

UK Insurtech Company PremFina Raises \$36m To Make Insurance More Accessible, In An Oversubscribed Round Led By Rakuten Capital And Draper Esprit

Submitted by: PremFina

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- UK insurance premium financing and software company PremFina raises \$36M in equity and debt
- The funds will strengthen PremFina's expansion into new global markets and meet high demand in the UK
- PremFina is fully regulated by the UK's Financial Conduct Authority (FCA)

London, UK: PremFina Ltd, a UK-based company that increases access to insurance by providing financing options for the purchase of insurance premiums, today announced US\$36 million in equity funding and a debt facility. Rakuten Capital, the investment arm of Japan's Rakuten, a global leader in e-commerce and fintech services and the main global partner of FC Barcelona and the UK's Draper Esprit Plc led the financing, and were joined by global investors Thomvest Ventures, Emery Capital, Rubicon Venture Capital, Talis Capital and the company's founder.

PremFina is the first premium finance company in the UK to receive venture funding, with the equity portion of round more than three times oversubscribed. The investment will be used to accelerate PremFina's UK operations to meet a high demand for its white-label premium financing solution among insurance brokers and support international expansion. Its white label offering improves brokers' efficiency, profitability and customer relationships.

PremFina makes the purchase of insurance more affordable by eliminating the financial strain of lump-sum upfront payments, thereby promoting financial inclusion within the insurance industry. Its solution is simple and user-friendly: PremFina funds the upfront payment of an insurance premium to an insurer, on behalf of an insured party. PremFina then collects the same amount via monthly instalments, along with a finance fee, from the insured party. To better enable insurance brokers to offer this option, PremFina also provides a standalone, white-labelled software-as-a-service (SaaS).

"The participation of outstanding investors from Toronto to Tokyo in our oversubscribed round highlights the vast opportunity ahead for PremFina," said Bundeep Singh Rangar, CEO and founder of PremFina, who invested in 17% of the equity portion alongside the institutional investors. "Our new investors bring great strategic value and priceless global financial relationships."

"Premium financing is an industry that's been crying out for innovation. The incumbents have remained largely unchallenged due to age-old barriers to entry, such as the lack of funding for insurance start-ups, costs and time of regulatory compliance and significant investment in technological capability needed to meaningfully enter the market. Consequently, insurtech has lagged behind other areas of fintech in terms of innovation. PremFina has overcome these barriers and is now poised for growth," Rangar added.

"Rakuten sees outstanding growth potential in PremFina's business model of promoting insurance inclusion and providing access to affordable insurance," said Oskar Mielczarek de la Miel, Managing Partner at Rakuten Capital. "We are excited to support the growth of PremFina's innovative business

in the UK and internationally.”

“PremFina has built a strong SaaS revenue model with excellent growth opportunities,” said Simon Cook, CEO of Draper Esprit. “With its innovative offering increasing efficiency in the insurance industry model, PremFina ticks all the insurtech boxes. We are excited to help them dominate the market in the next few years.”

The equity round was led by Rakuten Capital, the investment arm of Rakuten, Inc., a global innovation company and Japan's leader in e-commerce and fintech services that has invested in ride-sharing companies Lyft, Cabify and Careem as well as app-based micro-investor Acorns and online lending companies Upstart and Kreditech.

The round was co-led by Silicon Valley venture capital firm Draper's UK affiliate Draper Esprit. California-based Draper was an early investor in telecoms company Skype, electric carmaker Tesla, rocket company SpaceX, Chinese search engine Baidu and email provider Hotmail.

Thomvest Ventures, an early investor in peer-to-peer lender LendingClub, small business lender Kabbage, and student finance provider Social Finance, Inc., joined PremFina's equity round. Thomvest augmented its PremFina investment with a credit facility to fund PremFina premium finance agreements.

Worldwide insurance penetration, measured as the percentage of gross written premiums against a country's GDP, dropped 1.3% to 6.2% from 7.5% in the decade to 2015, according to London-based professional services firm EY. This drop occurred even as governments in many countries announced financial inclusion to be a key national policy objective. PremFina aims to reverse this trend by making personal and commercial insurance more affordable worldwide.

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About PremFina Limited

PremFina is a UK-based premium finance company. It supplies insurance brokers with their own branded premium financing service with a software package to manage the sale of broker-branded insurance policies to consumers and businesses, and the ability to finance insurance premiums via instalments. With

PremFina, brokers receive higher profit, greater autonomy and opportunity to increase the lifetime value of their customers as well as the chance to cross-sell and up-sell additional products. For more information visit: www.premfina.com

About Rakuten Capital

Rakuten Capital is a corporate venture capital group that provides funding, sector experience and operational support to its portfolio companies across the world. Rakuten Capital is part of the Rakuten Group, one of the world's leading internet service companies. Rakuten has built and invested in innovative internet businesses in e-commerce, financial services, digital content and advertising since 1997. Rakuten is ranked as one of "Top 30 Most Innovative Companies" by Forbes and operates in Asia, Europe and the Americas. The company is headquartered in Tokyo and is publicly traded on the Tokyo Stock Exchange.

For more information visit: <https://capital.rakuten.com>

About Draper Esprit Plc

Draper Esprit was founded in 2006, and is one of the largest and most active VC firms in Europe, helping entrepreneurs to build global ground-breaking technology companies. In 2016 it moved its primary funds into a listed PLC model (LSE: GROW.L) in order to take a longer term, multi-stage, patient capital approach. In recent years, Draper Esprit's exits have generated more than \$3 billion in combined enterprise value.

For more information visit: <http://www.draperesprit.com/>

About Thomvest Ventures

Thomvest Ventures is a venture capital firm committed to the success of our entrepreneur partners. Thomvest makes investments in companies that leverage disruptive technologies and business models to pursue high-growth opportunities in the security, fintech, and adtech markets. The capital we invest is our own, enabling us to be more creative, flexible, strategic and patient than most investors. It takes time to build great companies and Thomvest is committed to supporting its entrepreneurs throughout their journey. To learn more about Thomvest Ventures, please visit us at www.thomvest.com.

About Emery Capital

Emery Capital is a venture capital management company that invests in global-focused early stage technological startups. The company invests in the companies that transform industries, bringing new technologies, high-tech solutions, and business models.

For more information visit: emery.capital/

About Rubicon Venture Capital

Rubicon Venture Capital combines a VC fund with a unique global community of value added investors to build lasting technology companies. Their investors are mainly successful entrepreneurs and executives located in key cities around the world. They invest in Later Stage Seed and Series A & B venture capital

financing rounds of high potential early stage disruptive technology companies.

For more information visit: rubicon.vc/

About Talis Capital Ltd

Talis Capital is a London based venture capital firm, focused on B2B technology companies within three key areas: Security, Business Intelligence/SaaS and Financial Services. Talis Capital has completed over \$380m of transactions since 2009 and has a strong track record of investments. Talis has made over 30 venture investments and count some of the fastest growing tech start-ups in its portfolio – Darktrace, Onfido, Iwoca, - among many others.

For more information visit: <https://www.taliscapital.com/>