

An aerial photograph of a coastal city, likely San Francisco, showing a bay with several islands and a large bridge. The surrounding area is hilly and urban. The image is used as a background for the slide.

XOKODO

PROTECTING B2B TRADE

SME Finance Forum

4 June 2020



HOKODO HELPS

level the playing field for Europe's SMEs

Financial Services companies have neglected Europe's SMEs, placing many FS solutions out of their reach



Hokodo serves them with products which were historically only accessible to large corporates

THE CUSTOMER PROBLEM

200,000 European SMEs fail each year due to late or non payment of invoices¹



Forced to offer risky trade credit terms

>50% of invoices are paid late, 2.1% are never paid²



Lack access to information

75% of firms never conduct any credit checks at all²



Poorly served by today's FS industry

>99% of SMEs have no credit protection against this risk

Hokodo addresses the massive SME financing and protection gap enabling SMEs to trade safely

1. Source: FSB (2016) *Time to Act: The economic impact of poor payment practice*; scaled up based on European Commission (2018) *Annual Report on European SMEs 2017/18*.

2. Source: Intrum (2018) *European Payments Industry White Paper*; Altares (2018) *Comportements de paiement des entreprises et organismes publics en France et en Europe*

OUR SOLUTION

Contextual insurance inside the tools SMEs use day-to-day (1/2)

EXAMPLE: Integration of credit insurance into a bank's invoicing module

The screenshot displays the Tide invoicing module interface. On the left is a navigation sidebar with the following items: Accounts overview, Tide Current Account (£55,918.56), Salary account (-£1.37), Extra account for large payments (£0.00), Account management, Profile, Security, Invoicing (highlighted), and Support. The main content area is titled 'Invoices' and features three buttons: 'Upload', 'Settings', and 'Create Invoice'. Below these buttons is a table of invoices with the following columns: Customer, Reference, Sent date, Due date, and Amount. Each row includes a dropdown arrow, a customer name with a star rating and a green checkmark icon, and the corresponding invoice details.

Customer	Reference	Sent date	Due date	Amount
PD FABRICATION LIMITED	TEST001	28 May 20	25 Jun 20	£4,500.00
Chaucer	TEST001	06 May 20	03 Jun 20	£400.00
Bezley PLC	Tim Test 1	25 Mar 20	25 May 20	£3,000.00
PD FABRICATION LIMITED	TEST--8	25 Mar 20	22 Apr 20	£560.00
Hokodo	TEST 006	25 Mar 20	22 Apr 20	£390.00
Hokodo	TEST005	25 Mar 20	22 Apr 20	£450.00
Rooser Ltd	TEST005	25 Mar 20	22 Apr 20	£560.00

OUR SOLUTION

Contextual insurance inside the tools SMEs use day-to-day (2/2)

EXAMPLE: Integration of credit insurance into a bank's invoicing module

The screenshot shows the Tide invoicing interface. On the left is a navigation menu with options: Accounts overview, Account management, Profile, Security, Invoicing (highlighted), and Support. The main area displays a list of invoices under the heading 'Invoices'. The table has columns for Customer, Reference, Sent date, and Due date. A modal window is open for invoice TEST001, showing a value of £4,500.00, sent on 28 May 20, and due on 25 Jun 20. The modal includes a 'View PDF' button and an 'Available services' section with a 'Ready to protect' button and 'Invoice Protection' details. A credit score overlay for 'PD FABRICATION LIMITED' is shown with a 4-star rating and a 'Verified' status.

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Credit scores help SME owners understand the risk

Intuitive call to action at the point of need

Impact of COVID

Temporary

1. Significant increase in payment delays (cash hoarding), and significant reductions in trade credit availability
2. Government loans don't actually solve the crisis in trade credit
3. Some sectors have become near-uninsurable - despite including many strong businesses
4. But in most sectors credit insurance can be a key part of the solution - if the distribution challenge can be solved
5. Single invoice cover is more particularly suited to this environment
6. Growing perception of risk - and demand for cover

Structural

7. Shift to online B2B trading

An aerial topographic map of a region, likely in the Pacific Northwest, showing a city, a large body of water, and rugged mountains. The map is oriented vertically, with the city at the top and the mountains at the bottom. The terrain is rendered in shades of brown and tan, with blue water bodies. A semi-transparent white horizontal band is overlaid across the middle of the image, containing the company name and tagline.

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