Thank you, Bryan.

Hey everyone. Thanks for joining us.

I hope you’ve had the opportunity to review our Shareholder Deck to get a sense of what an incredible year 2023 was for Spotify. Throughout the year, we notched some really significant
milestones and set numerous records. This included 113 MAU net adds, and Premium net adds of 31 million, both the biggest full year additions in our history. And our annual Wrapped experience also topped previous levels of engagement, surpassing 2022’s numbers in just the first 31 hours of the campaign. We accomplished all of this by significantly exceeding our own expectations when we entered the year and against the backdrop of global turmoil and uncertainty. And Q4 was a continuation of this story.

While I am pleased with the level of growth we saw in 2023, perhaps what is even more gratifying, is that it also marked a very different year for Spotify – a true evolution in how we operate our company. A year where we started to prove that we are not just a company that has an amazing product, but one that is also building a great business. There’s no question that we had to make some difficult decisions to put us on track to achieve our goal of being a consistently profitable company. But by taking these steps, I am super confident in where we’re headed.

Looking to 2024 – you should expect a continuation of what you saw in 2023. Strong product development, which leads to strong growth but with an increased focus on monetization and efficiency, which in turn drives profitability.

I know some of you may start to wonder if we are sacrificing growth for profitability. Long term we believe that the real value of Spotify is in solving problems at the intersection between creators and consumers. With scale, there will be even more opportunities to do so. Therefore growth is still the most important thing we can deliver. However, equally true is that our hurdle rate for investment has increased. So, what gives?

As I’ve shared before, we have various levers to pull at different times to drive revenue growth. These include growing our users, creating new businesses with new revenue streams and increasing revenue per user through price increases. In 2023, we leveraged all three throughout the year at various times, but this won’t always be the case. You should expect to see us shift back and forth among prioritizing these three key elements based on a variety of considerations.

Looking ahead, I believe 2024 is going to be another year of solid progress, led by an acceleration of Revenue growth.

That said, I think it is important to remind investors that we constantly modulate between what we spend most of our time focusing on. In some years, it is a focus on growing the top-of-the-funnel, and in some years, it is about driving monetization of those users. The last few years have been extraordinary from a top-of-the-funnel perspective. Our aim is to continue this trend, but our focus in 2024 is more on how we monetize that growth.

I also wanted to provide a quick update on our audiobooks business, which is performing well and we are very excited about its potential. It’s still early days, but the feedback from listeners
and from the industry is extremely encouraging. Data shows that our entry into this market has dramatically accelerated its overall growth. In Q4, we became the #2 provider of audiobooks behind Audible, which is notable given how entrenched the legacy players are. This is exactly what we set out to do – grow the pie for the publishing industry and expand the interest in audiobooks to an entirely new set of listeners. More to come as this takes hold and we roll it out to additional markets.

Before I turn it over to Paul to provide more detail on the numbers, I also wanted to take this opportunity with all of you on the line to thank him and wish him well. Although Paul is sticking around for a couple more months, this will be his last earnings call. He’s been a great partner and helped to solidify the position of strength that we sit in today. So, thank you Paul for these years!

I also wanted to give you a quick update on our CFO search. We are well underway and I’m happy with the caliber of the candidates I am seeing. As we enter this next phase of focusing on having both a great product and building a great business, I’m confident we will find the right person. Someone who is passionate about driving the levels of efficiency and resourcefulness that are critical to our long-term success.

Paul - thanks again and over to you.

**Paul Vogel, Chief Financial Officer**

Thanks Daniel, and thanks everyone for joining us. I’d like to add a bit more color on the quarter and then touch upon the broader performance of the business and our outlook.

Q4 was a very strong quarter. MAU grew by 28 million to 602 million and we added 10 million net Subscribers finishing at 236 million. Both MAU and Subscriber growth continued to be above our historical trend and outperformed forecast.

Revenue grew 16% Y/Y to €3.7 billion during the quarter. Excluding the effect of unfavorable currency movements, Revenue grew 20% Y/Y, representing acceleration of 300 bps vs. the prior quarter’s result due to the ongoing effects of new subscription pricing.

Turning to Gross Margin. Gross Margin of 26.7% was above guidance by about 10 bps due primarily to favorability in our podcast business.

We reported an Operating Loss of €75 million, which was better than guidance due mainly to lower than expected marketing spend and personnel and related costs. As we previously disclosed, our Operating Loss was impacted by about €143 million of charges related to the efficiency actions we announced in December. Excluding the one time charges, we generated
€68 million in adjusted Operating Profit, which is more than double the third quarter as the business continued its early stage inflection towards sustainable growth and profitability.

Finally, Free Cash Flow was positive €396 million in Q4. While some of this strength was timing related, we remain confident that we've entered a new chapter in terms of expanding the business’ cash generation potential.

Looking ahead to first quarter guidance, we are forecasting 618 million MAU, an increase of 16 million from Q4 and 239 million Subscribers, an increase of 3 million over Q4. We are also forecasting a currency neutral revenue growth rate of 20% plus Y/Y, pointing to €3.6 billion in Total Revenue. We also anticipate a Gross Margin of 26.4% and an Operating Profit of €180 million.

While we no longer give full year guidance, we do expect healthy full year 2024 user growth that should be close to the average of the last few years and we expect strong subscriber growth as well. Gross Margin and Operating Margin are both expected to improve throughout the year to deliver meaningful full year expansion, with podcasting expected to deliver positive Gross Profit for the year. We also expect our Free Cash Flow generation to meaningfully exceed what we generated in 2023.

Finally, as Bryan mentioned, Ben Kung, who has been a trusted partner of mine in finance, is also on the call and will be joining us for Q&A. Additionally, I'd like to thank Daniel and all of my colleagues over the past 8 years for making my time at Spotify truly special.

With that, I’ll hand things back to Bryan for Q&A.

Bryan Goldberg

Thanks Paul. Again, if you have any questions, please go to Slido.com, #SpotifyEarningsQ423. We'll be reading the questions in the order they appear in the queue, with respect to how people vote up their preference for questions.
Daniel Ek

Thanks, Bryan.

The long term opportunity for Spotify is strong. We will continue to innovate in big and small ways to deliver for our listeners – and the artists, creators and authors on our platform. Make no mistake that we will continue to make bold bets, invest, and seize on opportunities when they make sense – but with a much more disciplined approach.

Thanks for joining.

Bryan Goldberg

Ok, and that concludes today’s call. A replay of the call will be available on our website and also on the Spotify app under “Spotify Earnings Call Replays”. Thanks everyone for joining.