

News Release

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CHILDREN'S AUDIO PLATFORM YOTO SEEKS EXPANSION WITH SUPPORT FROM HSBC UK

Global children's audio platform Yoto has secured a \$15 million funding package from HSBC UK's Growth Lending Fund to support international growth.

HSBC UK is financing inventory to free up working capital for the business, allowing Yoto to increase its capacity and work towards extending its international audience.

Yoto, which is based in the UK, currently operates in five countries, having launched in Australia in July, and is looking to increase its reach organically beyond these existing international markets. The funding will enable Yoto to increase exports by almost 100 per cent and extend hardware distribution globally, further enabling the business to accelerate its growth and enhance its market presence.

Yoto also has further plans to further manufacture its audio players and content cards to satisfy growing consumer demand. The business is expecting to double revenues as a result of the funding.

Ben Averis, Chief Financial Officer at Yoto, said: "This funding provides a great leverage point to build on our rapid growth. We have ambitions to become truly global - supporting more communities around the world and providing high-quality, child-centric audio content that fosters creativity and independence in young listeners. We were presented with various funding opportunities and are glad to have chosen to partner with HSBC UK. The bank's strong trade links will help us scale our manufacturing and deliver even greater value to our customers."

Aman Nirwal, Director at HSBC UK, added: "Yoto is a fast-growing company, with an innovative product that is seeing immense popularity in international markets. We're pleased to support Yoto with its strategic growth plans and are excited to see the business continue its success and reach even more families worldwide."

Founded in 2015, Yoto is an alternative to screen-time devices for children. The business is inspired by Montessori values, emphasising children learning independently thanks to a product built for them, with no screens, no microphones and no adverts. Yoto has an extensive audio content library of over 1,200 Yoto cards featuring beloved children's stories, music, and educational content from partners like Disney, Penguin Random House, Pottermore, and Universal Music Group.

HSBC UK's Growth Lending proposition is a £350m pool of assets to support high-growth, loss-making tech scale-ups that are supported by strong equity backing, have a proven sales track record, and a clear path to profitability.

Ends

Notes to editors:

HSBC UK

HSBC UK serves over 14.7 million active customers across the UK, supported by 23,700 colleagues. HSBC UK offers a complete range of retail banking and wealth management to personal and private banking customers, as well as commercial banking for small to medium businesses and large corporates. HSBC UK is a ring-fenced bank and wholly-owned subsidiary of HSBC Holdings plc.

HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from offices in 60 countries and territories. With assets of US\$2,975bn at 30 June 2024, HSBC is one of the world's largest banking and financial services organisations.

Yoto

Yoto is an interactive audio platform for kids. Yoto offers a catalogue of stories, songs, activities and more to inspire creative play and learning without a screen. The carefully connected audio players – the Yoto Player and the Yoto Mini - put kids safely in control. No cameras. No microphones. No ads.

Inspired by Montessori principles, Ben Drury and Filip Denker founded Yoto in 2017. The very first Yoto Player launched on Kickstarter, then promptly sold out in 2019. The second generation Yoto Player was designed with renowned design agency, Pentagram, and launched in early 2020. Yoto Mini - the portable audio player - launched in late 2021.

Yoto's platform features both award-winning original content and audio that has been licensed or co-created with partners. These partners include PRH, Macmillan, Sony, Disney, Roald Dahl Story Company, Pottermore, HarperCollins, Hachette, Viacom, Universal Music Group, Mattel and Scholastic.

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