

An aerial photograph of a winding coastal road, likely the Great Ocean Road in Australia, featuring a dramatic cliffside on the left and a rocky beach on the right. The image is in grayscale, with a green horizontal bar above the title and green text for the date.

# CROWDSOURCED FUNDING OFFER DOCUMENT

**KOBA INSURANCE HOLDING PTY LTD**

**AUGUST 30, 2022**

Offer of fully-paid ordinary shares in Koba Insurance Holding Pty Ltd ACN 642787273 at \$1.10 per share to raise a maximum of \$1,000,000.

This crowd-sourced funding (CSF) offer document relates to the Offer of fully-paid ordinary shares in Koba Insurance Holding Pty Ltd ACN 642787273. This Offer is made under the CSF regime in Part 6D.3A of the Corporations Act 2001 (Corporations Act).

Issuer

Koba Insurance Holding Pty Ltd ACN 642787273

Intermediary

Birchal Financial Services Pty Ltd AFSL 502618

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# section 1

# risk warning

Crowd-sourced funding is risky. Issuers using this facility include new or rapidly growing ventures. Investment in these types of ventures is speculative and carries high risks.

You may lose your entire investment, and you should be in a position to bear this risk without undue hardship.

Even if the company is successful, the value of your investment and any return on the investment could be reduced if the company issues more shares.

Your investment is unlikely to be liquid. This means you are unlikely to be able to sell your shares quickly or at all if you need the money or decide that this investment is not right for you.

Even though you have remedies for misleading statements in the offer document or misconduct by the company, you may have difficulty recovering your money.

There are rules for handling your money. However, if your money is handled inappropriately or the person operating the platform on which this offer is published becomes insolvent, you may have difficulty recovering your money.

Ask questions, read all information given carefully, and seek independent financial advice before committing yourself to any investment.

# section 2

## information about the company

This offer of shares is made by KOB A Insurance Holding Pty Ltd ACN 642787273 (Company).

<b>Company name</b>	KOB A Insurance Holding Pty Ltd
<b>ACN</b>	642787273
<b>Date of incorporation</b>	20.07.2020
<b>Registered office</b>	C/- MJA Business Solutions Pty Ltd, 24 Edgar Street, Coffs Harbour NSW 2450
<b>Place of business</b>	3 Jarrah Court, Greensborough VIC 3088
<b>Subsidiaries</b>	KOB A Insurance Pty Ltd 100% wholly-owned - operating company

KOB A Insurance Pty Ltd ABN 33 642 789 286 is a wholly-owned subsidiary of the Company (**KOB A**).

KOB A is currently an Authorised Representative (AR 001288655) of Eric Insurance Limited ABN 18 009 129 793 | AFSL 238279 (eric). KOB A has a binding authority (as an agent of eric) to issue and administer insurance on behalf of eric. Please see section 2.6.5 for further information.

# 2.1 letter from the founder

Dear Investors,

On behalf of our team, we want to thank you for your trust, investment and belief that KOBA can change the car insurance game here in Australia.

Since launching nationwide in February 2022, KOBA is rapidly evolving the car insurance narrative. We're growing over 50% month-on-month, have covered over 35,000 trips, helped Aussies pay-per-KM for over 500,000KM across Australia and won the 'Excellence in Insurtech' award for 2022.

And, we're only just getting started.

At KOBA, we're aiming to give low-usage Aussie drivers access to savings, and more importantly, provide a connection between a driver and insurer like never before. Traditional insurance only covers expenses to get you back on the road. But that is not enough. Modern car companies and smart insurers of the future will be about making you safer, helping you avoid accidents, and focus on building a true car-care relationship.

Our team of experienced insurance professionals have successfully built previous businesses from the ground-up and led them through high-growth. We remain focused on insurance metrics and have a clear understanding of the infrastructure needed to capitalise on our first-mover advantage to be well-positioned ahead of major market growth. With the traction that we're already seeing to-date, I'm confident we're onto something special. This is just the start-line.

We're excited for you to join us as a shareholder and thank you for your support. We look forward to you joining in our success as we continue to grow usage-based insurance here in Australia.

Best,  
Andrew Wong (Founder)

# 2.2 Who is KOBA?

## 2.2.1 the company

**KOBA** is a tech-enabled pay-per-KM car insurance start-up where users pay only for the insurance they use.

KOBA works by connecting to a car's onboard computer, linking the car's driving data to the smartphone app. In real time, we measure the distance you drive and charge for what you use: drivers pay just a few cents for each KM driven, and a fixed cost to cover the car while parked. Driving less? Drivers will pay less.

Founder, Andrew Wong, realised quickly during the pandemic that usage-based insurance, or what we call pay-per-KM, while incredibly successful in the US and UK, was not yet something that existed in Australia. Why were we paying the same high premiums car insurance when we weren't using our cars?

Fast-forward to the present-day, and our current shareholders will be aware of the positive traction and pace with which we've launched one of the first truly pay-per-KM insurance solutions here in Australia. With the rising costs of living, and everyday Aussies looking to save, KOBA's usage-based solution is proving to be both cost effective, and a smarter customer-centric way to pay.

## 2.2.2 our mission

Our mission is to disrupt the car insurance industry and put drivers back at the centre of innovative product design.

We are championing a new connected car experience in the Australian market; changing consumer expectations of their car insurance provider.

We are **simple**: KOBA is easy to use and understand.

We are **transparent**: KOBA is an innovative, market disruptor.

We are **fair**: KOBA believes you should only pay for the insurance you use.

“KOBA is redefining how the modern day “flexi” insurance should be. They do exactly what has been promised and maybe beyond that. Starting from the amazing app, to whoever came up with that simple device connected to the car's OBD.

Way to go KOBA, I am the biggest fan of the kind of technology you are trying to implement in the car insurance industry. There will be many who will try to follow you a few years down the lane but I am sure by that time you would have implemented even better technology than many can even think.

I hope the insurance side of things are as good as your technology and many congratulations for implementing this so successfully and seamlessly in Australia.







**5-STAR CUSTOMER REVIEW - TRUST PILOT**

”



## 2.3 Scorecard

Following our last fully-subscribed \$1M CSF round with Birchal, KOBA has achieved all of the commitments we made in that offer and we're excited to continue to build on that momentum. Below is a scorecard outlining how we used our initial funds to launch connected pay-per-KM insurance in Australia. With your help, we look forward to continued success.

Strategic Focus	Strategic objective from last offer document	Progress
Sales and distribution	/ Launch in market and get our first customers	Launched KOBA pay-per-KM insurance nationally (excluding Northern Territory); 
	/ Develop new revenue channels through partnership programs	Created a partner channel with 8 partners, with access to over 150K members through member benefits portals and private marketplaces in April 2022; 
		Launched the first dedicated car sharing insurance product in Australia in partnership with Uber-acquired Car Next Door in June, 2022;
		Launched partnerships with cost comparison sites Compare the Market, Compare Club, Finder, and Mozo.
Key partners	/ Form agency and partner relationship with Australian underwriter	Became a Corporate Authorised Representative of an AFSL holding entity (see 'Insurance Underwriter' section for more details) 
Metrics	/ Develop unit economics around sales growth	Focused on insurance metrics, while developing initial unit economics around sales growth. 
		<b>Unit Economics:</b> -Average Annual Premium for each Policy: \$650 -Total Customers: ~600 -Month-on-month Growth Rate (Feb 2022-current): 54% -Cost-per-acquisition: \$160 -Revenue: \$285,000 (Premium + income)
	/ Confirm insurance thesis that low-usage drivers get in less accidents with real time data	<b>Insurance Metrics</b>  -Claims Frequency: 10.9% (KOBA observed) vs 12% (avg industry) -Loss Ratio: 41.7% (KOBA observed) vs 65% (avg industry) -Total Trips Tracked: 35,000+ -Total KM Tracked: 500,000+ KM -Monthly app usage: 2.4 visits
	/ Develop customer feedback loop	Launched KOBA Pit Crew to speak to customers and shareholders about key product and engagement roadmap 
		Score of 4.4/5 on Trustpilot

Strategic Focus	Strategic objective from last offer document	Progress
<b>Build MVP</b>	/ Build technical solution	<p>Built and launched our Minimum Viable Product in-market, including quote flow, app, journey mapping; ✓</p> <p>Launched 2 versions of the app on iOS and Android; for pay-per-KM and car sharing owner-use product;</p> <p>The only Australian insurer to measure trips, costs and provide policy docs in real-time through an app;</p> <p>Created bespoke pricing for pay-per-KM insurance, the first in Australia alongside pricing consultants.</p>
<b>Team</b>	/ Recruit top insurance talent	<p>Strengthened our team through enhanced back-end development engineers, insurance operations and analytical expertise. ✓</p>
<b>Recognition</b>	/ Build brand and product awareness to early adopters	<p>Global Insurance and Risk Management Award - Most Innovative Car Insurance Company 2021; ✓</p> <p>Recognised by Insurance Business Magazine as a top 10 Insurtechs in Australia, 2021;</p> <p>Most listened to podcast episode in Australia - Asia Insurtech Podcast;</p> <p>Winner of Fintech Australia's Award at the "Finnies" - Excellence in Insurtech;</p> <p>Recognised as one of the most innovative insurers by Insurance Business Magazine 2022.</p>





# 2.4 investor highlights

## A Clear USP

KOBA has identified a clear market opportunity for usage-based insurance; where drivers can measure the KM they drive, and pay only for the insurance they use. Existing traditional insurance products use aggregate data models to balance the risk & profitability of their portfolios, and must create differences in their brand and pricing to stand-out. KOBA differentiates ourselves by charging customers only for the insurance they use. We have clear consumer benefits our competitors can't match.

## First Mover Advantage

KOBA is uniquely positioned with a first mover advantage to lead the shift for low KM drivers to usage based, connected insurance in Australia. McKinsey & Co<sup>1</sup> estimates that ~90% of all new cars sold by 2030 will be pre-connected to the internet. As the only provider currently offering truly connected pay-per-KM insurance in Australia, KOBA are poised to capitalise on the growth in connected cars, in addition to our in-market OBD-II solution.

## Clear Path to Market

KOBA has a number of proven digital and physical distribution channels offering connected pay-per-KM insurance in-market, including:

- Comparison sites: Compare the Market, Compare Club, Finder and Mozo
- Direct-to-consumer: social media channels, search and paid digital advertising
- Affiliate Referral Partnerships: access to 150K members across 8 partners
- Inbound leads, outbound call centre: 400 inbound leads / month
- Distribution partners: Car Next Door currently has 5500 members<sup>2</sup>, with KOBA as the preferred car insurance provider

## We have a Proven Team + Concept

Pay-per-KM (or pay-per-mile) insurance is already successful in the US and UK, and our launch and insurance metrics thus far in Australia is echoing interest abroad and supporting our thesis locally.

KOBA's leadership team are seasoned veterans with decades of experience in insurance and startups, who have worked for insurance brands like Bingle, Progressive, Toyota Aioi, and AAA.

## Macro trends are driving global demand

Many car manufacturers are releasing new models in Australia that are pre-connected to the internet. This data connection will make cars safer and increase the expectation for service and personalisation.

Connected cars give car manufacturers a direct line of communication to the end customer, something they have not had before. Through this direct connection, manufacturers can increase the branded service, value, and experience for each driver. Over the past 2 years, manufacturers have set up new connected car partnerships with insurers to help leverage their data set. For example, in the US alone:

- Tesla insurance is now available in 11 states; users insure by the Mile;
- Ford and Statefarm launched Drive Safe & Save (US) in February 2022;
- VW selected CCC as their exclusive telematics based insurance company in 2020;
- Toyota partnered with Nationwide to offer drivers telematic insurance in the US.

<sup>1</sup> <https://www.mckinsey.com/industries/automotive-and-assembly/our-insights/unlocking-the-full-life-cycle-value-from-connected-car-data>

<sup>2</sup> <https://www.smh.com.au/business/companies/uber-spreads-its-wings-in-australia-as-it-snaps-up-car-next-door-20220120-p59ps4.html>

There is the first-to-market opportunity in Australia for an innovative usage-based insurance team to launch a similar partnership locally with car manufacturers.

#### **Innovative proposition and data driven solutions**

KOBA has focused on developing a unique, proprietary solution that integrates exclusive partnership APIs, while developing bespoke KOBA IP. By linking to a car's onboard computer, KOBA can measure trips, costs and policy info through the app. By enriching this driving data with other third party data sources moving forward, KOBA is uniquely positioned in future to provide personalised customer service features, including a digital mechanic health check, automatic emergency call for 000 if an event of an accident, and 1-click claims.

#### **Entrepreneurial, Insurance-focused Management Team**

KOBA has an entrepreneurial management team and Senior Advisory Committee, with deep experience in car insurance, technology, startups, marketing and business both in Australia and Internationally.

#### **Investment Expert validation**

To-date, we've raised over \$1.8M from our first fully-subscribed CSF round with Birchall, angel investors and insurance specific funds. We go into this raise with experienced investors on our cap table, who are leading the valuation, including:

- Insurtech Gateway, Australia's largest insurtech-specific incubator. Their sister office in the UK has been a past winner at the Tech and Innovation Awards, winning the Investor/Corporate Innovator of the Year award in both 2019 and 2020, as well as receiving a highly commended prize in 2021;
- Hunter Equity Group: A Sydney-based insurance specific investment group, and;
- One of our angel investors, Richard Moore, was awarded 'Most Active Angel Investor' in 2021.

“

*We estimate that 2M vehicles drive less than 8,000KM per year, which is a billion dollar market itself. KOBA has a genuine competitive edge in this market as their prices are fairer and transparent.*

*Customers who want more control over their premium payments can review their usage in the app and influence what they pay by the distance they travel.*

**SIMON O'DELL, CEO  
INSURTECH GATEWAY AUSTRALIA**

”

## 2.4.1 why it's the right time for usage-based insurance

### Connected cars are coming

#### Car manufacturers are gearing up for a connected car future.

And while it's unclear at the impact and speed in which autonomous vehicles will be in the market, McKinsey & Company is forecasting that almost all new cars (90%+) sold in 2030 will be pre-connected to the internet, and at a level 3 or above in connectivity<sup>3</sup> (see appendix).

This is important to car manufacturers, as for the first time, this enables a direct connection between the manufacturer and consumer; a relationship that is currently commanded by dealerships or 3rd party sales. Connectivity will ensure manufacturers continue to make cars safer, personalise their service and extend loyalty.

Car manufacturers are already starting to sell cars pre-connected to the internet, including Toyota Yaris Cross, Toyota Fortuner, Toyota Landcruiser<sup>4</sup> and the entire Ford range from 2020 onwards.<sup>5</sup>

### Consumer value exchange for data

It will come as no surprise that consumers, particularly millennials, understand that their phone and digitally enabled devices are tracking them in some capacity or another. And as long as these digital services offer a fair value exchange, most are happy to trade personal data and information for convenience, discounts, personalisation, and customer services.

Insurance is one of the last frontiers to be disrupted by the digital age...we are inundated with innovation and change in everything we do. Today's consumer is connected, curious, and seeking personalised solutions. Yet, car insurance doesn't offer that solution for the modern consumer. KOBA aims to change that.

At launch, KOBA completed a survey across 400 people in Australia: M/F 25-40, own a car, with an interest in tech. 73.7% agreed with the statement "I'm comfortable sharing my car usage with my insurance provider so they can offer relevant and personal services as well as better pricing."

Results found that price was the most important factor to make respondents switch providers, as well as price transparency and rewarding safe driving. One third would consider switching if they could pay for the KM they drive.

Here at KOBA, we figure, if car manufacturers are making cars smarter, then we should make car insurance smarter too.

<sup>3</sup> <https://www.mckinsey.com/industries/automotive-and-assembly/our-insights/the-future-of-mobility-is-at-our-doorstep>

<sup>4</sup> <https://www.toyota.com.au/connected>

<sup>5</sup> <https://www.ford.com/support/how-tos/fordpass/fordpass-connect/is-my-vehicle-equipped-with-fordpass-connect/>

# 2.5 business overview

As the new wave of insurtechs continue to challenge the norm worldwide, KOBA is pioneering new data driven solutions, customer-centric premium models, and resetting the expectation of claims and service to the car insurance industry in Australia.

## Overview

KOBA's goal is to disrupt the car insurance industry by offering a fairer price that is reflective of a customer's risk of collision and to digitise the driver's relationship with their insurer. By focusing on the customer and a digital-first (not only) experience, KOBA will continue to develop innovative, usage-based, insurance solutions, currently unparalleled in the Australian car insurance industry.

## Problem

Traditional car insurers use aggregated data models to balance the risk + profitability of their portfolios; ultimately pigeonholing people into risk models. This means low risk drivers pay higher premiums to subsidise high risk drivers.

## Solution

KOBA puts drivers in control with personalised, real-time, data-driven insurance so you only pay for the insurance you use.

KOBA works by connecting to your car's onboard computer through an OBD device, what we call the KOBA Rider, linking your car's driving data to our phone app, giving every driver real-time access to their trips, costs and policy documents.

## Opportunity

Insurtechs are changing the insurance landscape across the world. In fact, the global market for insurtechs could reach upwards of USD \$150Billion by 2031<sup>6</sup>. With every domestic driver in Australia needing car insurance (~20M domestic risks<sup>7</sup>), KOBA is proud to be part of the new breed of insurance companies using data to build more customer-centric insurance solutions, and excited about the opportunity ahead.

## Why are we raising?

Now that we've launched nationally, we're seeing product market fit and market-leading insurance metrics. This raise will allow us to increase brand awareness, partner with car manufacturers to leverage the connected car revolution and extend beyond early adopters. Car insurance is ripe for disruption and we're excited to be at the forefront.

“

*The insurance market is shifting towards personalised pricing and data driven experiences. We are excited to be part of KOBA's story and eager to see Australians adopt usage based insurance as we have seen in the UK and US.*

**NICHOLAS PROUD, CO-FOUNDER & PORTFOLIO MANAGER,  
INSURTECH GATEWAY AUSTRALIA~**

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<sup>6</sup> <https://insurtechgateway.com.au/2022/07/29/growth-of-the-global-usage-based-insurance-industry/>

<sup>7</sup> <https://www.ibisworld.com/au/market-size/car-insurance/>

~ Individual has provided consent for inclusion of this statement

## 2.5.1 distribution channels

KOBA Insurance is a direct-to-consumer brand. The majority of our sales and distribution is through digital channels that drive traffic to our website, quote and social channels. By using a combination of paid and organic functions, KOBA is also developing a conversion funnel focusing on direct sales through partners who have existing customers and wider distribution channels.

Distribution Channels		
<b>Sales and Distribution</b>	/ Direct-to- consumer (website)	Prospects can learn about KOBA's pay-per-KM product, get a quote, and pay for their policy on our website 24/7
	/ Comparison Sites	Comparison sites collate multiple products and share their product info, benefits, and prices. They refer customers who are ready to purchase directly into the quote journey. KOBA is live on Compare the Market, Compare Club, Finder, Mozo and is planned to launch on iSelect (November 2022).
	/ Partnership Channels	KOBA's partner channel offers various discounts from 500- 2000 free KM when members sign up and may pay a CPA to the partner for referrals.  Each partner has a unique promotional code and trackable links to ensure they are attributed to the correct sales volumes.
	/ Car manufacturing brands	KOBA plans to engage OEMs (Original Equipment Manufacturers) better known as car manufacturing brands directly to drive data driven insurance solutions directly in the vehicle. KOBA is currently in conversations with 3 OEM's to release the product in 2023.
	/ Distribution partnership	Distribution partnership with various distributors who's audience aligns with KOBA's low-usage customer.  In July 2022, KOBA launched a partnership with Car Next Door to sell low-usage insurance to car owners who share their car on their platform.
<b>Always On Marketing Channels</b>	/ Paid Social Media	We use paid social platforms like Facebook and Instagram to serve relevant content/ads to our target audience programmatically.
	/ Search	KOBA has over 150 FAQs and blog content on our website which helps customers find us in organic search, and have also launched a paid search program.
	/ Partner programs	KOBA works with tech, innovation, digital, and early adopter communities to offer discounts, member benefits, and private marketplace sales.
	/ Outbound leads	KOBA receives leads, from 2 channel partners, of customers shopping for a new/used car. Customers that identify as low-usage and ready to buy are passed to the call centre to follow up directly.
<b>Customer Support</b>	/ Multi-channel	Our customers can contact the customer support centre through the app, phone, or email.
	/ Claims	Customers manage claims directly with our Australian customer support representative.



## 2.5.2 press



## 2.5.3 what customers are saying

“  
I was previously with Budget Direct for \$667.44/year. Now with KOBA, I paid \$269 upfront, and averaging just \$10/month on top of that. I'm on track to save ~\$280 in year 1.  
”

CUSTOMER TESTIMONIAL

“  
The best service ever from an insurance company. Awesome work and saved a significant amount on annual premium.  
”

CUSTOMER TESTIMONIAL

“  
Excellent support! Communicative and efficient team members. Only new insurer and not driving much atm, so this product is excellent for me.  
”

CUSTOMER TESTIMONIAL

“  
I think it is an excellent concept, as I walk to work Monday to Friday and only use my car for the supermarket, or on the weekends occasionally.  
”

CUSTOMER TESTIMONIAL

“  
I got a fair quote and I really appreciate the pricing model, the less you drive, the less you pay. The odometre plugin was easy to install and app setup was friendly as well.  
”

CUSTOMER TESTIMONIAL

“  
I estimate that I'm going to drive about 6000KM in a year...so it ends up being just under \$30 per month...a bit over a 50% saving.  
”

CUSTOMER TESTIMONIAL

# 2.6 how KOBA works

## 2.6.1 premium payment model

While KOBA offers the same type of comprehensive car insurance as traditional insurers, the key point of difference for KOBA is how customers pay for their policy.

Drivers are only at risk of getting into a collision while driving, so rather than having an annual premium that combines all the risk in one price, KOBA breaks this payment into 2 different payments that reflect true risk premiums:

1. **Upfront premium:** The annual amount that covers a car while parked for things like hail, theft, fire, accidents while parked, and 3rd party malicious damage
2. **Driving premium:** Drivers have a higher risk of an accident while driving, so this variable payment is a unique per-KM rate for each driver. Usually between 3-10¢ per km, this rate is calculated by multiplying the total number of km driven x the 'per-KM' rate and charged at the end of each month.

$$\text{\$ } 35 + ( 5.0 \text{ ¢} \times 300 ) = \text{\$ } 50.00$$

MONTHLY RATE      COST      KM

Example shown for calculation purposes.

## 2.6.2 how does KOBA calculate a 'per-KM' rate accurately?

The driving premium is automatically measured through a connection between the car's onboard computer to KOBA's smartphone app. This connection through the KOBA Rider, an onboard diagnostic (OBD) plug, sends GPS coordinates to KOBA's app through the cellular network. Matchbox size, the KOBA Rider easily plugs in near the steering wheel. All cars manufactured from 2006 have a mandatory OBD port installed. KOBA only insures cars manufactured from 2006 onwards.

In real-time, trips are reconciled daily with driving premium costs available on the app, and charged monthly. KOBA customers are protected from large bills with daily and monthly caps on kilometres driven allowing them to drive free of charge if they go over.



**For the first time in Australia, customers are in control of their premium charges.**

## 2.6.3 our pay-per-KM insurance product

KOBA offers the same type of comprehensive car insurance that the major insurers offer, including benefits and optional covers such as:

- / Comprehensive car insurance coverage
- / Loss or damage to other people's property
- / New car replacement
- / Hire car after theft
- / Accessories included
- / Emergency travel + accommodation
- / Loss or damage to your car
- / Lifetime repair guarantee
- / Towing costs
- / Agreed value
- / Baby seats

### Optional cover for an extra premium includes:

- / Alternative transport
- / Windscreen + window glass cover

Our Product Disclosure Statement + Financial Services Guide can be found on our website.

## Our services + smartphone app

KOBA works by connecting your car's onboard computer, linking your car's driving data to our phone app through an OBD device, the '*KOBA Rider*'. In real-time, we measure the distance you drive and charge for what you use.

Aimed at low-usage drivers, drivers pay a fixed cost to cover their car while parked, and a few cents per kilometre they drive. Low-usage drivers who drive less than 7,000KM / year can save up to 25% off.<sup>8</sup>

Our smartphone app allows drivers to access policy information online, update account information and contact the claims team. Uniquely though, it also measures the KM travelled, cost per trip, as well as provides tips, alerts + overdue payment reminders.



### Dashboard

- / See your costs to-date, car location + latest trip information (including time + duration) as soon as you log on.
- / Get tips, alerts + overdue payment reminders.



### Trips

- / See trips, locations and per-trip costs at a glance.
- / See monthly distance to-date and average trip data.



### Trip Detail

- / Drill down to see specific trips + costs in detail.



### Billing

- / See your current + previous bills.
- / Update payment details online.
- / Drill down into a current billing period to see trips, costs + tax invoices.



### Claims

- / Log claims and contact claims team online.



### Policy

- / Access important policy documents + update information online.

<sup>8</sup>Based on the KOBA price for the average Australian who drives 13,000km per year as from June 2021

## 2.6.4 introducing our Uber / Car Next Door partnership

KOBA is built for stability and scalability, allowing our engineering, operations and claims teams to launch a product suite to other underwriters and distributors as a white label under independent brand names. In this model, partners may pay KOBA a service / technology cost rather than a commission of the premium.

In June 2022, KOBA launched our first white-labelled partnership with Car Next Door. The following outlines this case study and commercial opportunity.

Car Next Door is a peer-to-peer car sharing business, with ~5500 car owners having listed cars on the platform and footprints in all major Australian cities.<sup>9</sup> Uber acquired Car Next Door in January 2022, and the car-sharing business is expected to scale significantly over the coming years.

### **Car Next Door Product Problem:**

Car owners who list their cars on Car Next Door need affordable personal insurance coverage for their car while it's not being shared on the platform. As car sharing is a niche market, many traditional insurers don't have a solution for their use case, and those that do typically cost an arm and a leg.

In fact, major players like Budget Direct, Woolworths and Huddle have specific exclusions for ride and car sharing. RACV, NRMA and AAMI may put rideshare-style premium loadings on their comprehensive product if the car sharing activity is more than incidental to the personal use, while Suncorp brands tend to be unclear about whether car share is genuinely covered.

### **Solution:**

Car share owners who rent their car out on the Car Next Door platform are by nature, low-usage drivers. While the car is on a Car Next Door booking, it's covered for damage or loss, but owners still require cost-effective insurance while they're personally using the car. KOBA and Car Next Door created a product to cover this gap and only insure owners when they are using the car for personal use.

Car Next Door uses an OBD device to measure the borrower's mileage, car location and driving behaviour to ensure the car is used responsibly during a booking. KOBA was uniquely poised to leverage this technology and data as it is similar to our KOBA Rider device. Together, we created a solution that pairs the telematic driving data with owner use, identifying a specific point in time where the insurance coverage 'switches' between responsible parties. By sharing telematic data, KOBA can create a clear demarcation of commercial and personal use, thus reducing risk exposure and capitalising on our core pay-per-KM thesis.



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<sup>9</sup><https://www.uber.com/en-AU/newsroom/carnextdoor/>

## 2.6.5 our underwriter - eric insurance

To be an insurance company, you must be approved and regulated under the Insurance Act of 1973 (Cth). KOBA operates as the authorised representative under AFS License holder, Eric Insurance (our underwriter) AFS Licence number 238279.

KOBA Insurance Pty Ltd ABN 33 642 789 286 is a wholly-owned subsidiary of the Company (**KOBA**).

KOBA is currently an Authorised Representative (AR 001288655) of Eric Insurance Limited ABN 18 009 129 793 | AFSL 238279 (eric). Eric is the issuer and underwriter of the insurance products and is responsible for the cover provided under the KOBA Car Insurance Policy. KOBA has a binding authority (as an agent of eric) to issue and administer insurance on behalf of eric.

As at July 19th, 2022 KOBA and eric insurance agreed to terminate the underwriting arrangement, with 12 months notice. eric is undergoing some operational challenges and unable to scale with KOBA and meet our risk and financial capacity requirements. Eric Insurance is contractually obligated to continue supplying services and capacity to KOBA so that it can continue to write new business.

KOBA had 12 months from July 19th, 2022, to find a new underwriting partner, and has commenced a search immediately. Already, there are 2 new underwriters with NDAs in place, who are actively discussing requirements. Please see section 2.12 for the key risks associated with the termination of this agreement.

KOBA's Product Disclosure Statement + Financial Services Guide (PDS + FSG) are available to customers on our website and provided with every policy.

“

*KOBA has a great team and we have been impressed with them from Day 1. They have a great balance of experienced insurance veterans and proven startup talent.*

”



# 2.7 marketing + distribution

## 2.7.1 our market competitors

The Australian car insurance market is dominated by Suncorp and IAG, who have a combined 65% market share.<sup>11</sup> These underwriters own well-known consumer brands like NRMA, AAMI, Bingle, GIO, and CGU. Here at KOBA, we call these brands 'traditional' car insurance companies.

Some of these traditional insurers advertise a 'Pay-As-You-Drive' (PAYD) model, where insurers charge you based on the number of kilometres you 'plan' to drive. Their products however don't charge you per-KM driven, instead they simply cap the number of kilometres you can drive and provide a discount. If you drive over the KM cap, they charge you more. If you drive less than the KM cap? You don't get any further savings. None of these PAYD models use connected car data to give a pay-per-km model, or provide added connected car care services.

**KOBA has created a new usage-based category within the Australian car insurance market.**

While we provide the same type of comprehensive car insurance offered by traditional insurers, our key differentiation is through a different premium payment model and real-time data services. Other Australian car insurance companies do not offer **tech-enabled pay-per-KM** car insurance models. Therefore, KOBA does not have any direct competitors in the connected car, pay-per-KM market.

There are also, now defunct, Australian behaviour-based insurance programs, including 'Insure the Box' (QBE) and 'UBI car' (RACWA). These insurers attempted to offer discounts to drivers for safe driving by tracking driving behaviour and rewarding, or penalising, a driver's premium accordingly. KOBA does not play in this space. We are focused on usage-based insurance, drivers pay a fixed fee while parked and a unique per-KM rate when driving.

Driving less? Drivers will pay less.

With these in mind, KOBA believes we can compete against Australian car insurers in 2 primary benefits: Price and Service.

- / If you drive less than 7,000KM a year, joining KOBA could save you up to 25% off your traditional comprehensive policy
- / Our connectivity to the consumer through the KOBA app could, in future, allow us to extend our service offering to become a truly personalised value-proposition; offering services such as emergency 000 calls, digital mechanic health checks, engine code alerts and find my car locator for theft as examples.

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<sup>11</sup>IBIS World - Car Insurance in Australia - Market Research Report; Updated: November 26, 2020

## 2.7.2 target audience

KOBA's target audience are low-usage drivers; ideal for people who use their car less than the National Australian average of 12,600 KM / year<sup>12</sup>. Within this group<sup>13</sup>, KOBA further defines the target market to be:

- / Millennials and Gen Z (<40 years old)
- / Early adopters and digitally native consumers
- / Drivers with cars valued <\$80,000
- / Drivers who own vehicles manufactured 2006 onwards (due to connectivity required through the KOBA Rider)
- / Low car usage employment categories, including:
  - Fly in Fly out roles (FIFO)
  - Work from home (partial and full-time)
  - Train, bus, or ferry commuters
- / Second car households

KOBA's audience are largely tech savvy, socially conscious professionals. They are always connected, value time and efficiency and although aren't driven solely by savings, are money conscious individuals.

## 2.7.3 our future product roadmap

The KOBA Rider uniquely connects directly to a car's onboard computer, collecting the data created each day and storing it for the driver to retrieve in the form of car care features and service benefits.

Traditionally, insurers have not helped customers collect this data, nor have they created services from it. KOBA strives to change this; by making your car the newest IoT (Internet of Things) device.

The following features are a short list of KOBA's future product road map for pay-per-KM customers. We have given each feature a weighted score internally, measuring its P&L impact, development effort, and cost.



<sup>12</sup> [www.abs.gov.au](http://www.abs.gov.au) (2019)

<sup>13</sup> Assessment Undertaken by KOBA through 3rd party research and analysis

## 2.7.4 our product roadmap

Feature	Description	Benefit
Roadside Assist	Partner with a 3rd party to provide customers access to tow trucks, battery replacement, and tyre services.	Revenue generation
Car Payments	Enable customers to pay for tolls, petrol, parking, and services via the KOBA app (similar to a digital wallet).	Revenue generation
Car Finance	Loan money (via 3rd party) to KOBA customers seeking to buy a new car.	Improve insurance metrics
Artificial Intelligent Claims Handling	Triage, assessment, and even payment of claims through artificial intelligence and machine learning.	Improve insurance metrics
Commercial / Fleet insurance	Expand product offer to include Fleet, Rental and SMB business customers	Revenue generation
Motorcycle	Offer pay-per-km insurance to motorcycle riders.	Revenue generation
Severe Accident Detection	Automatically call '000' when a high-impact crash is detected (over 4G's).	New Service
Digital health check	Analyse engine codes and send quarterly reports to the driver so they know what to look for when they book into the mechanic.	New Service
Carbon Emissions tracker	Create a graph that demonstrates an individual driver's carbon emissions vs normal vs total KOBA population	New Service
Safe driver report	A monthly scorecard that highlights driving behaviour, with the aim to help drivers become a better / safer driver over the long-term (unrelated to premiums).	New Service
Purchase information from open banking	Be the first Australian insurance company to be approved for Open Banking.	Improve insurance metrics
Ecomm platform	Create a drop- shipping platform for car care products including tyres, baby carseats, tools, car care cleaning supplies, etc.	Revenue generation

Note: The product roadmap shown above is a plan and subject to change.

## Feature Product Roadmap for pay-per-KM

With ever-evolving tech, every new car model is getting smarter; with thousands of in-built sensors, crash detection, automatic emergency braking, blindspot monitors and heated seats now the norm. If cars are getting smarter, car insurance should get smarter too.

Currently in-market, the KOBA Rider connects directly to the car's onboard computer, giving every driver real-time access to their trips, costs and policy documents as shown above.

By storing metrics over time however, the KOBA Rider can also tap into the health of the car. This uniquely allows KOBA to build innovative solutions and new features in future, such as:

- / Find my car locator in the event of theft
- / Carbon emissions tracker
- / Automatic emergency services call to 000 in the event of severe accident detection
- / Driving behaviour reports
- / 1-click claims
- / Online booking for service centres
- / Digital mechanic health check



**Emergency 000 call**  
/ Automatic emergency services call to 000 in the event of severe accident detection.



**Digital mechanic healthcheck**  
/ Access to your car's mechanical health, engine codes and data to inform the mechanic



**Accident detection**  
/ GPS locator at the time a collision was detected (over certain force) to help with claims.

At KOBA, customer data + privacy is very important to us. We will only use the driving distance and location to create customers' premium payment calculations.

Any other data collected is for the benefit of the customer through personalised services.

We believe the data belongs to the customer and it is our responsibility to store it securely, confidentially and to only create products that benefit the customer.

## Insurance Product

Telematics and the usage-based insurance concept can help KOBA move into other categories easily to create many different product lines; and similarly, the ability to measure distance, behaviour, and location can help all types of customers save.

Below is a list of insurance products that KOBA plans to implement in future.

Product Line	Description	Benefit
<b>Boat</b>	Boat owners use their vehicle an average of 10 days a year. The rest of the time it's moored or out of the water. KOBA plans to offer insurance by the day.	Revenue generation
<b>Motorcycle</b>	32% of riders only ride on the weekend. <sup>14</sup> With a different motorcycle device, KOBA can offer a pay-per-KM insurance to motorcycle riders very easily and quickly.	Revenue generation
<b>Commercial / Fleet insurance</b>	With a simple update to the pricing model, KOBA can include Fleet, Rental and SMB business customers.	Revenue generation
<b>High KM drivers</b>	The pay-per-KM model does not fit high KM drivers. Telematics could instead reward high KM users with discounts for safe driving.	Revenue generation

## 2.7.5 data collection + privacy

At KOBA, we take data privacy and storage very seriously. Our engineering team is experienced in setting up secure systems and we have multiple security vendors who help ensure our data remains secure.

It is our belief that the data belongs to the customer and that the customer can choose how to access it and who to share it with. KOBA will not share customer data without a customer's permission.

GPS and behavioural data collection can be a huge benefit to customers as it unlocks the ability for KOBA to learn how to service the customer optimally through predictive analytics. At no time does KOBA plan to use this behavioural data to influence the premium charged to customers. Behavioural data is only used to develop personalised services.

<sup>14</sup> <https://acrs.org.au/article/characteristics-of-motorcycle-riders-in-nsw/>



## 2.8 business + revenue streams

KOBA launched our pay-per-KM product nationally in February 2022, and our car share owner-use product in June 2022.

### How does KOBA make money?

Car insurance is a necessary expense for all domestic drivers in Australia, and an annually renewable product. There are 16.5M<sup>11</sup> cars registered in the Domestic Vehicle space in Australia in 2021; for a market size of \$12Bn<sup>12</sup> risks insured which has stayed relatively flat for the past 5 years.

For every premium charged (new and renewal), KOBA takes a 24% commission. Eric receives 15% of the premium and the remaining 61% (called the loss ratio) is used to pay for the claims that occurred. The total expense ratio is called the combined operating ratio. If our risk selection is correct, and our low usage drivers get into less accidents, the loss ratio should drop below 61%. In this case, Eric and KOBA have a 50/50 profit share arrangement.

Car insurance needs to be renewed every year, with the average retention rate for a traditional car insurer is around 75%. This is based on previous KOBA team experience at Toyota Aioi Insurance, Bingle, Progressive Australia, and AAA in the US. KOBA believes we will have a higher than average retention rate amongst low-usage drivers, as our product is likely to be cheaper, and our digital car care features provide unparalleled value. Our first renewal will take place in November 2022.

KOBA has a number of automated and measurable portfolio alerts to ensure our portfolio has profitable and trustworthy customers:

- We attach a valid credit card to the account so payments are less likely to be late or default;
- The fixed premium (for coverage while parked) is paid annually upfront. The driving premium is paid at the end of each month. Any missed payments automatically trigger customer alerts and if needed, the cancellation process per ASIC guidelines;
- The KOBA Rider is only allowed to be unplugged for up to 7 days per policy period;
- Annual renewal notices are sent via email and automatically renewed unless otherwise cancelled by the customer.

### Secondary Revenue Streams

Insurance is traditionally a high volume, low margin game. One of the reasons why digital services are so important to KOBA is that it will offer additional revenue models. Much like in-app purchases, KOBA's additional services will be personalised for the customer's needs and appear immediately relevant. Incremental revenue opportunities identified in the Product Road Map table (see page 21 and 23).

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<sup>11</sup> <https://www.apra.gov.au/statistics>

<sup>12</sup> <https://www.apra.gov.au/statistics>

## Current Customer / Insurance Portfolio

KOBA has a very balanced portfolio with customers from all states (not available in Northern Territory), all ages, and all different car valuations.

The tables below show KOBA's customer portfolio (From Nov 2021-current), as well as the percentage of customers spread over different States and Territories in Australia.

	Average	Maximum	Minimum
<b>Sum Insured</b>	\$21,104	\$100,800	\$1,900
<b>Vehicle Age</b>	7.1	17.0	-
<b>Policyholder Age</b>	42.9	73.0	25.0
<b>Monthly Usage KM</b>	525 KM	1,750 KM	-
<b>Customer Est KM (per month)</b>	487 KM	1,250 KM	-

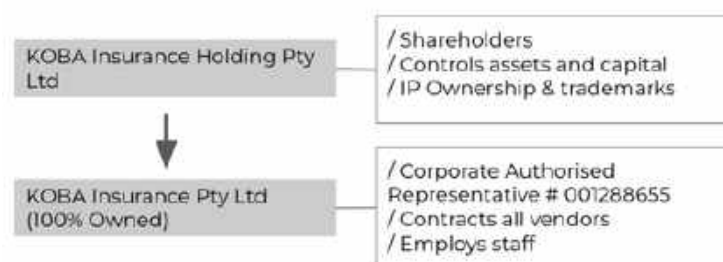


## 2.9 organisational structure

### 2.9.1 group structure

KOBA is set up in a dual company structure: KOBA Insurance Holding Pty Ltd has 100% ownership of KOBA Insurance Pty Ltd. This investment is in the holding company which holds the company IP, while the operations business holds employees, vendor contracts, inventory, P&L assets and liabilities.

This CSF Offer is an offer for shares in KOBA Insurance Holding Pty Ltd, ACN 642787273.



## 2.9.2 meet the company directors



Founder + Director  
Andrew Wong

Andrew Wong holds a Masters in Business Entrepreneurship and has launched 3 small businesses.

In his corporate roles, most notably as Global Digital IT Director at Reckitt Benckiser, Andrew focused his teams on scaling up internal business units through digital IT solutions across multiple markets in media, ecommerce, mar com tech (DMP, DSP, CRM, CMS) and content scaling.

5 years ago, Andrew moved his family to San Francisco to be in the heart of high-growth tech start-ups,. Concurrently, Andrew worked for AAA (American Automobile Association) driving their digital IT, media and digital acquisition programs. It was here that he found the solution and inspiration for KOBA Insurance.

His background in car insurance, and drive to move his family from San Francisco for the opportunity to launch pay-per-KM in Australia, gives Andrew the knowledge and ambition to take the company from dream into reality. Andrew's role is to:

- Provide leadership, vision and strategy to ensure the success of the company and mission
- Provide hands on experience, feedback and insights into developing new tech and product offerings
- Drive technology, product and commercial growth
- Build relationships and opportunities for KOBA Insurance
- Be the face of the company
- Ensure a company culture associated with KOBA Insurance



Director  
Erica Lam

Erica Lam is a brand and communications specialist, having spent her career in large advertising and CX agencies focused on automotive brands such as Toyota, Nissan EU, Ateco Group and Volkswagen Group. Erica's role is to:

- Lead brand communication, marketing execution, project management and sales across direct-to-consumer, digital and offline channels
- Lead partnership development and execution for growth in-market
- Grow marketing operations
- Continue to build the KOBA Insurance brand

## 2.9.3 meet senior team members



Head of Insurance  
Product + Underwriting

**Nick Bell**

Nick Bell is the Head of Insurance Product and Underwriting and for the past 15 years has been on the operational frontline of New Australian Car Insurance brands.

In 2008, Nick worked at Suncorp and wrote the original business case for Bingle.com, Suncorp's digital first brand. After Bingle, Nick was poached by the American powerhouse Progressive to lead their product launch here in Australia. Nick spent the next 18 months working with APRA to be granted an underwriting AFSL; notably the only successful bid in the past 14 years. Now with KOBIA, Nick is leading the insurance product design, customer experience, and pioneering the first-of-its-kind user-based pricing models in Australia.



Senior Advisor

**Don Rossell**

Founding team member, major shareholder, Ex COO at Toyota Aioi Insurance and previously GM of Insurance for Toyota Financial Services. Don works with the team weekly and drives the high level insurance strategy and is the ultimate owner of the underwriter (eric) relationship.

Don Rossell, is one of the true innovators in the car insurance industry, actively helping to shape car insurance as we know it over the last 20 years.

Don began his career as a repair shop mechanic in Melbourne, and steadily worked his way through assessment, claims and ultimately into Management. In 2005, Don helped launch Toyota Aioi Insurance in Australia and grew it to over \$200M GWP in 6 years. From there, Don joined Toyota Finance and became the GM of insurance and retail for the next 5 years. Don currently works full-time with a select few car insurance start-ups where he leads product design, compliance, pricing and strategic planning.



Board Advisor

**Simon O'Dell**

### **Simon O'Dell**

Simon O'Dell is the CEO at Insurtech Gateway Australia and an early investor in KOBIA Insurance. Insurtech Gateway was established in 2017 in London and has become one of the world's most effective insurtech investors and incubators. Insurtech Gateway Australia was launched in mid 2019.

## 2.9.4 KOBA's board members & board advisors

KOBA has 2 Members of the Board, but the constitution allows for up to 7 seats. The current members include Andrew Wong and Erica Lam. Erica Lam is set to retire from the Board in October 2022 and be replaced by Don Rossell (currently Senior Advisor). This has been approved at a Board level. Simon O'Dell is a Board advisor.



Founder + Director  
**Andrew Wong**



Director (outgoing)  
**Erica Lam**



Investor  
**Simon O'Dell**



Director (incoming)  
**Don Rossell**

## 2.9.5 KOBA's advisors

There is a very close working relationship between KOBA and its Senior Advisors, who are all invited to attend the quarterly board meetings.



### **Tena Melfi**

Retired C level executive and head of agency services at [Allstate](#), [USAA](#), and [AAA](#). Tena works directly with Andrew on his leadership style and is his executive coach. Andrew and Tena have worked together since 2018.



### **Max Brunner**

Ex VP of Corporate Strategy and Development from [Metromile](#). Max is a [US based insurtech founder](#) who recently raised a seed round from Andreessen Horowitz.



### **Nathan Anderson**

Ex Enterprise Architect at [Beasley Insurance](#), a US based specialty insurer. Nathan now lives in Australia and is the Enterprise Architect at [Cleanaway](#) (Australia's largest waste management company) and in the ASX100.



# 2.10 capital structure

## 2.10.1 issued capital of the company before the offer

As at the date of this Offer Document, the Company has 10,781,817 ordinary shares on issue. The Company also has 1,500,000 allocated and unallocated options under the Company's Employee Share Option Plan (ESOP). KOBA can have up to 15% of the cap table allocated to ESOP. In this round, we will not be creating any more options.

The Company has also issued \$300,000 in convertible notes. Please see section 2.12 for further information.

KOBA has raised capital in a number of different ways from a large group of people. There are 389 investors listed on the cap table, 366 investors from a previous crowdfund, 3 outstanding note holders, and 15 people with ESOP.

**Table 1: Current shareholders and ESOP**

Shareholders	Share Type	ORD Shares	% Owner ORD + ESOP	Vesting Schedule
Andrew and Erica Wong Family Trust	Ordinary	6,036,999	49.1%	4 year vesting period
Rossell Pty Ltd	Ordinary	1,703,000	13.8%	4 year performance based vesting*
Insurtech Gateway Australia	Ordinary	1,083,333	8.8%	NA
Tena Melfi	Ordinary	241,666	1.9%	NA
Max Bruner	Ordinary	200,000	1.6%	4 year performance based vesting
BK and MB Trust	Ordinary	125,000	1.0%	NA
Remaining 383 Shareholders who less than <1% each	Ordinary	1,403,819	12.3%	NA
<b>Ordinary Shares issued</b>		10,781,817	88.5%	
<b>Total ESOP</b>		1,500,000 <sup>^</sup>	11.5%	
<b>Total Shares - Undiluted</b>		<b>12,281,817</b>	<b>100%</b>	

\*Don's vesting schedule required him to join full-time, however he has decided to stay as an advisor at this time. KOBA will be buying back 1,065,217 at 1 cent per. These shares have been included in the dilution calculations.

<sup>^</sup> See Table 2: Current Employee Share Option Holders

**Table 2: Current Employee Share Option Holders**

Option Holders (ESOP)	Options	Issue Date	Vesting Schedule
Andrew and Erica Wong Family Trust	30,000	19/11/2021	1 yr cliff, 4 yr vest
Andrew and Erica Wong Family Trust	12,000	19/11/2021	1 yr cliff, 4 yr vest
Jon Boone	44,600	1/10/2020	Fully vested
Jon Boone	102,000	1/10/2021	1 yr cliff, 4 yr vest
Jon Boone	7200	19/11/2021	1 yr cliff, 4 yr vest
Julie-Ann King	1800	19/11/2021	1 yr cliff, 4 yr vest
Mel Mcauliffe	2700	19/11/2021	1 yr cliff, 4 yr vest
Mel Mcauliffe	27,500	11/10/2021	1 yr cliff, 4 yr vest
Mike Plant	44,600	1/10/2020	Fully vested
Mike Plant	9600	19/11/2021	1 yr cliff, 4 yr vest
Nathan Anderson	100,000	18/12/2020	1 yr cliff, 4 yr vest
Nick Bell	44,600	29/9/2020	1 yr cliff, 4 yr vest
Nick Bell	500,000	18/2/2021	1 yr cliff, 4 yr vest
Nick Bell	15,000	1/4/2021	1 yr cliff, 4 yr vest
Nick Bell	24,000	19/11/2021	1 yr cliff, 4 yr vest
Nick Strine	10,000	13/7/2021	1 yr cliff, 4 yr vest
Parth Suthar	17,600	17/1/2022	Fully vested
Rishul Matta	10,285	1/9/2021	Fully vested
Rishul Matta	1200	19/11/2021	1 yr cliff, 4 yr vest
Rishul Matta	20,570	1/12/2021	Fully vested
Robert Sternberg	10,000	13/7/2021	1 yr cliff, 4 yr vest
Robert Sternberg	3600	19/11/2021	1 yr cliff, 4 yr vest
Robert Sternberg	1077	1/1/2022	Fully vested
Robert Sternberg	90,000	1/6/2022	1 yr cliff, 4 yr vest
Rossell Pty Ltd	3000	19/11/2021	1 yr cliff, 4 yr vest
Sam Taylor	93,700	1/10/2020	1 yr cliff, 4 yr vest
Sam Taylor	1200	19/11/2021	1 yr cliff, 4 yr vest
Sudin Dinesh	15,400	17/1/2022	Fully vested
Allocated	1,243,232		
Unallocated	256,768		
<b>Total</b>	<b>1,500,000</b>		
<b>New Options this CSF round</b>	<b>0</b>		

## 2.10.2 issued capital of the company after the offer

**Table 3: Proposed Koba shareholders following CSF raise**

Table 3 below sets out the issued capital of Koba Insurance Holding Pty Ltd following the Offer on a fully diluted basis (i.e. presuming all options are exercised and convertible notes converted into shares).

Shares	Minimum Subscription	Maximum Subscription
Existing Shares	10,781,817 (83.2%)	10,781,817 (78.8%)
ESOP Shares Allocated	1,243,232 (9.6%)	1,243,232 (9.1%)
ESOP Shares Unallocated	256,768 (2.0%)	256,768 (1.9%)
Offer Shares	181,818 (1.4%)	909,090 (6.6%)
Convertible Notes as converted into shares	497,754 (3.8%)	497,754 (3.6%)
<b>Total Shares</b>	<b>12,961,389</b>	<b>13,688,661</b>

# 2.11 rights + liabilities associated with securities

## **Ordinary Shares**

As at the date of this Offer, the only class of shares on issue are ordinary shares.

## **Transfer or sale of shares**

Under the Constitution, the KOBA Directors may at their discretion refuse to register a transfer of shares without giving any reason for refusal. The Directors are also required to inform existing shareholders (who hold 3% or more shareholding) of the desire to transfer the shares. These shareholders are given preemptive purchase rights, before you can transfer them to a 3rd party.

Currently there is a proposal to Buy Back 1,068,217 from Rossell Family Trust (Don Rossell) as Don will not be able to meet his original vesting agreement of joining KOBA full time. The buy back has been approved at a board level, but requires approval at a shareholders meeting. Legal documents have been drawn up and are awaiting approval.

## **Employment Share Option Plan**

All KOBA employees, some advisors, and some contractors (sweat equity) have been allocated options under the ESOP. These options will convert into ordinary shares. All future hires will be offered equity in the business under the same ESOP. To ensure KOBA has flexibility in attracting the right talent KOBA can allocate up to 15% of the securities as options.

Vesting plans have been created under various terms to reward early employees and to promote longevity and consistency in the team as per the following plan:

- The default vesting schedule is: 25% will vest on the date that is 12 months after the employee start date; and at a rate of 1/12th of the balance at the end of each quarterly period thereafter

*A more detailed description of the rights and liabilities associated with the shares is set out in the company constitution.*

There is no shareholders agreement between the existing shareholders and as such, the rights and liabilities associated with the shares are as set out in the Company's constitution.

A more detailed description of the rights and liabilities associated with the shares is set out in Section 3.3 below.

# 2.12 sources of financing

To date, KOBA has been funded by angel investors, loans, crowd safe funds and sweat equity totalling \$1.8M, including \$300,000 in convertible notes which mature over different time periods.

Andrew Wong has forgone salary for most of 2021 and both Andrew and Erica take a discounted salary, only earning \$60,000 per year each. Contractors, management and advisors have forgone payment and leveraged 'sweat equity', which at market rates, would equate to over \$750,000 in bypassed salary. This equity is reflected in the number of share holdings and options listed in section 2.10.1.

The money spent so far has been invested in establishing strategic partnerships and developing the product. Contractors have been leveraged where appropriate to support the core team. The tables below outline current debt funding, convertible notes and loans by shareholders.

**Table 4: Outstanding Convertible Notes**

Noteholder	Value	Maturity Date	Valuation/ Discount
Hunter Equity Group	\$200,000	05/05/2024	\$6M / 0%
Kalonda Pty Ltd	\$50,000	10/08/2025	\$14M / 10%
Spelt Kent Pty Ltd	\$50,000	10/08/2025	\$14M / 10%
Total	\$350,000		
Shares on hold for Notes	493,270		

**Table 5: Outstanding Loans**

Lender	Loan Amount	Maturity Date	Interest
Andrew and Erica Wong Family Trust	\$50,000	At company discretion	0%

## 2.13 risks facing the business

An investment in KOB Insurance Holding Pty Ltd should be seen as high-risk and speculative. A description of the main risks that may impact the business is below. Investors should read this section carefully before deciding to apply for shares under the Offer. There are also other, more general, risks associated with the KOB (for example, risks relating to general economic conditions or the inability to sell shares).

If you are in any doubt, if you are unsure, if you do not understand anything in this document and can't get an answer, if you cannot afford to lose the investment amount, please, do not invest in this Offer.

Risks facing the business	Why they are risks	Likelihood of this happening
Regulatory	Insurance is regulated by APRA and KOB must remain compliant within any changing regulatory guidelines.	High
Key contract risk	<p>The Company relies on key contracts with third parties to provide its service. Early termination by a counterparty of a key contract would materially affect the ability for the business to continue its operations if a suitable replacement was not found.</p> <p>The Company and Eric Insurance have agreed to terminate the underwriting arrangement. The Company is seeking a new risk capacity provider. If a suitable counterparty is not found within 12 months (July 2023), it may materially affect the business operations of the business.</p>	High
Competition	KOB currently has a first-mover advantage in a sizable insurance market. Local and international underwriters and agencies may adopt the similar methods and create competitive offers and products to the Australian market	Medium
Cash flow risk	KOB's operating activities involve a series of cash inflows and outflows. Although KOB seeks to manage its cash flow efficiently, as a start-up, there is a risk that KOB may not have sufficient cash or working capital, at times, to fund both its operations and expansion plans. This could affect the Company's profitability, future prospects, and its ability to meet its business objectives.	Medium



Risks facing the business	Why they are risks	Likelihood of this happening
Funding risk	<p>KOBA is in the process of raising funds to achieve its strategic business objectives and to cover its projected operating expenses. KOBA may not raise all of the required funding and therefore, not achieve all of its business objectives.</p> <p>KOBA may also need to raise additional funds in the future from investors, or third parties. There is no assurance that KOBA will be able to obtain additional rounds of funding on substantially the same terms as outlined in this Offer Document or at all. KOBA's value may be materially affected if the required additional funding is not available.</p>	Low
Insolvency risk	<p>KOBA has recently launched in-market and is likely years away from being profitable. We are seeking to obtain further funding to achieve our objectives. There is no guarantee that funding will be available on favourable terms or that KOBA will receive any level of funding at all.</p>	Low
Technology risk	<p>KOBA uses a number of sales, marketing and member communication technology solutions. Despite KOBA's measures to effectively manage these systems and risks, if any of these technologies were to fail without notice, it could interrupt KOBA's ability to sell or communicate with customers. This could have a direct impact on revenue and profitability.</p> <p>KOBA holds a considerable amount of customer data and sensitive financial information, which makes them a target for cybercrime. KOBA has put data security infrastructure and created 3rd party partnerships to continuously protect and secure this data.</p>	Low
Dilution	<p>A shareholder's interest may be diluted in the future they do not participate in future fundraisings.</p>	High
Low adoption of new technology	<p>Car insurance is a subscription business, with an annually renewable product. If adoption rates are low, this could mean less revenue in later years.</p>	Low
Low retention rates	<p>KOBA has a high cost of acquisition as a percentage of premium. A low retention rate could move or delay KOBA's break even time frame in time to come.</p>	Medium
Risk capacity	<p>KOBA's current arrangement with eric is coming to an end in July 2023;</p> <p>KOBA is in the process of securing a new underwriting arrangement with another insurer within that time frame; and</p> <p>KOBA will seek that the new insurer underwrites the product on similar (if not identical) terms and conditions where possible.</p>	High

# 2.14 financial statements

Below are the financial statements of Koba Insurance Holdings Pty Ltd and its controlled entity Koba Insurance Pty Ltd for the financial years ended 30 June 2022, which have been prepared in accordance with the Accounting Standards.

KOBA has not offered any forecasts or predictions of future growth in these documents as they can be misleading and not grounded in any historical sales data.

Note: KOBA Insurance Holding Pty Ltd, is a simple holding company that manages the investments and therefore has no income or liabilities (see Section 2.14.1 below).

## 2.14.1 KOBA Insurance Holding Pty Ltd

### balance sheet

		As at 30 June 2021	As at 30 June 2022
Assets			
	Bank	\$932.75	\$0.00
	Funds Receivable	\$10.00	\$25.00
	Investment - Koba Insurance Pty Ltd	\$492,589.75	\$1,920,945.75
	<b>Total Assets</b>	<b>\$493,532.50</b>	<b>\$1,920,970.75</b>
Liabilities			
	<b>Total Liabilities</b>	<b>\$932.75</b>	<b>\$0.00</b>
Net Assets			
	<b>Total Net Assets</b>	<b>\$492,599.75</b>	<b>\$1,920,970.75</b>
Equity			
	Shareholders	\$425,000	\$535,000.00
	Convertible Notes	\$66,667.00	\$200,000.00
	CSF Shareholders	-	\$990,156.00
	ESOP Vested	-	\$194,882.00
	Share Capital	\$932.75	\$932.75
	<b>Total Equity</b>	<b>\$492,599.75</b>	<b>1,920,970.75</b>

### profit and loss statement

		As at 30 June 2021	As at 30 June 2022
Sales			
	Total Sales	\$0	\$0
Expenses			
	Total Expenses	\$0	\$0
Net Profit			
	Net Profit	\$0	\$0

## 2.14.1 KOBA Insurance Holding Pty Ltd

### cash flow statement

	As at 30 June 2021	As at 30 June 2022
<b>Operating Activities</b>		
GST	-	-
Net Cash receipts from other operating activities	-	-
Cash payments from other operating activities	-	-
<b>Net Cash Flows from Operating Activities</b>	-	-
<b>Investing Activities</b>		
Net Cash Flows from Investing Activities	\$492,599.75	\$1,190,156
<b>Financing Activities</b>		
Loans from related parties	-	-
Total Other cash items from financing activities	-\$492,599.75	-\$1,190,156
<b>Net Cash Flows from Financing Activities</b>	<b>-\$492,599.75</b>	<b>-\$1,190,156</b>
<b>Net Cash Flows</b>	<b>\$0</b>	<b>\$0</b>
<b>Cash and Cash Equivalents</b>		
Cash and cash equivalents at beginning of period	\$932.75	\$932.75
<b>Net change in cash for period*</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at end of period	\$932.75	\$932.75

### statement of changes in equity

	As at 30 June 2021	As at 30 June 2022
<b>Equity</b>		
<b>Opening Balance</b>	<b>-</b>	<b>\$492,599.75</b>
<b>Profit for the Period</b>	<b>-</b>	<b>-</b>
CSF Shareholders	-	\$990,156.00
Investment Notes & Share Capital	\$67,599.75	\$233,333.00
<b>Other Increases</b>	<b>\$425,000.00</b>	<b>\$194,882.00</b>
<b>Total Increases</b>	<b>\$492,599.75</b>	<b>\$1,428,371.00</b>
<b>Equity</b>	<b>\$492,599.75</b>	<b>\$1,920,970.75</b>

## 2.14.2 KOBA Insurance Pty Ltd

### balance sheet

		As at 30 June 2021	As at 30 June 2022
Assets			
	<b>Bank</b>	<b>\$22,954.17</b>	<b>\$194,962.95</b>
	Inventory	\$35,962.37	-
	Accounts Receivable	-	\$7,454.08
	Prepayments	\$42,157.44	\$543.61
	R&D Tax Incentive Receivable	\$41,675.18	\$266,044.70
	<b>Current Assets</b>	<b>\$119,794.99</b>	<b>\$274,042.39</b>
	Software Development Pool	\$377,632.92	\$674,489.33
	<b>Total Fixed Assets</b>	<b>\$377,632.92</b>	<b>\$674,489.33</b>
	<b>Total Assets</b>	<b>\$520,382.08</b>	<b>\$1,143,494.67</b>
Liabilities			
	Accounts Payable	\$112,854.55	\$124,626.11
	Accruals	\$13,965.00	-
	Insurer Commission		\$26,953.84
	GST	-\$3,107.32	-\$5,004.65
	PAYG Payable	\$3,441.00	\$9,607.00
	Provision for Annual Leave	-	\$18,547.29
	Provision for Personal Leave	-	\$6,290.44
	Superannuation Payable	\$2,280.00	\$9,041.68
	<b>Current Liabilities</b>	<b>\$129,433.23</b>	<b>\$189,061.71</b>
	<b>Non Current Liabilities</b>	<b>\$67.25</b>	<b>\$43,254.45</b>
	<b>Total Liabilities</b>	<b>\$129,500.48</b>	<b>\$232,316.16</b>
Net Assets			
	<b>Net Assets</b>	<b>\$390,881.60</b>	<b>\$911,178.51</b>
Equity			
	Current Year Earning	-\$101,708.15	-\$908,059.09
	Investment - Koba Insurance Holdings Pty Ltd	\$492,589.75	\$1,920,945.75
	Retained Earnings	-	\$101,708.15
	<b>Total Equity</b>	<b>\$390,881.60</b>	<b>\$911,178.51</b>

## 2.14.2 KOBA Insurance Pty Ltd

### profit and loss statement

	As at 30 June 2021	As at 30 June 2022
Trading Income		
Earned Commission / Income	-	\$24,483.84
Document Issue Fee	-	\$15,676.64
Telematic Device Income	-	\$2,231.48
<b>Trading Income</b>	-	<b>\$42,391.96</b>
Cost of Sales		
Freight Expense	-	\$106.82
Stripe Fees	-\$26.36	\$2,880.67
<b>Total Cost of Sale</b>	<b>-\$26.36</b>	<b>\$2,987.49</b>
Gross Profit	<b>-\$26.36</b>	<b>\$39,404.47</b>
Other Income		
Interest Income	\$4.55	\$0.59
Other Revenue	\$41,675.18	\$716,492.21
<b>Total Other Income**</b>	<b>\$41,679.73</b>	<b>\$716,492.80</b>
Operating Expenses		
Salary and Contractors	\$81,030	\$426,760.83
Marketing / Media	-	\$67,397.99
Employees Share Option Expense	-	\$194,882.00
Depreciation of inventory (Devices)	-	\$533,573.26
Other expenses	\$62,331.52	\$441,342.28
<b>Total Operating Expenses</b>	<b>\$143,361.52</b>	<b>\$1,663,956.36</b>
Net Profit		
<b>Total Net Profit</b>	<b>-\$101,708.15</b>	<b>-\$908,059.09</b>

\*\*Refers to additive income streams and ATO R&D tax rebate which was +\$710,000 in 2022



## 2.14.1 KOBA Insurance Pty Ltd

### cash flow statement

	As at 30 June 2021	As at 30 June 2022
<b>Operating Activities</b>		
CST	\$18,964	\$48,655
Net Cash receipts from other operating activities	\$41,679.73	\$205,501
Cash payments from other operating activities	-\$94,499.65	-\$1,513,665
<b>Net Cash Flows from Operating Activities</b>	<b>-\$33,855.92</b>	<b>-\$1,259,509</b>
<b>Investing Activities</b>		
Net Cash Flows from Investing Activities	-478,487.08	-\$363,042
<b>Financing Activities</b>		
<b>Loans from related parties</b>	<b>-</b>	<b>\$571,880</b>
<b>Total Other cash items from financing activities</b>	<b>-512,343</b>	<b>\$1,036,640</b>
<b>Net Cash Flows from Financing Activities</b>	<b>-512,343</b>	<b>\$1,608,520</b>
<b>Net Cash Flows</b>	<b>-</b>	<b>-\$14,031</b>
<b>Cash and Cash Equivalents</b>		
Cash and cash equivalents at beginning of period	-	\$22,954
<b>Net change in cash for period</b>	<b>-</b>	<b>-\$14,031</b>
Cash and cash equivalents at end of period	-	\$8,923

# 2.15 management comments on historical performance + outlook

KOBA has tight control over expenses and are spending responsibly; adjusting burn rates to meet outcomes and funding constraints. Operating budgets are prepared and presented quarterly to the board, but tracked and updated on a rolling 90 day basis to ensure the burn rate is controlled against funding totals.

With our growing customer base and acquisition costs, KOBA's operational expenses have grown 10x since FY 2021, with the majority of cost increases occurring in Technology, Marketing / Media and People. More importantly, KOBA is now generating revenue from policy sales; this revenue can be used to offset operational expenses and grow new business opportunities.

The campaign and funds raised through our first fully-subscribed round (see Section 2.3 Scorecard) were used to launch in-market, acquire KOBA's first 500 customers, build partnership channels and to bring on key members to round out the team. This includes a part-time finance and compliance manager to ensure that costs, commissions paid and regulatory requirements are managed correctly and in a timely manner.

KOBA is confident in our growth trajectory. Since launching nationwide in February 2022, our sales have increased 50%+ month on month, and we recently surpassed 500,000KM in billing. KOBA is live on Compare the Market (Australia's largest comparison site) and appears as the cheapest insurance product 17%+ of the time when we return a quote to a customer. Moving forward as we open up our insurance risk acceptance profiles, this will give us access to an incredible amount of potential new customers.

In June 2022, KOBA partnered with Uber-owned Car Next Door to create Australia's own Car Sharing Owner Use Comprehensive Insurance. KOBA is Car Next Door's preferred insurance provider and there are plans to migrate Car Next Door's car share owners to KOBA's insurance coverage.

KOBA is also seeing growth through partnerships and have created 8+ promotional or referral partners to-date. We will launch new broker and car finance partners in September, 2022 and are in discussions to partner with car manufacturers for connected car opportunities.

The campaign and funds raised through this CSF round will be used to escalate our growth and acquire more KOBA customers, while building on our existing and new acquisition channels. Funds will be spent in digital channels and comparison sites who offer a cost-per-acquisition model, only charging for marketing when KOBA sells policies. Continued customer growth will help us solidify our unit economics around the cost of sale and acquisition, as well as confirm our insurance thesis with real-time data and provide customer feedback back into our core product design. Specific use of funds can be found in section 3.2 Use of Funds.

*Comments on revenue outlook are inherently uncertain and should not be solely relied upon as they are subject to change, uncertainty and unexpected events, many of which cannot be controlled. Accordingly, actual results are likely to differ from the forecasts. No representation or assurance is or can be given that the forecasts will be achieved. Past performance is no guarantee of future performance. This revenue outlook has been prepared by KOBA Insurance Holding Pty Ltd and has not been validated by an independent third party.*

# section 3 information about the offer

## 3.1 terms of the offer

KOBA Insurance Holding Pty Ltd is offering up to 909,090 shares at an issue price of \$1.10 per share to raise up to \$1,000,000. The key terms and conditions of the Offer are set out below.

Term	Details
<b>Shares</b>	Fully-paid ordinary shares
<b>Price</b>	\$1.10 per share
<b>Minimum Subscription</b>	\$200,000
<b>Maximum Subscription</b>	\$1,000,000
<b>Minimum parcel size</b>	\$250
<b>Opening date</b>	August 30, 2022
<b>Closing date</b>	September 15, 2022

A description of the rights associated with the shares is set out in Section 3.3.

To participate in the Offer, you must submit a completed application form together with the application money via the Intermediary's platform. The Intermediary's website provides instructions on how to apply for shares under the Offer at [www.birchal.com](http://www.birchal.com).

The Intermediary must close the Offer early in certain circumstances. For example, if the Maximum Subscription is reached, the Offer must be closed. If the Minimum Subscription is not reached or the Offer is closed but not completed, you will be refunded your application money.

Investors may withdraw their application during the Cooling-off Period. Further information on investor cooling-off rights can be found in Section 4 of this CSF offer document.

The Offer is not underwritten and there is no guarantee that these funds will be raised.

## 3.2 use of funds

The money raised in this CSF will be used to continue to prove out our growth and insurance metrics. Since launching in-market in November 2021, we have strong evidence that the market is adopting our product and have set up scaleable distribution channels. The funds raised will support capital requirements in 2 ways:

1. Refinement and Retention. KOBA plans to continue to refine current conversion funnels and digital experiences to maximise acquisition channels; focus on retention of current customers; encourage referral and hone in on the car sharing owner-use product which has a known, fit-for-purpose customer-base.
2. Scale and Revenue. KOBA plans to increase marketing to build on brand and product awareness for early adopters, grow new revenue through our distribution partnerships, evolve our product to meet car manufacturer (OEM)'s needs, launch a broker channel, bring on new connected car data sets, diversify our insurance product suite and support core team members.

Specifically, the funds raised will be used to cover operational costs of the KOBA Rider device which are purchased from the manufacturer, cover operational / working capital, director salaries, contractor costs and marketing.

The table below sets out the intended use of funds raised under this Offer based on the minimum and maximum subscription amounts.

Intended use	Minimum Subscription	Maximum Subscription
Operations / Working Capital	\$165,200	\$747,200
Marketing	\$20,000	\$190,000
Birchal Admin/Offer costs	\$14,800	\$62,800
<b>Total</b>	<b>\$200,000</b>	<b>\$1,000,000</b>

The Offer costs include the Intermediary's fees under the hosting agreement between the Company and the Intermediary. These fees are up to 6% of all funds raised by the Company through Birchal Financial Services Pty Ltd (Intermediary), plus \$2,800 for administration and setup costs.

Other than as specified above, no other payments from the funds raised will be paid (directly or indirectly) to related parties, controlling shareholders, or any other persons involved in promoting or marketing the Offer.

Note: once we've found the initial product market fit, KOBA plans to launch a Seed raise. We believe 1200 customers or \$1M Annual Recurring Revenue (ARR) will give enough evidence that the product is scalable.

## 3.3 rights associated with the shares

Immediately after issue, the shares will be fully-paid shares. There will be no liability on the part of shareholders and the shares will rank equally with the shares currently on issue.

The rights associated with the shares are set out in the Company's constitution. These rights are described below. A copy of the constitution is available on the Intermediary's platform.

### **Voting rights**

Each shareholder has one vote on a show of hands and, on a poll, one vote for each share held.

### **Dividends**

All shareholders have a right to receive any dividends declared and paid by the Company. The directors have a discretion and may resolve to pay dividends, subject to their obligations under the Corporations Act. (for example, they cannot pay dividends unless the Company's assets are sufficiently in excess of its liabilities immediately before the dividend is declared and where it may materially prejudice the Company's ability to pay its creditors).

### **General meetings and notices**

Directors have the power to call meetings of all shareholders or meetings at any time, but are not required to call annual meetings. KOBA intends on having annual meetings for shareholders, but these will be decided as and when each year. Notice must be given at least 1 days in advance.

### **Winding up**

If the Company is wound up, the liquidator may, with the sanction of a Special Resolution of the Members, divide among the Members in kind the whole or any part of the property of the Company and may:

1. For that purpose, set the value the liquidator considers fair upon any property to be so divided; and
2. Determine how the division is to be carried out as between the Members or different classes of Members.

### **Restrictions on sale and transfer**

If a shareholder wishes to sell or transfer their shares, they must serve the board a notice, which the board is then required to share this notice with any shareholder who holds at least 3% of the shares in the capital of the company. The receiving shareholder wishing to purchase the securities must, within 10 Business Days after receipt of the Sale Notice, irrevocably notify the Board of the number of Sale Securities it wishes to purchase and at what price. If, still some unallocated securities for sale after 10 days, seller may transfer some or all of the remaining shares to one or more Third Parties within 60 Business Days of the date of the Sale Notice, provided that the Transfer is on terms no more favourable than those set out in the Sale Notice.

Please consider there are some restrictions on transferring and the sale of shares, specific details regarding these terms can be found in the Company Constitution. Which includes, but is not limited to information on:

1. Drag & tag rights
2. Exit provisions
3. Right of first refusal on transfer
4. Pre-emptive rights on transfer

## Shareholder Default

An Event of Default occurs in relation to a Member if:

1. **change in law:** that Member is prohibited from being a Member due to a change in any law
2. **Insolvency Event:** an Insolvency Event occurs in respect of that Member; or
3. **Material breach:** that Member breaches this constitution and that breach is incapable of remedy or, if capable of remedy, is not remedied within 20 Business Days after written notification from the Company
4. **Acts of serious misconduct and fraud:** a Director appointed by that Member commits an act of fraud, dishonesty or serious misconduct relating to a financial or corporate matter which, in the reasonable opinion of any other Member acting in good faith, is significantly damaging to the reputation of the Company, the Business or that other Member
5. **Disposal of Shares:** that Member transfers, or purports to transfer, any shares in breach of this constitution
6. **Change in Control:** a Change in Control occurs in respect of that Member which is not permitted by the terms of this constitution or has not been approved by the Directors
7. **Death or Inability to manage affairs:** that Member dies or becomes permanently incapable of managing its own affairs due to medical or mental condition (as evidenced by a certificate to that effect by a qualified medical practitioner).

If a Default has been deemed to have occurred

1. All rights attached to the Seller's Securities are suspended until all of the Seller's Securities are transferred
  2. Any Director appointed by the Seller is automatically removed from the Board and has no further right to participate in the Business or management of the Company
  3. The Securities owned by the member may be sold
- 
1. A trade purchase of the Company
  2. A listing on a registered stock exchange (eg the ASX)
  3. A private equity investment in the Company
  4. A share buy-back by the Company

There is no guarantee that any of the exit options will eventuate.

## What can I do with my shares?

Shares in the Company are considered illiquid as they cannot easily be transferred or sold. However, there are numerous possible circumstances that may create an opportunity for shareholders to exit their investment in the Company. These include, but are not limited to (refer to Company Constitution for more detail):

1. A trade purchase of the Company
2. A listing on a registered stock exchange (eg the ASX)
3. A private equity investment in the Company
4. A share buy-back by the Company

There is no guarantee that any of the exit options will eventuate.

## 3.4 details of previous CSF offers

In September 2021, KOBA Insurance launched its first CSF Offer. In the CSF Offer, KOBA Insurance offered up to 1,000,000 fully-paid ordinary shares at an issue price of \$1.00 per share. That CSF offer was completed successfully, raising \$990,156 from 366 investors.



## **Early Stage Innovation Company**

Based on an objective self-assessment with the assistance of advisors, KOBA has assessed itself and believes that it meets the criteria as a qualifying ESIC for the purposes of this Offer. Investors who purchase new shares in qualifying ESICs may be eligible for certain early stage tax incentives. The incentives provide eligible investors, who purchase new shares, with:

- 1.a non-refundable carry forward tax offset equal to 20% of the value of their qualifying investments. This is capped at a maximum tax offset amount of \$200,000 for sophisticated investors and their affiliates and \$50,000 for retail investors and their affiliates.
- 2.a modified capital gains tax (CGT) treatment, under which capital gains made or accrued on qualifying shares that are continuously held for at least 12 months and less than ten years are exempt from CGT. Capital losses made or accrued on shares held less than ten years are also disregarded.

More information about the ESIC regime is available from the ATO website.

## 3.5 investor rewards

In addition to being a shareholder of KOBA, as a thank you, we've put together a range of rewards offered exclusively to our investors.

1	\$ 250 +	→ Car insurance discount^ First 250KM are free
2	\$ 1000 +	→ Car insurance discount^ First 1,000KM are free
3	\$ 2500 +	→ Car insurance discount First 2,500KM are free → Invitation to be part of our product testers + roadmap team*
4	\$ 5000 +	→ Invitation to be part of our product testers + roadmap team* → Car insurance discount^ First 5,000KM are free
5	\$ 10,000 +	→ Invitation to be part of our product testers + roadmap team* → Car insurance discount^ First 10,000KM are free

1. For all shareholders who purchase between \$250-\$999 worth of securities, KOBA will give you, or a friend, one credit for the first 250KM driven as a KOBA customer.
2. For all shareholders who purchase between \$1000-\$2499 worth of securities, KOBA will give you, or a friend, one credit for the first 1,000KM driven as a KOBA customer.
3. Any shareholders who purchase \$2500 - \$4999 worth of securities will get 2,500KM worth of credit per (2) above, as well as be part of our exclusive KOBA pit crew; our test team. Access our features pre-release and weigh-in on our product roadmap.
4. Any shareholders who purchase \$5000-\$9999 worth of securities will be part of our exclusive KOBA pit crew per (3) above, and be given 5,000KM worth of credit for the first 5000KM driven as a KOBA customer.
5. Any shareholders who purchase \$10,000+ worth of securities will be part of our exclusive KOBA pit crew per (3) above, and be given 10,000KM worth of credit for the first 10,000KM driven as a KOBA customer.

*Terms + Conditions apply.*

^ Method of delivery: Discount code  
\* Method of delivery: Email

# section 4 information about investor rights

## 4.1 cooling-off rights

If you are a retail investor, you have the right to withdraw your application under this Offer and to be repaid your application money. If you wish to withdraw your application for any reason (including if you change your mind about investing in the Company), you must do so within five business days of making your application (**Cooling-off Period**).

You must withdraw your application via the Intermediary's platform. You will be able to withdraw your application within the Cooling-off Period by following the link and the instructions within your portfolio on the Intermediary's platform.

After your withdrawal has been processed, the Intermediary will refund the application money to your nominated account as soon as practicable.

## 4.2 communication facility for the offer

You can ask questions about the Offer on the communication facility available on the Birchal's platform. You can also use the communication facility to communicate with other investors, with the Company and with the Intermediary about this Offer.

You will be able to post comments and questions about the Offer and see the posts of other investors on the communication facility. The Company and/or Birchal will also be able to respond to questions and comments posted by investors.

Officers, employees or agents of KOBA, and related parties or associates of the Company or the Intermediary, may participate in the facility and must clearly disclose their relationship to the Company and/or Intermediary when making posts on the facility.

Any comments made in good faith on the communication facility are not subject to the advertising restrictions in the Corporations Act.

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## 4.3 proprietary company corporate governance obligations

### Annual report

While the Company is currently a small proprietary company that is not required to prepare annual financial reports and directors' reports, if we successfully complete this Offer, then we will be required to prepare and lodge these annual reports with ASIC (within four months of the financial year end). The Company has a 30 June year end and its financial reports must be lodged by 31 October each year.

Our financial reports are currently not required to be audited as we are a small proprietary company. This means that the Company's financial reports will not be subject to auditor oversight and, therefore, there will be no independent assurance of the Company's financial statements. However, the directors are still required to ensure that the financial statements give a true and fair view of the Company's financial position and performance and that the financial statements comply with the accounting standards.

We may be required to have our financial reports audited in the future if we raise more than \$3 million from CSF offers (including this current offer and any future offers) or otherwise become a large proprietary company.

### Distribution of annual report

The Company is not required to notify shareholders in writing of the options to receive or access the annual report. Shareholders will not be able to elect to receive a copy of the annual report by way of email or post. However, shareholders can access the annual report at [www.kobainsurance.com.au](http://www.kobainsurance.com.au), information will be shared to all shareholders via Cake Equity, [www.cakeequity.com](http://www.cakeequity.com)

### Related party transactions

If we successfully complete this Offer, the rules on related party transactions in Chapter 2E of the Corporations Act will apply to the Company (for so long as we continue to have CSF shareholders). This means that the Company is required to obtain shareholder approval before giving financial benefits to related parties of the company (e.g. directors and their spouses, children or parents), subject to certain exceptions (such as reasonable remuneration provided to directors).

### Takeovers

If we successfully complete this Offer and have more than 50 shareholders, the takeover rules in the Corporations Act will only apply to the Company in a very limited way. If someone wants to buy more than 20% of the voting shares in the Company, they will be able to do so without complying with the takeover rules. This means a person may be able to get control of the Company without making a formal takeover bid to all shareholders or without seeking shareholder approval.

Shareholders will not have the benefit of the full protections under the takeover rules, which means you may not have the right to vote on or participate in a change of control of the company. However, the general principles of ensuring shareholders have sufficient information and time to consider a change of control, and all have a reasonable and equal opportunity to participate in any benefits, will apply to the Company. In addition, the Takeovers Panel has jurisdiction to hear disputes relating to control of the Company.

### Company updates

The Company will provide regular updates to investors on the Company's website at the following address [www.KOBALInsurance.com](http://www.KOBALInsurance.com), information will also be shared to all shareholders via Cake Equity, [www.cakeequity.com](http://www.cakeequity.com)

# glossary

**Company** means Koba Insurance Holding Pty Ltd ACN 642787273

**Cooling-off Period** means the period ending five business days after an application is made under this Offer, during which an investor has a right to withdraw their application and be repaid their application money

**CSF** means crowd-sourced funding under Part 6D.3A of the Corporations Act

**Intermediary** means Birchall Financial Services Pty Ltd AFSL 502618

**Maximum Subscription** means the amount specified in this CSF offer document as the maximum amount sought to be raised by the Offer

**Minimum Subscription** means the amount specified in this CSF offer document as the minimum amount sought to be raised by the Offer

**Offer** means an offer of fully-paid ordinary shares by the Company under this CSF offer document

**Retail investor** has the meaning given to the term “retail client” under the Corporations Act

# appendix

## key vendor partnerships

KOBA is proud to work with local and international tech and insurance vendors. Each partner brings a new and unique point of view and helps tie together the overall experience of the customer and the product.

### **Red Tail**

Redtail Telematics is an IoT and communications technology company in the UK and US as well as an experienced manufacturing and engineering team on the ground in Malaysia. They have had success in international markets with more than 6 million devices processing over thirty billion miles of data for insurers, fleet managers, OEMs and consumers around the world. They support KOBA by supplying data and the OBD devices we call the KOBA Rider. [http://www.redtailtelematics.com/en\\_gb/home/](http://www.redtailtelematics.com/en_gb/home/)

### **By Bits**

By Bits is KOBA's policy management system and rating engine. They give insurers the power to create more customer-centric insurance products by ensuring they can meet the industry's evolution to usage-based-insurance. <https://www.bybits.co.uk/>

### **IntelliTrac**

IntelliTrac is an Australian company established in 1987 specialising in automotive electronics, GPS Telematics, GIS Mapping & Business Mobility Apps. With offices spread throughout the Asia Pacific region including New Zealand, Australia, PNG, Indonesia, Malaysia & Taiwan, they are KOBA's 3PL and device distributor in Australia. <https://www.intellitrac.com.au/>

### **Compare the Market**

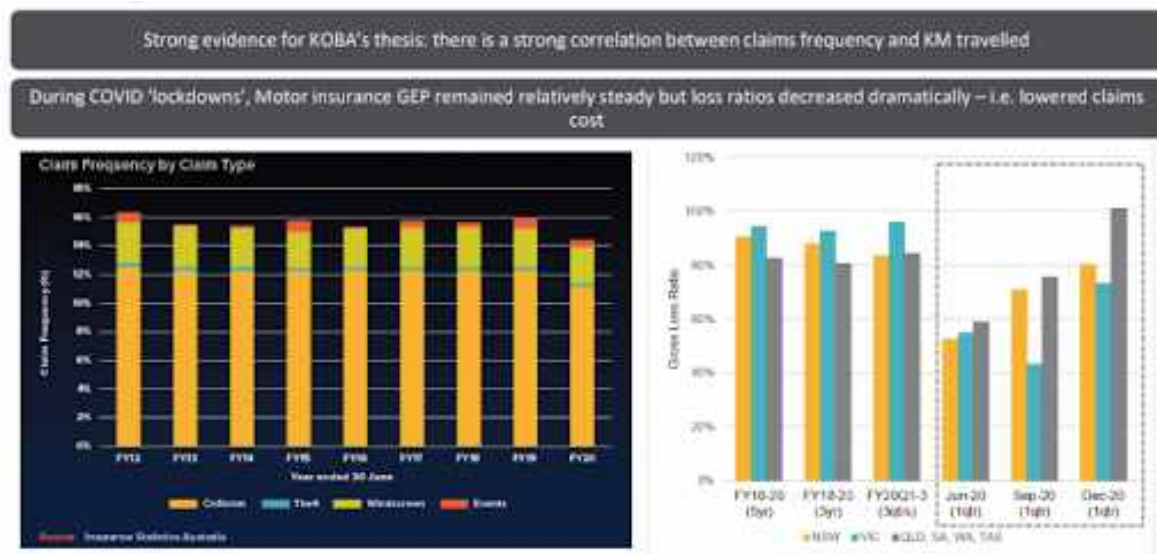
Compare the Market's (CTM) main goal is to give shoppers simple and easy-to-use tools that can help them make choices on products that may suit their needs the most, while trying to save them time and money. CTM's has multiple vertices including car insurance. <https://www.comparethemarket.com.au/>

### **Compare Club**

Compare Club is passionate about making it quicker and easier for Australians to save money on their biggest household expenses. They make sure Australians get great value on some of your biggest household expenses - for more money back in your pocket. KOBA is Compare Club's foundational car insurance companies on the panel, which just launched in Q2 2022. <https://compareclub.com.au/>



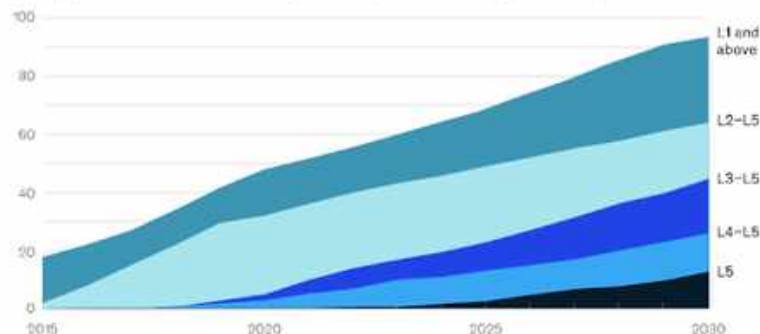
Calculations created by KOBA in partnership with Finity Consultants.  
 Source data from Insurance Statistics Australia (see Low usage drivers))



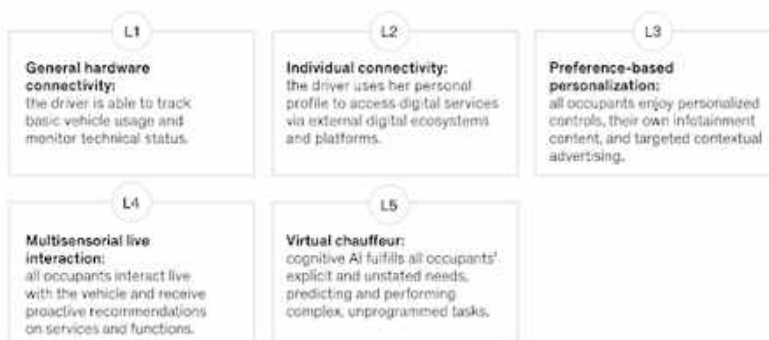
“The future of mobility is at our doorstep” McKinsey and Company, December 19, 2019  
 (see connect cars are coming page)

By 2030, 45 percent of global new-car sales could be at level 3 or above in connectivity.

Global penetration of connected cars, % of new light-vehicle sales by connectivity level



From basic connectedness to complex experiences: The five levels of vehicle connectivity



McKinsey & Company



**THANK YOU  
FOR SUPPORTING  
KOB**

**ANDREW WONG (FOUNDER)**

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