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SoundCloud Announces \$75 Million Investment from Sirius XM Holdings Inc.

NEW YORK, Feb. 11, 2020 /PRNewswire/ -- SoundCloud and SiriusXM Holdings Inc. (NASDAQ: SIRI) announced today that the leading U.S. audio entertainment company, SiriusXM, has invested \$75 million in SoundCloud, the world's largest open audio platform. SoundCloud will use this additional investment to accelerate its product development and enhance the services that fuel its global community of creators and listeners.

"SoundCloud's three consecutive years of strong financial performance directly reflect the success of our creator-led growth strategy," said Kerry Trainor, Chief Executive Officer, SoundCloud. "We have an exciting roadmap focused on deepening the connections between creators and listeners that fuel creator discovery, career growth and the evolution of music culture on SoundCloud. We've built a great relationship with SiriusXM through our highly successful Pandora ad sales agreement, and their investment gives us added capital flexibility to accelerate our vision and take advantage of strategic opportunities as they arise."

"SoundCloud's unique platform serves a vital role in today's music ecosystem where new artists are discovered and build their fan base, and established artists experiment and connect directly with their fans in highly effective ways," said Jim Meyer, Chief Executive Officer of SiriusXM. "We admire SoundCloud's loyal and growing audience, its offering for creators, and its reputation and popularity in global music communities. We believe this is another opportunity to continue creating value for SiriusXM stockholders by investing in expanding digital audio platforms."

The minority investment follows the highly successful ad sales relationship between SoundCloud and Pandora, a subsidiary of SiriusXM, which started in 2019. The agreement enables advertisers and brands to purchase SoundCloud's U.S. ad inventory directly through Pandora, leveraging the company's direct sales capabilities, targeting data, and audio programmatic platform. Together, SoundCloud and Pandora's combined U.S. audience offering reaches more than 100 million unique listeners, creating the largest digital audio advertising marketplace.

SoundCloud is the global accelerator for music culture and has grown its business through the introduction of new products, services and partnerships that empower audio creators and listener discovery. The creator-driven platform continues to be the first place creators share their audio with the world and the first place listeners discover what's next in music. Many of the most buzzed-about artists shaping music today – including Billie Eilish, Post Malone, Bad Bunny, Khalid, Lil Tecca, and more – started their careers first on SoundCloud.

In 2019, SoundCloud set all-time highs for platform engagement, creators heard, subscribers and revenue. The company exited the year with its strongest financial performance in its history – accelerating to a \$200 million forward revenue run-rate for the first time in the fourth quarter 2019.

Under the terms of the agreement, SiriusXM has purchased \$75 million of securities for a minority investment, and the SoundCloud Board of Directors will expand to include two individuals designated by SiriusXM.

The Raine Group served as financial advisor to SoundCloud, and Morrison & Foerster as its legal counsel. Allen & Company LLC served as financial advisor to SiriusXM, and Weil, Gotshal & Manges LLP as its legal counsel.

About SoundCloud

SoundCloud is the world's largest open audio platform, powered by a connected community of creators,

listeners, and curators on the pulse of what's new, now and next in culture. Founded in 2007, SoundCloud empowers the world's audio creators with the best tools, services, and resources to build and grow their careers. With over 200 million tracks from 25 million creators heard in 190 countries, what's next in music is first on SoundCloud.

About SiriusXM

Sirius XM Holdings Inc. (NASDAQ: SIRI) is the leading audio entertainment company in the U.S., and the premier programmer and platform for subscription and digital advertising-supported audio products. Pandora, a subsidiary of SiriusXM, is the largest ad-supported audio entertainment streaming service in the U.S. SiriusXM and Pandora together reach more than 100 million people each month with their audio products. SiriusXM, through Sirius XM Canada Holdings Inc., also offers satellite radio and audio entertainment in Canada. In addition to its audio entertainment businesses, SiriusXM offers connected vehicle services to automakers and directly to consumers through aftermarket devices. For more about SiriusXM, please go to: www.siriusxm.com.

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