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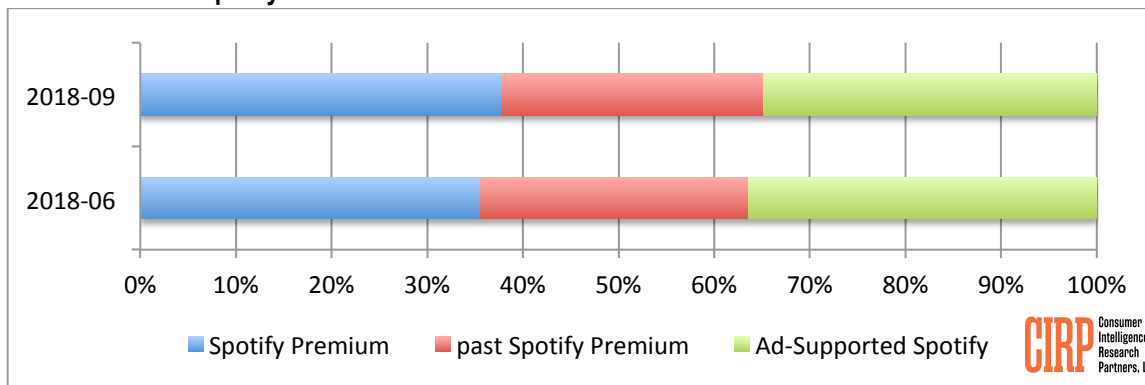
US Spotify Premium Memberships Hold Steady

Slightly Higher New Membership Rate, Lower Churn Rate Contributes

CHICAGO, IL – Thursday, October 25, 2018 - Consumer Intelligence Research Partners, LLC (CIRP) today released analysis of user consumption patterns for Spotify Technologies S.A. (NYSE:SPOT) for the third quarter of 2018.

As of September 30, 2018, CIRP estimates that in the US, 38% of Spotify users have a Spotify Premium subscription (Chart 1).

Chart 1: Current Spotify User Profile



“In our second survey of Spotify users, we can begin to discern some trends in how consumers use the service,” said Josh Lowitz, Partner and Co-Founder of CIRP. “Somewhat over one-third of Spotify users pay for Spotify Premium, and this percentage ticked up in the most recent quarter relative to the June 2018 quarter. Among these Premium subscribers, we’ve also seen an increasing percentage use Individual plans relative to June 2018 quarter. Notably, later in the June 2018 quarter, Spotify reportedly began to verify that Family Plan members live in the same household. We’ve seen some preliminary data that suggests this tactic has indeed started to move Premium subscribers to Individual membership plans.”

Among US Spotify listeners in the quarter:

- 13% of Ad-Supported Spotify listeners began a trial Premium subscription (“trial rate”), up from 11% in the June 2018 quarter.
- 71% of trial Premium subscribers converted a trial Premium subscription to a paid Premium subscription, and thus continued with a paid Premium subscription when their trial ended (“conversion rate”), down from 74% in the June 2018 quarter.
- 14% of paid Premium subscribers ended a paid Premium subscription, and either reverted to Ad-Supported Spotify or stopped using Spotify (“churn rate”), down from 16% in the June 2018 quarter.

“The US Premium trial rate, Premium trial-to-paid conversion rate, and churn rate all held pretty steady relative to the June 2018 quarter,” said Mike Levin, Partner and Co-Founder of CIRP. “Based on these results taken together, it looks like in the US, the Spotify Premium membership count increased a little, or at least was at about the same level, at the end of the September quarter relative to the level at the beginning of the quarter. More specifically, Spotify added about the same number of new Premium subscribers, who either began with a trial or bought a Premium subscription without a trial, as it lost in lapsed or canceled Premium subscriptions. Both a slightly higher trial rate and a slightly lower churn rate would contribute to whatever gain in subscribers they experienced in the quarter.”

CIRP bases its findings on surveys of 500 US subjects who used Spotify during the period from July-September 2018. For additional information, please contact Mike Levin (mike@cirpllc.com) or Josh Lowitz (josh@cirpllc.com) at 312.344.3664. Further information on CIRP, which provides securities research to the investment community using advanced consumer market research strategies, methods, and techniques, is at www.cirpllc.com.

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