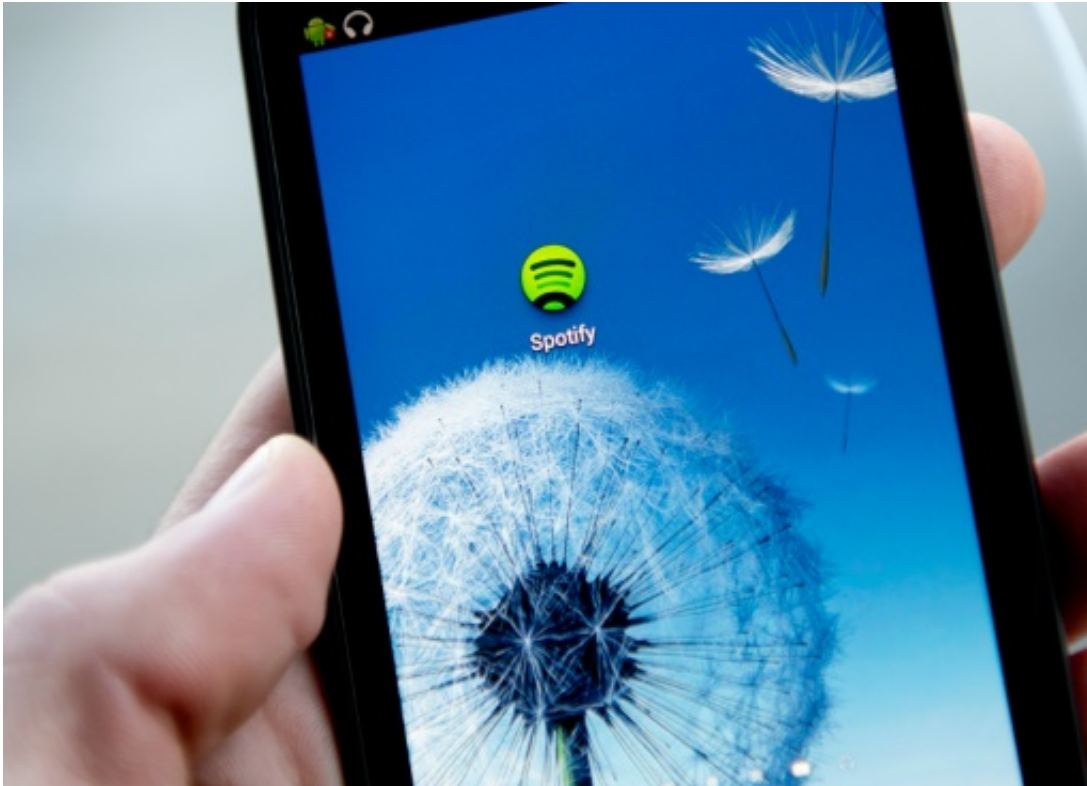


Spotify losses deepen despite rapid expansion

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Streaming leader Spotify said Monday that its losses deepened last year even as the company topped \$2 billion in revenue amid the global boom in online music.

The Swedish company founded in 2008 has been at the forefront of the

[music industry](#)'s turn to streaming, which offers unlimited music on demand, yet it has never turned a profit itself.

Luxembourg-based holding company Spotify Technologies, submitting its annual earnings report, said its revenue jumped 80 percent to 1.945 billion euros (\$2.18 billion) in 2015.

The growth rate is significantly stronger than the 45 percent it charted in 2014 and slightly higher than the 74 percent seen in 2013.

"In many ways, it was our best year ever," the company said in a message to shareholders, describing Spotify as the top driver of growth for the entire music industry.

The company said its revenue from advertisements nearly doubled and that its user base also grew significantly.

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The company's founder, Daniel Ek, had said in March that Spotify reached 30 million paying subscribers.

But the growth did not erase losses, with Spotify putting a priority on investments at a stage when streaming is increasingly becoming mainstream.

The company's net losses totalled 173 million euros, nearly seven percent deeper than a year before.

"We believe our model supports profitability at scale," the [company](#) said.

"We believe that we will generate substantial revenues as our reach expands and that, at scale, our margins will improve," it said.

"We will therefore continue to invest relentlessly in our product and marketing initiatives to accelerate reach," it said.

Spotify says it offers more than 30 million songs on-demand but has also faced growing competition.

Tech giant Apple last year launched its own streaming service and rap mogul Jay-Z has spearheaded rival Tidal, adding to a market that also includes French-based Deezer and US-based Rhapsody.

Spotify has also faced prominent holdouts including Taylor Swift, Adele and Radiohead who have kept some or all of their [music](#) off the service, in part due to objections to its free tier.

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