

# Strategic investment in innovative car insurance retailer, KOBA Insurance

*Strategic investment provides Ensurance with exposure to a significant growth opportunity in the multi-billion-dollar Australian car insurance market.*

## **Highlights:**

- ✓ Ensurance to invest up to A\$1.5 million in car insurance start-up company, KOBA Insurance, via a Simple Agreement for Future Equity (SAFE).
- ✓ Ensurance will have the right to distribute KOBA's innovative data-driven car insurance product, where premiums are calculated on a per-kilometre basis.
- ✓ Ensurance CEO Tom Kent to join the KOBA Board as a Non-Executive Director.
- ✓ KOBA to benefit from access to Ensurance's broker distribution network and head-office corporate infrastructure to expand its market share.
- ✓ Car insurance represents a huge potential market in Australia, with Gross Written Premiums currently totalling approximately A\$3 billion annually.
- ✓ Low-usage drivers (the key target market for KOBA's products) account for approximately one-third of the total market.

Ensurance Limited (ASX: ENA) (**Ensurance** or the **Company**) is pleased to announce that it has made a strategic investment in innovative car insurance retailer, KOBA Insurance, providing Ensurance with the right to distribute KOBA's insurance products.

KOBA is a private Australian company that launched in November 2021, offering a data-driven approach to car insurance. Users pay a fixed amount to have their car insured while it's parked, and then pay only for the distance they drive. Usage is measured through a small matchbox-sized device called a KOBA Rider that attaches to a car's On-board Diagnostics (OBD) port. This communicates with the KOBA smartphone app to automatically calculate driving distances and charges a per-kilometre rate for each trip. This per-kilometre insurance premium model offers the potential to deliver significant cost savings for low-usage drivers.

For more information, visit <https://www.kobainsurance.com.au/>.

Ensurance's investment in KOBA will total up to A\$1.5 million via a Simple Agreement for Future Equity (SAFE), a common investment mechanism for start-up technology companies.

Under the SAFE, Ensurance will make a cash payment to KOBA in exchange for a contractual right to convert that amount into shares upon pre-agreed milestones. Under the terms of the agreement, the investment will be made in up to five separate tranches over a two-year period.

Ensurance's Chief Executive Officer, Tom Kent, will join the KOBA Board as a Non-Executive Director, with KOBA to also benefit from access to Ensurance's established back-office systems and support to help enhance its offering and expand its market share.

The investment provides Ensurance with exposure to a significant growth opportunity in the A\$3 billion Gross Written Premium car insurance market, with approximately three million Australian customers switching car insurance providers each year.

### **Management Comment**

Ensurance CEO Tom Kent said the innovative nature of KOBA's product offering meant it was extremely well placed to capture and expand market share at a rapid pace.

"This is a hugely compelling investment and growth opportunity for Ensurance, with KOBA's unique kilometre-based premiums offering the potential to significantly reduce insurance costs for low-usage drivers. With people increasingly working from home, and with a growing focus on reducing car use to minimise carbon emissions, I believe KOBA's products will be a very attractive offering to a growing number of vehicle owners," he said.

"KOBA is a progressive, end-to-end insurance platform that uses the data generated by cars to help low-usage drivers save money. This investment represents a strong growth opportunity for Ensurance shareholders and is an exciting addition to the Company's product suite."

Koba CEO Andrew Wong said Ensurance was an ideal strategic partner as KOBA moved to scale-up its business and expand its market share over the next few years.

"There hasn't been much innovation in the Australian car insurance market for a few years, so it's very exciting to have an established partner who understands the insurance business and shares our vision for delivering customer-first solutions," Mr Wong said.

“Ensurance is a well-oiled machine which provides us with a strong insurance-first backbone from which we can continue to grow.”

**ENDS**

This release has been authorised by the Board.

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