

What Spotify Technology S.A.'s 2025 Annual Report assumes, believes and expects

Source: Spotify Technology S.A. - annual report, 2025 (101 pages).

5 assumptions worth your attention

These claims are never argued for directly, but the document depends on them.

DEMAND AND MARKET SIZE

Ad-supported users will continue converting into paid premium subscribers at rates sufficient to drive revenue growth.

Why it matters: Premium subscription revenue represents €15,350 million or 89% of total revenue for 2025, making user funnel conversion vital for sustaining financial expansion.

How we deduced this: Section 4.B states the ad-supported service serves as a funnel driving premium subscribers, which requires predictable user conversion rates that the text never guarantees.

What would prove or disprove it: Quarterly conversion rate reports and net additions of premium subscribers in future Form 20-F or Form 6-K filings.

COUNTERPARTIES AND DEPENDENCIES

Third-party major record labels will continue licensing content on terms that preserve our gross margins.

Why it matters: Content licensed from Universal, Sony, Warner, and Merlin accounts for approximately 72% of record label audio streams in 2025.

How we deduced this: Item 3.D notes content is sourced from a concentrated group of providers who can unilaterally affect access, requiring ongoing amicable license renewals that are never explicitly assured.

What would prove or disprove it: Renewal announcements and cost of revenue figures in upcoming annual financial reports.

TECHNOLOGY AND PRODUCT EXECUTION

Operating systems and app store operators will not impose prohibitive fees or restrictions on our platform access.

Why it matters: Our ability to acquire and retain users depends heavily on third-party mobile platforms like Apple iOS and Google Android.

How we deduced this: Item 3.D states we rely on operating systems and online platforms we do not control, requiring platform operators to maintain stable access policies which the text acknowledges are subject to arbitrary changes.

What would prove or disprove it: App store policy updates, fee modifications, and legal or regulatory enforcement outcomes.

CAPACITY, SUPPLY CHAIN AND OPERATIONS

Cloud computing infrastructure providers will maintain uninterrupted service reliability without exorbitant cost escalation.

Why it matters: We rely on Google Cloud Platform for the vast majority of our primary data storage and computing infrastructure.

How we deduced this: Item 3.D states we rely on GCP for the vast majority of primary data storage and computing, requiring continuous third-party operational stability which is never guaranteed.

What would prove or disprove it: Uptime metrics, cloud vendor agreements, and technology infrastructure expense lines in financial statements.

LEGAL, LITIGATION AND COMPLIANCE

Our internal compliance and royalty estimation systems will prevent material underpayment disputes with rights holders.

Why it matters: Royalty calculations involve complex variables and active legal disputes such as the Mechanical Licensing Collective litigation seeking significant retroactive damages.

How we deduced this: Item 3.D notes our royalty payment system is complex and difficult to estimate, requiring internal controls to flawlessly interpret statutory and contractual rules without triggering costly litigation.

What would prove or disprove it: Resolution of ongoing litigation and audit outcomes reported in future financial disclosures.

The fuller list

Sorted by how the document itself frames each claim.

Category	Claim	Dimension	Source
<i>Stated outright</i>	We had 751 million monthly active users and 290 million premium subscribers across 184 countries and territories as of December 31, 2025.	Demand and market size	<i>Item 4.B</i>
<i>Stated outright</i>	Total revenue for the year ended December 31, 2025 was €17,186 million, representing a 10% increase compared to 2024.	Financing, liquidity and capital allocation	<i>Item 5.A</i>
<i>Stated outright</i>	As of December 31, 2025, we had estimated future financial commitments of €2.7 billion under license agreements for the use of licensed content.	Financing, liquidity and capital allocation	<i>Item 3.D</i>
<i>Stated outright</i>	As of December 31, 2025, we had approximately US\$1,500 million principal amount of indebtedness resulting from the 0% Exchangeable Senior Notes due 2026.	Financing, liquidity and capital allocation	<i>Item 3.D</i>
<i>Stated outright (risk framing)</i>	If the MLC were to ultimately be entirely successful in its claim alleging our Premium Service is not a bundle, liability for March 1, 2024 to December 31, 2025 would be approximately €358 million.	Legal, litigation and compliance	<i>Item 5.E</i>

Category	Claim	Dimension	Source
Partly third-party	Third-party measurement services used by advertisers may not reflect our true audience or performance, and their methodologies are subject to change.	Evidence and disclosure quality	Item 3.D
Asserted, no evidence shown	Our personalized recommendation systems and artificial intelligence initiatives will continuously drive user engagement and competitive advantage.	Technology and product execution	Item 3.D
Aspiration, no numbers	We strive to be part of the solution for addressing climate change through our operations and are evaluating our goal of achieving net-zero emissions by 2030.	Climate, ESG and transition	Item 4.B
Implicit, derived from the figures	Foreign exchange rate fluctuations will not create unmanageable currency mismatches between our localized revenues and U.S. dollar-denominated royalty expenses. <i>How deduced:</i> Item 3.D notes we generate revenue in local currencies while incurring royalty expenses primarily in U.S. dollars, which requires stable currency exchange rates that are never guaranteed by the text.	Macro, currency and commodity prices	Item 3.D
Implicit, derived from the figures	Our cash generated from operating activities and existing cash reserves will remain sufficient to repay our maturing debt and fund capital requirements without external distress. <i>How deduced:</i> Item 5.B states existing cash and operating cash flow will be sufficient for liquidity requirements including the March 15, 2026 debt maturity, implying continued strong operating cash generation without macroeconomic interruption.	Financing, liquidity and capital allocation	Item 5.B
Implied by the text	Key executive personnel and specialized engineering talent will remain employed by the company despite intense industry competition for labor. <i>How deduced:</i> Item 3.D states we depend on key personnel and highly skilled employees whose knowledge is difficult to replace, requiring successful talent retention that the text acknowledges is subject to market volatility.	People, management and governance	Item 3.D
Implied by the text	Expansion into non-music content such as podcasts and audiobooks will eventually generate sufficient revenue to offset content acquisition and production costs. <i>How deduced:</i> Item 3.D states there is no guarantee we can generate sufficient revenue from podcasts and audiobooks to offset costs, implying that future profitability relies on unproven non-music monetization models.	Growth beyond the core	Item 3.D

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