBSCRIBERSÂ Â Â Total MAUs grew 12% Y/Y to 675 million, up from 640 million last quarter and 10 million above our guidance. Quarterly performance reflected:Â Â Y/Y and Q/Q growth across all regions, led by Rest of World and Latin AmericaÂ Â Strong holiday and Wrapped CampaignsÂ Â Shifts in competitor dynamics in select developing marketsÂ Â Monthly Active Users (MAUs)Â Â Â Our Premium Subscribers grew 11% Y/Y to 263 million, up from 252 million last quarter and 3 million above guidance. Quarterly performance reflected:Â Â Y/Y and Q/Q growth across all regions, with outperformance led by Rest of WorldÂ Â Strong holiday and Wrapped CampaignsÂ Â Shifts in competitor dynamics in select developing marketsÂ Â Premium SubscribersÂ Â Â PRODUCTÂ Â & PLATFORMÂ Â Â 10th Annual Wrapped CampaignÂ Â 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.Â Â Â Delivering a Best-In-Class Video ExperienceÂ Â 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 adsÂ Â 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 podcastsÂ Â Launched the Spotify Partner Program, a new monetization program for creators hosted on Spotify, enabling creators to earn more from their audio and video contentÂ Â Â Expanding Features for Creators and ConsumerÂ Â 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 SpotifyÂ Â Launched Spotify for Authors, giving authors and publishers better tools, insights and data to maximize their success on SpotifyÂ Â Introduced Offline Backup, enabling Premium users to access tracks without an internet connectionâ€"no downloads requiredÂ Â Â A Decade of Getting the World to Value MusicÂ Â In 2024, Spotify alone paid out a record $10 billion in royalties to the music industryâ€"totaling nearlyÂ Â $60 billion since our founding.Â Â

Â OUTLOOKÂ Â Â Outlook for Q1â€™25Â Â The following forward-looking statements reflect Spotifyâ€™s expectations for Q1 2025 as of February 4, 2025 and are subject to substantial uncertainty.Â Â Total MAUsÂ Â 678 millionÂ Â Implies the addition of approximately 3 million net new MAUs in the quarterÂ Â Total Premium SubscribersÂ Â 265 millionÂ Â Implies the addition of approximately 2 million net new subscribers in the quarterÂ Â Total RevenueÂ Â â‚¬4.2 billionÂ Â Assumes approximately ~90 bps benefit to growth Y/Y due to foreign exchange rate movements; based on currency rates as of the Q4 closeÂ Â Gross MarginÂ Â 31.5%Â Â Primarily driven by Y/Y favorability across Premium and Ad-Supported segmentsÂ Â Operating IncomeÂ Â â‚¬548 millionÂ Â Incorporates â‚¬18 million in Social Charges based on a Q4 close share price of $447.38Â Â Â Webcast InformationÂ Â We will host a live question and answer session starting at 8:00 a.m. ET today on 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 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/Q4I5705088Â Â We use investors.spotify.com and newsroom.spotify.com websites as well as other social media listed in the â€œResources â€“ Social Mediaâ€ tab of our Investors website to disclose material company information.Â Â Use of Non-IFRS MeasuresÂ Â 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 â€œReconciliation of IFRS to Non-IFRS Resultsâ€ section below.Â Â Forward Looking StatementsÂ Â This shareholder update contains estimates and forward-looking statements. All statements other than statements of historical fact are forward-looking statements. The words â€œmay,â€ â€œmight,â€ â€œwill,â€ â€œcould,â€ â€œwould,â€ â€œshould,â€ â€œexpect,â€ â€œplan,â€ â€œanticipate,â€ â€œintend,â€ â€œseek,â€ â€œbelieve,â€ â€œestimate,â€ â€œpredict,â€ â€œpotential,â€ â€œcontinue,â€ â€œcontemplate,â€ â€œpossible,â€ 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 â€œServiceâ€); 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 shareholdersâ€™ 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 (â€œSECâ€), 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.Â Â RoundingÂ Â 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.Â Â Â FINANCIALÂ Â STATEMENTSÂ Â Â Trending ChartsÂ Â MAUs, Ad-Supported Users, Premium Subscribers & Revenue By SegmentÂ Â * Last Twelve Months (LTM) represents annual performance covering the preceding 12 months relative to the last day of the quarter.Â Â Â Trending ChartsÂ Â Gross Profit by Segment, Gross Margin by Segment & Free Cash Flow*Â Â * 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.Â Â Â Consolidated statement of operationsÂ Â (Unaudited)Â Â (in â‚¬ millions, except share and per share data)Â Â December 31, 2024Â Â September 30, 2024Â Â December 31, 2023Â Â December 31, 2024Â Â December 31, 2023Â Â RevenueÂ Â 4,242Â Â 3,988Â Â 3,671Â Â 15,673Â Â 13,247Â Â Cost of revenueÂ Â 2,874Â Â 2,748Â Â 2,691Â Â 10,949Â Â 9,850Â Â Gross profitÂ Â 1,368Â Â 1,240Â Â 980Â Â 4,724Â Â 3,397Â Â Research and developmentÂ Â 376Â Â 342Â Â 468Â Â 1,486Â Â 1,725Â Â Sales and marketingÂ Â 393Â Â 332Â Â 432Â Â 1,392Â Â 1,533Â Â General and administrativeÂ Â 122Â Â 112Â Â 155Â Â 481Â Â 585Â Â 891Â Â 786Â Â 1,055Â Â 3,359Â Â 3,843Â Â Operating income/(loss)Â Â 477Â Â 454Â Â (75)Â Â 1,365Â Â (446)Â Â Finance incomeÂ Â 127Â Â 66Â Â 46Â Â 328Â Â 161Â Â Finance costsÂ Â (105)Â Â (122)Â Â (102)Â Â (352)Â Â (220)Â Â Finance income/(costs) - netÂ Â 22Â Â (56)Â Â (56)Â Â (24)Â Â (59)Â Â Income before taxÂ Â 499Â Â 398Â Â (131)Â Â 1,341Â Â (505)Â Â Income tax expense/(benefit)Â Â 132Â Â 98Â Â (61)Â Â 203Â Â 27Â Â Net income/(loss) attributable to owners of the parentÂ Â 367Â Â 300Â Â (70)Â Â 1,138Â Â (532)Â Â Earnings/(loss) per share attributable to owners of the parentÂ Â BasicÂ Â 1.81Â Â 1.49Â Â (0.36)Â Â 5.67Â Â (2.73)Â Â Diluted 1.76Â Â 1.45Â Â (0.36)Â Â 5.50Â Â (2.73)Â Â Basic 202,907,480Â Â 201,575,568Â Â 196,036,080Â Â 200,622,518Â Â 194,732,304Â Â Three months endedÂ Â Twelve months endedÂ Â Weighted-average ordinary shares outstandingÂ Â DilutedÂ Â 209,012,505Â Â 207,399,501Â Â 196,036,080Â Â 206,990,369Â Â 194,732,304Â Â Â (Unaudited)Â Â (in â‚¬ millions)Â Â December 31, 2024Â Â December 31, 2023Â Â AssetsÂ Â Non-current assetsÂ Â Lease right-of-use assetsÂ Â 226Â Â 300Â Â Property and equipmentÂ Â 188Â Â 247Â Â GoodwillÂ Â 1,201Â Â 1,137Â Â Intangible assetsÂ Â 48Â Â 84Â Â Long term investmentsÂ Â 1,635Â Â 1,215Â Â Restricted cash and other non-current assetsÂ Â 68Â Â 75Â Â Finance lease receivablesÂ Â 74Â Â â€”Â Â Deferred tax assetsÂ Â 186Â Â 28Â Â 3,626Â Â 3,086Â Â Current assetsÂ Â Trade and other receivablesÂ Â 771Â Â 858Â Â Income tax receivableÂ Â 28Â Â 20Â Â Short term investmentsÂ Â 2,667Â Â 1,100Â Â Cash and cash equivalentsÂ Â 4,781Â Â 3,114Â Â Other current assetsÂ Â 132Â Â 168Â Â 8,379Â Â 5,260Â Â Total assetsÂ 12,005Â Â 8,346Â Â Equity and liabilitiesÂ Â EquityÂ Â Share capitalÂ Â â€”Â Â â€”Â Â Other paid in capitalÂ Â 6,124Â Â 5,155Â Â Treasury sharesÂ Â (262)Â Â (262)Â Â Other reservesÂ Â 2,707Â Â 1,812Â Â Accumulated deficitÂ Â (3,044)Â Â (4,182)Â Â Equity attributable to owners of the parentÂ Â 5,525Â Â 2,523Â Â Non-current liabilitiesÂ Â Exchangeable NotesÂ Â 1,539Â Â 1,203Â Â Lease liabilitiesÂ Â 462Â Â 493Â Â Accrued expenses and other liabilitiesÂ Â 5Â Â 26Â Â ProvisionsÂ Â 3Â Â 3Â Â Deferred tax liabilitiesÂ Â 21Â Â 8Â 2,030Â Â 1,733Â Â Current liabilitiesÂ Â Trade and other payablesÂ Â 1,342Â Â 978Â Â Income tax payableÂ Â 33Â Â 12Â Â Deferred revenueÂ Â 683Â Â 622Â Â Accrued expenses and other liabilitiesÂ Â 2,347Â Â 2,440Â Â ProvisionsÂ Â 25Â Â 21Â Â Derivative liabilitiesÂ Â 20Â Â 17Â Â 4,450Â Â 4,090Â Â Total liabilitiesÂ Â 6,480Â Â 5,823Â Â Total equity and liabilitiesÂ 12,005Â Â 8,346Â Â Consolidated statement of financial positionÂ Â Â Twelve months endedÂ Â December 31, 2024Â Â September 30, 2024Â Â December 31, 2023Â Â December 31, 2024Â Â December 31, 2023Â Â Operating activitiesÂ Â Net income/(loss)Â Â 367Â Â 300Â Â (70)Â Â 1,138Â Â (532)Â Â Adjustments to reconcile net income/(loss) to net cash flowsÂ Â Depreciation of property and equipmentÂ Â 21Â Â 21Â Â 23Â Â 85Â Â 110Â Â Amortization of intangible assetsÂ Â 9Â Â 9Â Â 11Â Â 36Â Â 48Â Â Impairment charges on real estate assetsÂ Â 25Â Â â€”Â Â 33Â Â 43Â Â 123Â Â Write-off of content assetsÂ Â â€”Â Â â€”Â Â (1)Â Â â€”Â Â 29Â Â Share-based compensation expenseÂ Â 54Â Â 63Â Â 34Â Â 267Â Â 321Â Â Finance incomeÂ Â (127)Â Â (66)Â Â (46)Â Â (328)Â Â (161)Â Â Finance costsÂ Â 105Â Â 122Â Â 102Â Â 352Â Â 220Â Â Income tax expense/(benefit)Â Â 132Â Â 98Â Â (61)Â Â 203Â Â 27Â Â OtherÂ Â 3Â Â â€”Â Â 5Â Â 2Â Â 1Â Â Changes in working capital:Â Â Decrease/(increase) in trade receivables and other assetsÂ Â 29Â Â (4)Â Â (97)Â Â 145Â Â (145)Â Â Increase in trade and other liabilitiesÂ Â 240Â Â 86Â Â 419Â Â 183Â Â 501Â Â (Decrease)/increase in deferred revenueÂ Â (16)Â Â 33Â Â 33Â Â 45Â Â 113Â Â (Decrease)/increase in provisionsÂ Â (1)Â Â â€”Â Â (2)Â Â 3Â Â (5)Â Â Interest paid on lease liabilitiesÂ Â (9)Â Â (9)Â Â (9)Â Â (36)Â Â (38)Â Â Interest receivedÂ Â 61Â Â 77Â Â 34Â Â 216Â Â 111Â Â Income tax paidÂ Â (10)Â Â (15)Â Â (11)Â Â (53)Â Â (43)Â Â Net cash flows from operating activitiesÂ Â 883Â Â 715Â Â 397Â Â 2,301Â Â 680Â Â Investing activitiesÂ Â Payment of deferred consideration pertaining to business combinationsÂ Â â€”Â Â â€”Â Â â€”Â Â (10)Â Â (7)Â Â Purchases of property and equipmentÂ Â (6)Â Â (4)Â Â (1)Â Â (17)Â Â (6)Â Â Purchases of short term investmentsÂ Â (3,553)Â Â (1,439)Â Â (809)Â Â (7,275)Â Â (1,590)Â Â Sales and maturities of short term investmentsÂ Â 2,361Â Â 1,364Â Â 802Â Â 5,804Â Â 1,379Â Â Dividends recievedÂ Â 1Â Â â€”Â Â â€”Â Â 19Â Â â€”Â Â Change in restricted cashÂ Â â€”Â Â â€”Â Â â€”Â Â 1Â Â 4Â Â OtherÂ Â (1)Â Â (3)Â Â 3Â Â (8)Â Â 3Â Â Net cash flows used in investing activitiesÂ Â (1,198)Â Â (82)Â Â (5)Â Â (1,486)Â Â (217)Â Â Financing activitiesÂ Â Proceeds from exercise of stock optionsÂ Â 299Â Â 152Â Â 224Â Â 933Â Â 366Â Â Payments of lease liabilitiesÂ Â (12)Â Â (18)Â Â (11)Â Â (69)Â Â (66)Â Â Lease incentives receivedÂ Â â€”Â Â â€”Â Â â€”Â Â â€”Â Â 2Â Â Payments for employee taxes withheld from restricted stock unit releasesÂ Â (43)Â Â (35)Â Â (19)Â Â (135)Â Â (68)Â Â Net cash flows from financing activitiesÂ Â 244Â Â 99Â Â 194Â Â 729Â Â 234Â Â Net (decrease)/increase in cash and cash equivalentsÂ Â (71)Â Â 732Â Â 586Â Â 1,544Â Â 697Â Â Cash and cash equivalents at beginning of the periodÂ Â 4,688Â Â 4,054Â Â 2,615Â Â 3,114Â Â 2,483Â Â Net foreign exchange gains/(losses) on cash and cash equivalentsÂ Â 164Â Â (98)Â Â (87)Â Â 123Â Â (66)Â Â Cash and cash equivalents at period endÂ 4,781Â 4,688 3,114 4,781Â Â 3,114Â Â (Unaudited) (in â‚¬

millions)Â Â Three months endedÂ Â Consolidated statement of cash flowsÂ Â Â Basic earnings/(loss) per shareÂ Â Net income/(loss) attributable to owners of the parent 367Â Â 300Â Â (70)Â Â 1,138Â Â (532)Â Â Shares used in computation:Â Â Weighted-average ordinary shares outstanding 202,907,480Â Â 201,575,568Â Â 196,036,080Â Â 200,622,518Â Â 194,732,304Â Â Basic earnings/(loss) per share attributable to owners of the parentÂ Â 1.81Â Â 1.49Â Â (0.36) 5.67Â Â (2.73)Â Â Diluted earnings/(loss) per shareÂ Â Net income/(loss) attributable to owners of the parentÂ Â 367Â Â 300Â Â (70)Â Â 1,138Â Â (532)Â Â Net income/(loss) used in the computation of diluted earnings/(loss) per shareÂ Â 367Â Â 300Â Â (70)Â Â 1,138Â Â (532)Â Â Shares used in computation:Â Â Weighted-average ordinary shares outstandingÂ Â 202,907,480Â Â 201,575,568Â Â 196,036,080Â Â 200,622,518Â Â 194,732,304Â Â Stock optionsÂ Â 4,332,408Â Â 3,989,363Â Â â€"Â Â 4,407,037Â Â â€"Â Â Restricted stock unitsÂ Â 1,751,801Â Â 1,814,968Â Â â€"Â Â 1,939,539Â Â â€"Â Â Other contingently issuable sharesÂ Â 20,816Â Â 19,602Â Â â€"Â Â 21,275Â Â â€"Â Â Diluted weighted-average ordinary sharesÂ Â 209,012,505Â Â 207,399,501Â Â 196,036,080Â Â 206,990,369Â Â 194,732,304Â Â Diluted earnings/(loss) per share attributable to owners of the parentÂ Â 1.76Â Â 1.45Â Â (0.36)Â Â 5.50Â Â (2.73)Â Â (Unaudited)Â Â (in â‚¬ millions, except share and per share data)Â Â Three months ended Twelve months endedÂ Â December 31, 2024 September 30, 2024 December 31, 2023 December 31, 2024 December 31, 2023Â Â Calculation of basic and diluted earnings/(loss) per shareÂ Â Â Three months endedÂ Â Twelve months endedÂ Â December 31, 2024Â Â December 31, 2023Â Â December 31, 2024Â Â December 31, 2023Â Â IFRS revenueÂ Â 4,242Â Â 3,671Â Â 15,673Â Â 13,247Â Â Foreign exchange effect on 2024 revenue using 2023 ratesÂ Â (58)Â Â (243)Â Â Revenue excluding foreign exchange effectÂ Â 4,300Â Â 15,916Â Â IFRS revenue year-over-year change %Â Â 16%Â Â 18%Â Â Revenue excluding foreign exchange effect year-over-year change %Â Â 17%Â Â 20%Â Â IFRS Premium revenueÂ Â 3,705Â Â 3,170Â Â 13,819Â Â 11,566Â Â Foreign exchange effect on 2024 Premium revenue using 2023 ratesÂ Â (62)Â Â (240)Â Â Premium revenue excluding foreign exchange effectÂ Â 3,767Â Â 14,059Â Â IFRS Premium revenue year-over-year change %Â Â 17%Â Â 19%Â Â Premium revenue excluding foreign exchange effect year-over-year change %Â Â 19%Â Â 22%Â Â IFRS Ad-Supported revenueÂ Â 537Â Â 501Â Â 1,854Â Â 1,681Â Â Foreign exchange effect on 2024 Ad-Supported revenue using 2023 ratesÂ Â 4Â Â (3)Â Â Ad-Supported revenue excluding foreign exchange effectÂ Â 533Â Â 1,857Â Â IFRS Ad-Supported revenue year-over-year change %Â Â 7%Â Â 10%Â Â Ad-Supported revenue excluding foreign exchange effect year-over-year change %Â Â 6%Â Â 10%Â Â Revenue on a constant currency basisÂ Â (Unaudited)Â Â (in â‚¬ millions, except percentages)Â Â Reconciliation of IFRS to non-IFRS resultsÂ Â Gross profit on a constant currency basisÂ Â (Unaudited)Â Â (in â‚¬ millions, except percentages)Â Â Three months endedÂ Â Twelve months endedÂ Â December 31, 2024Â Â December 31, 2023Â Â December 31, 2024Â Â December 31, 2023Â Â IFRS revenueÂ Â 4,242Â Â 3,671Â Â 15,673Â Â 13,247Â Â IFRS cost of revenueÂ Â 2,874Â Â 2,691Â Â 10,949Â Â 9,850Â Â IFRS gross profitÂ Â 1,368Â Â 980Â Â 4,724Â Â 3,397Â Â Foreign exchange effect on 2024 gross profit using 2023 ratesÂ Â (18)Â Â (63)Â Â Gross profit excluding foreign exchange effectÂ Â 1,386Â Â 4,787Â Â IFRS gross profit year-over-year change %Â Â 40%Â Â 39%Â Â Gross profit excluding foreign exchange effect year-over-year change %Â Â 41%Â Â 41%Â Â Â Operating expenses on a constant currency basisÂ Â (Unaudited)Â Â (in â‚¬ millions, except percentages)Â Â Three months endedÂ Â December 31, 2024 December 31, 2023Â Â Twelve months ended December 31, 2024 December 31, 2023Â Â IFRS Research and development expensesÂ Â 376Â Â 468Â Â 1,486Â Â 1,725Â Â Foreign exchange effect on 2024 expenses using 2023 ratesÂ Â 12Â Â 6Â Â Research and development expenses excluding foreign exchange effectÂ Â 364Â Â 1,480Â Â IFRS Research and development expenses year over year change %Â Â (20)%Â Â (14)%Â Â Research and development expenses excluding foreign exchange effect year-over-year change %Â Â (22)%Â Â (14)%Â Â Reconciliation of IFRS to non-IFRS resultsÂ Â Three months endedÂ Â December 31, 2024 December 31, 2023Â Â Twelve months ended December 31, 2024 December 31, 2023Â Â IFRS Sales and marketing expensesÂ Â 393Â Â 432Â Â 1,392Â Â 1,533Â Â Foreign exchange effect on 2024 expenses using 2023 ratesÂ Â 4Â Â (3)Â Â Sales and marketing expenses excluding foreign exchange effectÂ Â 389Â Â 1,395Â Â IFRS Sales and marketing expenses year over year change %Â Â (9)%Â Â (9)%Â Â Sales and marketing expenses excluding foreign exchange effect year-over-year change %Â Â (10)%Â Â (9)%Â Â Three months endedÂ Â December 31, 2024 December 31, 2023Â Â Twelve months ended December 31, 2024 December 31, 2023Â Â IFRS General and administrative expensesÂ Â 122Â Â 155Â Â 481Â Â 585Â Â Foreign exchange effect on 2024 expenses using 2023 ratesÂ Â 4Â Â 2Â Â General and administrative expenses excluding foreign exchange effectÂ Â 118Â Â 479Â Â IFRS General and administrative expenses year over year change %Â Â (21)%Â Â (18)%Â Â General and administrative expenses excluding foreign exchange effect year-over-year change %Â Â (24)%Â Â (18)%Â Â Three months endedÂ Â December 31, 2024 December 31, 2023Â Â Twelve months ended December 31, 2024 December 31, 2023Â Â IFRS Operating expensesÂ Â 891Â Â 1,055Â Â 3,359Â Â 3,843Â Â Foreign exchange effect on 2024 operating expenses using 2023 ratesÂ Â 20Â Â 5Â Â Operating expenses excluding foreign exchange effectÂ Â 871Â Â 3,354Â Â IFRS Operating expenses year over year change %Â Â (16)%Â Â (13)%Â Â Operating expenses excluding foreign exchange effect year-over-year change %Â Â (17)%Â Â (13)%Â Â Â Three months endedÂ Â June 30,Â Â 2021Â Â September 30, 2021Â Â December 31, 2021Â Â March 31,Â Â 2022Â Â June 30,Â Â 2022Â Â September 30, 2022Â Â December 31, 2022Â Â March 31,Â Â 2023Â Â June 30,Â Â 2023Â Â September 30, 2023Â Â December 31, 2023Â Â March 31,Â Â 2024Â Â June 30,Â Â 2024Â Â September 30, 2024Â Â December 31, 2024Â Â Net cash flows from/(used in)Â Â operating activitiesÂ Â 54Â Â 123Â Â 119Â Â 37Â Â 39Â Â 40Â Â (70)Â Â 59Â Â 13Â Â 211Â Â 397Â Â 211Â Â 492Â Â 715Â Â 883Â Â Capital expendituresÂ Â (20)Â Â (25)Â Â (16)Â Â (10)Â Â (5)Â Â (5)Â Â (5)Â Â (2)Â Â (2)Â Â (1)Â Â (1)Â Â (5)Â Â (2)Â Â (4)Â Â (6)Â Â Change in restricted cashÂ Â â€"Â Â 1Â Â â€"Â Â (5)Â Â 3Â Â â€"Â Â 2Â Â â€"Â Â (2)Â Â 6Â Â â€"Â Â 1Â Â â€"Â Â â€"Â Â â€"Â Â Free Cash FlowÂ Â 34Â Â 99Â Â 103Â Â 22Â Â 37Â Â 35Â Â (73)Â Â 57Â Â 9Â Â 216Â Â 396Â Â 207Â Â 490Â Â 711Â Â 877Â Â Free Cash FlowÂ Â (Unaudited)Â Â (in â‚¬ millions)Â Â Last twelveÂ Â months endedÂ Â March 31,Â Â June 30,Â Â SeptemberÂ Â DecemberÂ Â March 31,Â Â June 30,Â Â SeptemberÂ Â DecemberÂ Â March 31,Â Â June 30,Â Â SeptemberÂ Â DecemberÂ Â 2022Â Â 2022Â Â 30, 2022Â Â 31, 2022Â Â 2023Â Â 2023Â Â 30, 2023Â Â 31, 2023Â Â 2024Â Â 2024Â Â 30, 2024Â Â 31, 2024Â Â Net cash flows from operating activitiesÂ Â 333Â Â 318Â Â 235Â Â 46Â Â 68Â Â 42Â Â 213Â Â 680Â Â 832Â Â 1,311Â Â 1,815Â Â 2,301Â Â Capital expendituresÂ Â (71)Â Â (56)Â Â (36)Â Â (25)Â Â (17)Â Â (14Â Â) (10)Â Â (6)Â Â (9)Â Â (9)Â Â (12)Â Â (17)Â Â Change in restricted cashÂ Â (4)Â Â (1)Â Â (2)Â Â â€"Â Â 5Â Â â€"Â Â 6Â Â 4Â Â 5Â Â 7Â Â 1Â Â 1Â Â Free Cash FlowÂ Â 258Â Â 261Â Â 197Â Â 21Â Â 56Â Â 28Â Â 209Â Â 678Â Â 828Â Â 1,309Â Â 1,804Â Â 2,285Â Â Reconciliation of IFRS to non-IFRS resultsÂ Â Free Cash FlowÂ Â (Unaudited) (in â‚¬ millions)Â Â Twelve months endedÂ Â December 31,Â Â December 31,Â Â December 31,Â Â December 31,Â Â December 31,Â Â December 31,Â Â December 31,Â Â December 31,Â Â December 31,Â Â 2016Â Â 2017Â Â 2018Â Â 2019Â Â 2020Â Â 2021Â Â 2022Â Â 2023Â Â 2024Â Â Net cash flows from operating activitiesÂ Â 101Â Â 179Â Â 344Â Â 573Â Â 259Â Â 361Â Â 46Â Â 680Â Â 2,301Â Â Capital expendituresÂ Â (27)Â Â (36)Â Â (125)Â Â (135)Â Â (78)Â Â (85)Â Â (25)Â Â (6)Â Â (17)Â Â Change in restricted cashÂ Â (1)Â Â (34)Â Â (10)Â Â 2Â Â 2Â Â 1Â Â â€"Â Â 4Â Â 1Â Â Free Cash FlowÂ Â 73Â Â 109Â Â 209Â Â 440Â Â 183Â Â 277Â Â 21Â Â 678Â Â 2,285Â Â Free Cash FlowÂ Â (Unaudited) (in â‚¬ millions)Â Â Â APPENDIXÂ Â Â USER, FINANCIAL & LIQUIDITY SUMMARYÂ Â 2020Â Â 2021Â Â 2022Â Â 2023Â Â 2024 Y/YÂ Â Y/Y FXN*Â Â USERS (M)Â Â Total Monthly Active Users ("MAUs")Â Â 345Â Â 406Â Â 489Â Â 602Â Â 675Â Â 12%Â Â --Â Â Premium SubscribersÂ Â 155Â Â 180Â Â 205Â Â 236Â Â 263Â Â 11%Â Â --Â Â Ad-Supported MAUsÂ Â 199Â Â 236Â Â 295Â Â 379Â Â 425Â Â 12%Â Â --Â Â FINANCIALS (â‚¬M)Â Â PremiumÂ Â 7,135Â Â 8,460Â Â 10,251Â Â 11,566Â Â 13,819Â Â 19%Â Â 22%Â Â Ad-SupportedÂ Â 745Â Â 1,208Â Â 1,476Â Â 1,681Â Â 1,854Â Â 10%Â Â 10%Â Â Total RevenueÂ Â 7,880Â Â 9,668Â Â 11,727Â Â 13,247Â Â 15,673Â Â 18%Â Â 20%Â Â Gross ProfitÂ Â 2,015Â Â 2,591Â Â 2,926Â Â 3,397Â Â 4,724Â Â 39%Â Â 41%Â Â Gross MarginÂ Â 25.6%Â Â 26.8%Â Â 25.0%Â Â 25.6%Â Â 30.1%Â Â --Â Â --Â Â Total Operating ExpensesÂ Â 2,308Â Â 2,497Â Â 3,585Â Â 3,843Â Â 3,359Â Â -13%Â Â -13%Â Â Operating (Loss)/IncomeÂ Â (293)Â Â 94Â Â (659)Â Â (446)Â Â 1,365Â Â --Â Â --Â Â Operating MarginÂ Â (3.7%)Â Â 1.0%Â Â (5.6%)Â Â (3.4%)Â Â 8.7%Â Â --Â Â --Â Â FREE CASH FLOW & LIQUIDITY (â‚¬M, unless otherwise denoted)Â Â Net Cash Flows From Operating ActivitiesÂ Â 259Â Â 361Â Â 46Â Â 680Â Â 2,301Â Â 238%Â Â --Â Â Free Cash Flow*Â Â 183Â Â 277Â Â 21Â Â 678Â Â 2,285Â Â 237%Â Â --Â Â Cash & Cash Equivalents, Restricted Cash & Short Term Investments (â‚¬B)Â Â 1.8Â Â 3.6Â Â 3.4Â Â 4.3Â Â 7.5Â Â --Â Â --Â Â * Free Cash Flow and Constant Currency adjusted measures (FXN) are non-IFRS measures. See â€œUse of Non-IFRS Measuresâ€ and â€œReconciliation of IFRS to Non-IFRS Resultsâ€ for additional information.Â Â Annual Financial SummaryÂ Â Â Social Charges SensitivityÂ Â Meaningful movements in our stock price can lead to Social Charge varianceÂ Â 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 +/- â‚¬33M impact on Social Charges.Â Â Â GRAPHIC 3 ef20042791_ex99-1slide1.jpg begin 644 ef20042791_ex99-1slide1.jpg

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