

iSelect Limited Business Update

14 April 2020: iSelect Limited (ASX: ISU) (“iSelect” or the “Company”) provides an interim business update to the market, in response to rapidly changing macroeconomic conditions.

KEY POINTS:

- After a challenging first half due to regulatory change in the Energy market, iSelect has posted Q3FY20 Underlying EBIT of \$2.8m:
 - The Health business maintained growth on last year, however the onset of COVID-19 and the late deferral of the annual premium rise impacted the second half of March.
 - The Energy market continues to recover, and pleasingly Energy business conversion rates have improved above expectation.
 - Our Trail Asset remains stable and, as indicated in our previous update, its carrying value of \$117m equates to 54 cents per share.
- The Company has moved quickly to ensure business continuity in response to COVID-19:
 - We have improved our capability for staff to work from home and currently have 75% of employees working remotely, however we did experience some system instability during this transition. Pleasingly, post-implementation, this has not impacted our operating metrics and creates opportunity for a flexible operating model moving forward.
 - Given the economic uncertainty, the Board and Executive have moved to reduce the fixed cost base of the business to ensure sustainability during this period and readiness to support Australians to save money on their household bills at this critical time.
 - Some cost savings include: Board and Executive pay reductions of 30%, staff moving to 8-9 day fortnights, some redundancies as well as other significant fixed cost savings from Technology and international investments. We continue to investigate and action further opportunities.
 - The Company is in the final stages of arranging a loan facility for working capital purposes, providing the business with flexibility and stability through COVID-19, until our Trail Asset provides us with a positive working capital position in FY21.
- We are seeing mixed levels of market demand across our business: Increased customer enquiries in Telco and Energy as customers look to save on their bills but simultaneously we are also seeing a temporary decline in Health due to the deferred premium increase and the government’s current arrangement with private hospitals during COVID-19.
- Changes with our business demand in this environment make the Q4 outlook difficult to predict. However, with increased flexibility and an adjusted cost base we are confident that we can continue to adapt to this evolving macroeconomic environment.
- The sale of iMoney is challenging with the impact of COVID-19 in the various Asian countries in which it operates but we continue to work with interested parties to secure a sale. However, iSelect expects to take a write down on the current carrying value in its books if a transaction was to occur during this time. iMoney is reducing costs and minimising cash impacts, including employees moving to a 6 day fortnight.

Company Secretary

iSelect's General Counsel and Company Secretary, Gavin Byrnes, has resigned to relocate with his family to Queensland. He will finish on April 24 2020. The company would like to thank Gavin for his contribution and wishes him all the best. iSelect is pleased to announce that consultancy firm Mertons Corporate Services Pty Ltd will be taking on the Company Secretary role.

FY20 Outlook remains uncertain at this stage

Mr Arnhold said: "In this time of economic uncertainty, we truly believe that our customer proposition - to save Australians time, effort and money - has never been more important.

As many Australian households unfortunately come under increased financial strain due to loss of employment or reduced income, iSelect is in a unique position to help them save money on their bills and expenses and help relieve some of their financial pressure.

Whilst the rapidly evolving macroeconomic environment means our FY20 outlook remains uncertain, we will continue to adapt our business as required."

Authorised for release by the Board of Directors of iSelect Limited

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About iSelect

At iSelect, we're passionate about helping Australians with their household bills and save time, effort and money. We are Australia's go-to destination for comparison across insurance, utilities and personal finance products made available from our range of providers and our service is provided at no cost to the customer.

We compare a wide range of Australia's leading brands but unlike other comparison sites, we are not owned by an insurance company. Our trained consultants help Australians to compare, select and save. www.iselect.com.au

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