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Spotify looking for £30 million investment

Music streaming service needs cash

by Amy-Mae Elliott published on 6 July 2009

Spotify is reported to be looking to raise up to £30 million from investors.

It's suggested the music streaming service is hoping to get valued at £200 million in order to attract investment of between £20 and £30 million.

The cash injection is thought to be needed in order to stump up for music royalties bills as the site's user base increases, as well as to fund expansion and new features, until the site gets enough paid users, and/or advertising to fund itself.

CEO Daniel Ek and co-founder Martin Lorentzon are said to have invested 8 million euros of their own money, with existing venture capital from two firms said to be around the 13 million euro mark.

Ek is quoted as saying "options remain open" as far as either more venture capital money, or even as IPO goes: "We might put it on the stock exchange at some point".

In terms of plans for attracting "premium" paid users of the service, Spotify is currently planning a "premium push" with special features for those that subscribe in a bid to get more paying the £10 a month fee.

