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Annual Report 2022

iSelect

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IMPORTANT NOTICE AND DISCLAIMER

Any references to "Group" in this Annual Report refer to iSelect Limited (iSelect) and its controlled entities. ABN 48 124 302 932. All references to FY18, FY19, FY20, FY21 and FY22 appearing in this Annual Report are to the financial years ended 30 June 2018, 30 June 2019, 30 June 2020, 30 June 2021, and 30 June 2022 respectively, unless otherwise indicated.

This Annual Report contains forward-looking statements including but not limited to trends, plans, strategies and objectives of management, demand and customer projections, guidance on future financial performance and and/or estimates. The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements regarding the results of iSelect's future financial performance outlined in this Annual Report.

Forward-looking statements in this Annual Report are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, at the date of this Annual Report, are expected to take place. Such forward-looking statements are provided as a general guide only and should not be relied upon as an indication or not guarantees of future performance. Such forward-looking statements involve known and unknown risks, uncertainties, assumptions, and other important factors many of which are subject to change without notice and/ or are beyond the control of the Group, the directors of iSelect and management. This may cause actual results to differ materially from those expressed in the forward-looking statements contained in this Annual Report. Past performance is not necessarily a guide to future performance and the Group cannot and does not give any assurance, representation or warranty that the results, performance, or achievements expressed or implied by the forward-looking statements contained in this Annual Report will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

A number of important factors could cause iSelect's actual results to differ materially from expectations, estimates and intentions expressed in such forward looking statements. This is particularly the case, in light of the current economic climate and significant volatility, uncertainty and disruption arising in connection with COVID-19. To the full extent permitted by law, iSelect disclaims any obligation or undertaking to release any updates or revisions to the information contained in this Annual Report to reflect any change in expectations, assumptions, new information, future events or results, or otherwise.

NON-IFRS INFORMATION

iSelect's results are reported under International Financial Reporting Standards (IFRS). Throughout this Annual Report, iSelect has included certain non-IFRS financial information. The information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. iSelect uses these measures to assess the performance of the business and believes that information is useful to investors. EBITDA, EBIT, Operating Cash Conversion and Revenue per Sale (RPS) have not been audited or reviewed.

Any and all monetary amounts quoted in this Annual Report are in Australian dollars (AUD) unless otherwise stated. The figures in this Annual Report are subject to rounding.

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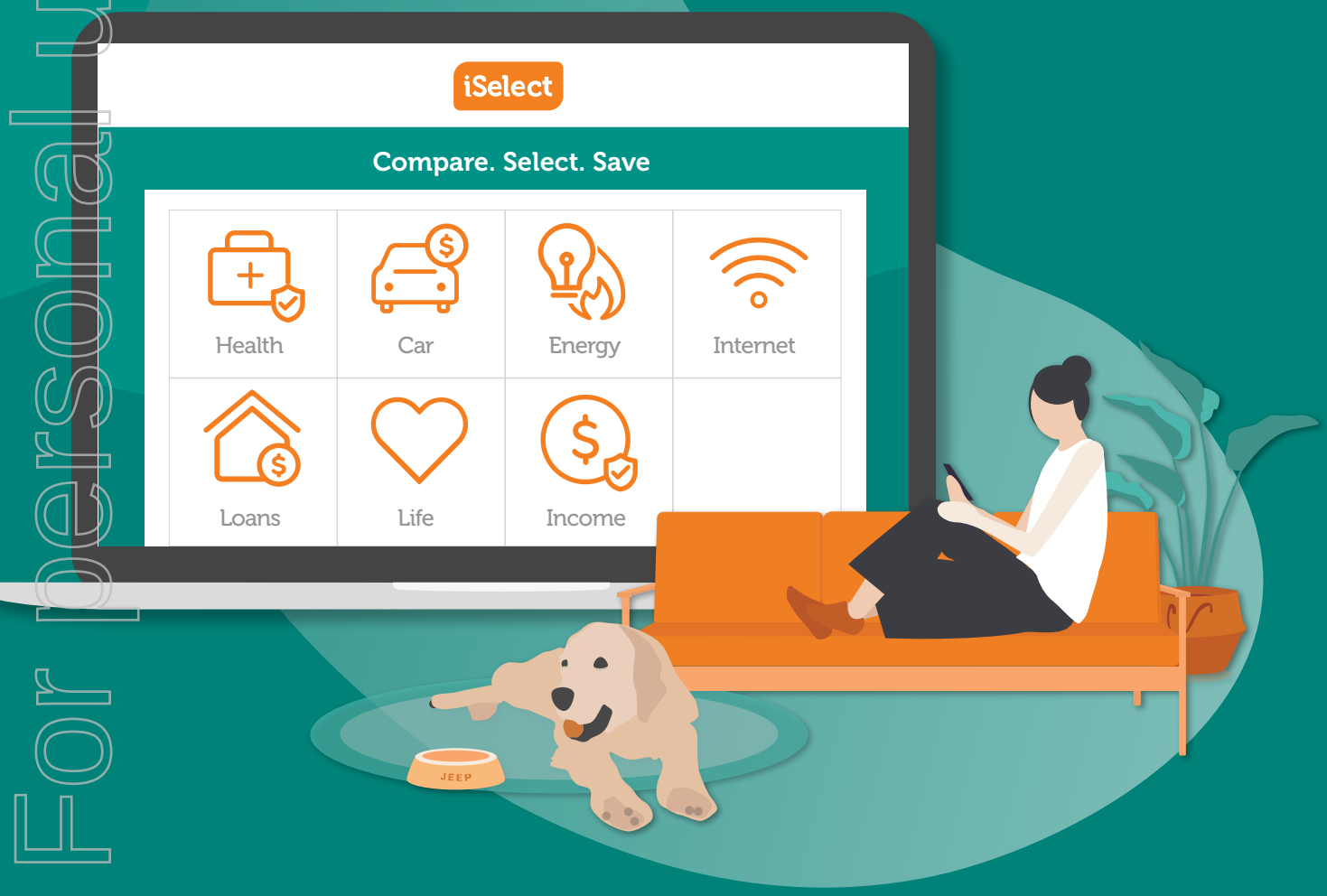
HELPING AUSTRALIANS GET SORTED

iSelect is one of Australia's leading destinations for comparison and purchasing across insurance, personal finance and utilities



About iSelect

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At a time when many Australians are struggling with rising prices and cost of living pressures, iSelect remains committed to helping them save money on their household bills and expenses.

At iSelect, we're all about helping Australians save time, effort and money. And as prices continue to climb across the board – from interest rates to petrol prices to electricity bills – the service we provide has arguably never been more valuable to our customers.

We help Australians compare an extensive range of products and services across insurance, utilities and personal finance. With plenty of products and plans to choose from, we can help Australians compare their options whatever their age, location or life stage. From connecting the power and internet in your first share house, to taking out health insurance to start a family or sorting out travel insurance for the retirement holiday of your dreams, iSelect has an option to suit your individual needs and budget.

Our online presence has long been complemented by our highly experienced team within our Australian customer contact centre. Whilst we know many customers still highly value the ability to speak to someone on the phone, we recognise that the way customers wish to interact with us is changing. We are currently expanding the ability for customers to complete the comparison process entirely online, and finalise their purchase all in a few simple steps.

We may have been around for more than 20 years, but we are always looking forward. We are excited to continue to evolve both our product offering and customer experience to meet changing consumer needs and preferences.

In addition to our flagship iSelect brand, the iSelect Group also owns energy comparison service Energy Watch.

iselect.com.au

> "Was much easier than searching through 1 million different sites and was super straight forward"
>
> **Health:** Kendall, Preston VIC

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HOW WE WORK

Save time and effort by comparing with iSelect*

Compare

Our strong relationships with providers means we can deliver you value from a great range of deals and products.

Select

Review plans, products and policies from our range of providers* and filter your options based on what's important to you.

Save

Compare our range of providers and plans* to see if you can find a cheaper plan, while our online and phone services have no additional cost to you. If we can't help you find a better deal, we'll be honest about it and tell you to stay exactly where you are.

* iSelect does not compare all products in the market. The availability of products iSelect compare may change from time to time. Not all products made available from iSelect's providers are compared by iSelect and due to commercial arrangements, area or availability, not all products compared by iSelect will be available to all customers. Some products and special offers may only be available from iSelect's call centre or visit www.iselect.com.au to view iSelect's range of providers.

2022 CEO and Chairman's Letter

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Dear Shareholders,

On behalf of the Board of Directors of iSelect Limited, we present to you iSelect's 2022 Annual Report.

The past few months have seen Australia's economic climate change dramatically. As prices continue to rise across the board – from groceries to petrol prices to skyrocketing gas and electricity bills – many Australians will seek out ways to reduce their expenses. These cost-of-living pressures highlight the increased relevance of our purpose to help our customers save time, effort and money.

Despite suppressed demand throughout key periods in FY22, iSelect delivered an underlying EBITDA result of $9.9 million for FY22. Our operating cash flows remained solid with trail cash collections performing slightly ahead of expectation.

As we begin FY23, iSelect looks forward to a new chapter following the recent unanimous recommendation from the Board that shareholders accept an offer from Innovation Holdings Australia (ABN 30 617 998 866) (IHA) to acquire full ownership of the iSelect business. iSelect has entered into a Scheme Implementation Agreement with IHA, which proposes IHA will acquire all of the shares in iSelect that it does not currently own by way of a scheme of arrangement (Scheme). The Board has unanimously recommended that iSelect shareholders vote in favour of the Scheme, and each Director intends to vote all of the iSelect shares held or controlled by them in favour of the Scheme, in the absence of a superior proposal and subject to an Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of the iSelect Shareholders.[1]

The Scheme provides an opportunity for shareholders to realise a significant premium to market value for their shares at the time of offer and provides the certainty of an all-cash offer. Subject to satisfaction of the conditions precedent to the Scheme (including ACCC approval), it is anticipated that the Scheme will complete within the period from December 2022 to March 2023.

Operational Performance

In Health, H2FY22 saw many health funds – including four of the top five funds by market share – defer their 2022 premium rise from 1 April until H1FY23. As a result, our traditional peak period of March did not occur, although there is a possibility that some of this will be recouped during the deferred premium rise period in October and November 2022.

1 As announced on 10 August 2022, in connection with the Scheme, iSelect chairman Mr Brodie Arnhold will be entitled to receive a retention payment of up to $300,000, and will continue to receive non-executive director fees by remaining as a director of iSelect following implementation of the Scheme. The Board (excluding Mr Arnhold) considers that, despite these arrangements, it is appropriate for Mr Arnhold to make a recommendation on the Scheme. Further details are set out in the announcement of 10 August 2022 and will be provided in the Scheme Booklet. For more information, please refer to the ASX release of 10 August 2022: https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02551618-3A598754?access_token=83ff96335c2d45a094df02a206a39ff4

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OUR GOALS

iSelect aims to maximise performance, generate appropriate levels of shareholder value and financial return, and sustain growth and success.

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This impacted conversion, revenue and EBITDA through FY22, with our Health segment delivering $61.8m revenue, (-18% YoY), whilst EBITDA was $3.5m down 71% on FY21.

For our Energy business, FY22 was a year of ups and downs, as changes came across the energy market late in the financial year. In H1FY22, we saw a suppressed energy switcher market. The traditional energy price rise periods of 1 July 2021 (NSW, SA & SE QLD) and 1 January 2022 (VIC) saw little to no movement, with electricity prices at their lowest point in eight years.[2]

All that changed very rapidly in Q4FY22. Unprecedented price spikes in the wholesale energy market drew intense media attention resulting in significant switcher demand briefly in Q4FY22. This meant that the energy reference price was no longer commensurate with the changed industry conditions and retailers across the board began to withdraw their competitive plans from the market. Such was the extreme nature of the situation, some retailers in fact withdrew from the market altogether. This market-dynamic impacted iSelect's ability to convert customers during this traditionally busy energy period of June. The conditions saw our Energy & Telco segment deliver 19% revenue decline in FY22, with EBITDA dropping to a $2.2m loss.

The General Insurance business delivered a solid result in FY22, with a focus on expanding our smaller verticals (Home and Contents, Travel, Pet) enabling lead growth. In Life Insurance, both our 'Lead Referral' business and the performance of the legacy Life Insurance Trail Book were strong. Overall, the Life and General Insurance segment saw FY22 revenue slightly down and EBITDA at $9.1 million (+7% vs FY21).

i26

Our Board and Executives remain committed to our i26 Strategy and the three horizons which were presented in our H1FY22 results. At its core, i26 is about automating and digitising the comparison and switching experience for customers and we believe our investment in and partnership with CIMET will help us to fast-track many of our i26 initiatives.

Beyond FY23, the next horizon of our i26 strategy encompasses further improvements to our digital platform, exploring international opportunities, and launching payment capability.

CIMET investment

Our investment in B2B comparison and technology platform CIMET was a key milestone of FY22. CIMET is a fast-growing comparison and technology platform business enabling brands to offer comparison via CIMET's white-label and SaaS-style propositions. Our partnership with CIMET will allow us to enhance our core business while also providing an opportunity to diversify into the B2B market via CIMET's SaaS-like model.

The CIMET platform's digital-first approach will enable iSelect to realise new opportunities for both our core business and existing verticals. Improving our digital customer experience to better align with consumer preferences is expected to increase online sales as a percentage of total revenue. A higher online sales mix will also facilitate a lower cost to serve, enabling iSelect to compete harder from a marketing and brand perspective.

iSelect's legacy systems have become an inhibiter of growth in recent years and our partnership with CIMET allows us to take advantage of innovative comparison technology now, rather than taking years to build internally. The funding injection also enables CIMET to further develop its technology platform, with both parties having aligned on a Product & Technology roadmap over the next few years with longer-term opportunities including overseas expansion and payment options.

In FY22, CIMET delivered revenue of $11.3 million, representing an impressive 124% year on year growth rate.

Brand and partnerships

FY22 saw the launch of our all-new "Better Value" brand platform in February 2022 and aims to reinforce iSelect's reputation as a customer champion. The award-winning initial iteration of the campaign features Bobby Holland Hanton, actor and stunt double to one of the world's biggest movie stars, to illustrate that he, like iSelect, is much better value.

From a vertical and product perspective, we also strengthened our product offering in FY22 with the launch of three new verticals – Personal Loans, Car Loans and Credit Cards – all of which have started positively, bringing new customers to the iSelect ecosystem.

Transition to hybrid working model

More than two years on from the beginning of the COVID-19 pandemic, iSelect has now successfully adopted a hybrid-working approach that allows us to balance the flexibility so valued by our team members with the importance of face-to-face collaboration. During H2FY22, most teams moved to a hybrid approach, with Melbourne-based staff splitting their time between home and the office.

A COVID-19 silver-lining has been the opportunity to expand our workforce beyond Melbourne and indeed Victoria. Our suburban location in Melbourne's Bayside has long been a challenge in attracting and retaining talent, but the permanent shift to hybrid working has allowed us to attract high-quality staff

2 Source: https://www.accc.gov.au/media-release/cost-of-supplying-electricity-to-households-at-an-eight-year-low

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from all over Australia, a real advantage particularly given the incredibly tight labour market. A true COVID success story, around 25% of our team members now reside outside Victoria.

Leadership stability

FY22 saw continued stability at the Board and Executive level. In March 2022, Melissa Reynolds joined the iSelect Board, bringing with her over 30 years' experience across the very relevant financial services, energy and media sectors. Our Executive team was also strengthened with the appointment of Claire Macfarlane as Executive – Product in January 2022 and Courtney Shergold as Executive – Technology in April 2022. The appointments of Claire and Courtney are key to the successful delivery of our digital transformation in line with our i26 Strategy.

Cancellation of dividend program

As advised at our H1FY22 Results in February, following the investment in CIMET, the Board determined that the Dividend program be cancelled effective as of 28 February 2022, until otherwise determined by the Board.

Looking ahead

For Health Insurance, we anticipate premium increases to be passed through to consumers during H1FY23, however given 'out of cycle' nature of these increases, there is uncertainty around the level of consumer demand to expect in Health in FY23. In Energy, we will continue to monitor the evolving market and over the longer-term, expect the arrival of Open Energy to make switching easier which will be welcomed by consumers. With competition remaining high in our verticals, our focus in FY23 will be on executing operationally within our core business whilst delivering on key milestones of our i26 strategy.

We would like to close by thanking you, our shareholders, for your ongoing support through FY22. If the Scheme proceeds as outlined in our ASX Announcement on 10 August 2022, it will see iSelect embark on an exciting new chapter as part of IHA. In the meantime, we remain committed to our customers and helping them find opportunities to save on their bills and expenses in a time of rising inflation and increased cost-of-living.

Regards,

Warren Hebard

Chief Executive Officer

Brodie Arnhold

Chairman

> "Quick, polite, easy to understand, efficient & got us a great deal!"
>
> **Energy:** Susan, Cranbourne West VIC

Our People

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Our people, just like our customers, continued to be impacted by the ongoing COVID-19 pandemic throughout the past year. Despite the complexity of managing their own lives during various lockdowns, our team continued to step up and deliver on our purpose of making Australians' lives easier.

In light of the various challenges our team faced over the last 12 months, we are particularly proud to have recently achieved our highest ever employee engagement score in our May 2022 employee survey.

Leading and working with vision

With the release of our i26 Strategy in late FY21, we engaged our team to set their own stretch goals for the year with the intention of transforming the way we work. Adopting new ways of working is both challenging and incredibly rewarding. Our team readily adopted the growth mindset needed to apply new tools and techniques, as well as demonstrating their desire to continuously reflect and learn to achieve even more. We continued to embed values-based leadership across the organisation through formal training sessions based upon motivation and growth-based coaching techniques.

Recognising amazing work

We have always known our team members regularly go above and beyond, but we were very excited this year to introduce a platform that enabled our team to more easily recognise each other and share in successes, both at the individual and team level. 'Celebrate' is one of our four iSelect values and, based on the volume of peer-to-peer recognition posts in only a few short months, our team certainly knows how to live this value. From a shout-out to say thanks for helping with a query to the acknowledgment of excellent customer feedback or outstanding delivery on a significant piece of work, we are so proud of everything our team clearly does every day for each other and our customers.

A diverse and talented team

Offering greater flexibility, along with a focused effort in areas where balance was not being achieved, has seen us reach 42% female representation, a significant and pleasing improvement. While we have made great strides in the last 18 months, we continue to focus in on some areas and roles where we still haven't quite achieved the right balance. In addition, we have supported our vision for a diverse and inclusive culture through a broad range of 'Connect' sessions on topics including First Nations treaty, parenthood challenges and unconscious bias.

Our community

Our community involvement evolved throughout the year, given what was happening closer to home in Australia and around the world. Our team is passionate about supporting mental health and this year our team got behind the Movember campaign for the third year running. With many within our own team impacted by the NSW and Queensland floods, and along with a number who have friends and family in Ukraine, it also made sense for us to raise money for charities supporting people devastated by these events.

More recently, a number of our people completed a leadership program with a social enterprise that included mentoring long-term unemployed youth entering or re-entering the workforce. From the feedback of everyone involved, it's clear that that this was a memorable and valuable experience for all who took part and something we will look to replicate in the future.

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Connection and Wellbeing

While the COVID-19 pandemic kept us physically apart for much of the year, it was incredible to be able to have our first face-to-face, all business event in several years take place again in early May 2022. Over the year ahead, we will continue to test and learn how to operate effectively within a hybrid model of work. We are striving to achieve the best possible balance between coming together for connection and collaboration and continuing to give our team the flexibility to work effectively from home.

Our team's health and wellbeing remains at the forefront of our mind. We have recently trained a number of team members to be mental health first aid officers, working alongside our Employee Assistance Program to support our team when and how they need it.

Our Partners

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We help our partners build strong relationships with hundreds of thousands of Aussies who trust iSelect to compare a wide range of household services.

Our partners know that by joining the iSelect network, their brand is seen by more consumers in more places, more often. Our comparisons, offers and cross-sell opportunities unlock growth opportunities and provide invaluable insights and data to our partners.

Our position as a leading comparison marketplace has been further strengthened through the onboarding of additional leading brands across some verticals, enhancing our service offering by providing our customers with even more choice. This extended range is anticipated to lift our revenue over the next year as demand for our service is expected to continue to build, especially as many households are seeking better deals across energy, insurance and personal finance.

> “Carmen was friendly and got back to me in a timely manner. She sorted out my account and found me the best deal”
>
> **Car:** Bronwen, Quinns Rock, WA

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Insurance

Australian Unity	nib	ahm by Medibank	Get more with HCF	Bupa	GMHBA
AIA	Frank Health Insurance	Latrobe	TUH Health Fund	Virgin money	iman Australian Health Plans
Retirease Insurance	1st for women Insurance	INSUREANDGO	Budget Direct	TICK Travel Insurance	pd.com.au
ING	Carpeesh	Allianz	fastcover Travel Insurance made simple	CHU	

Utilities

origin	agl	EnergyAustralia	ActewAGL	powerdirect	BLUE NRG
red energy	LUMO ENERGY	momentum energy	simply energy	MyRepublic	
BELONG	OPTUS	foxtel	Aussie Broadband	dodo	hi harbour isp
superloop	exetel				

White Label and Click Out

Lifebroker	lendi	BizCover	Valiant	choosi	CIMET
Fair Comparison					

Product and Technology

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During FY22 our Product and Technology team have undertaken important foundational work required for the successful delivery of key i26 strategy initiatives, including the smooth transition to the CIMET platform.

Our Product and Technology teams have proven their agility throughout FY22, particularly following the announcement of the CIMET partnership. The teams quickly pivoted from the original Open Energy MVP to align their technology roadmap with CIMET's. In line with our i26 strategy, the CIMET partnership unlocks new product verticals such as mobile and Open Energy. It is expected to improve the performance of existing verticals – such as internet – through migration to the CIMET platform and simplification of the iSelect landscape, enabling a fully digitised customer experience.

For our Product team, a key focus during FY22 was to develop and implement a new way of working to create the alignment and transparency required to execute the i26 Strategy, and in particular the CIMET transition. Our new Head of Business Transformation, a newly created role, has been appointed to ensure that all levels of the organisation from teams right through to Executive understand their role in program delivery, our roadmap and its customer value.

An example of our improved agility was the recent digitisation of one of our core journeys, Energy Watch. In late FY22, the volatility in the energy market led to an unanticipated and rapid increase in customer demand and as a result we were unable to service all customers. We re-platformed Energy Watch from iSelect technology to the CIMET platform which enabled us to capitalise on this unexpected market opportunity. This successful digitisation meant that we were able to effectively manage the unprecedented volume of customer queries across both the Energy Watch and iSelect brands.

In addition to the important foundational work to support the CIMET transition and upcoming new vertical launches, our Product team has continued to deliver critical BAU work during this transitional phase. In FY22, Product launched new verticals including Credit Cards, Car Loans and Personal Loans, onboarded five new partners and implemented product and price changes to maintain and grow our existing core verticals.

For our Technology team, keeping the business safe, secure and reliable was a key focus during FY22. We have introduced a robust and wider-reaching incident management process along with critical foundational security work delivered through our security partner. In Q4FY22, we commenced the build of the simplification roadmap with initial focus on AWS migration and cost reductions. Continued investment in our data platform saw the migration to AWS (DNA 2.0) along with a large proportion of PowerBI reports migrated to Tableau in line with dashboarding and reporting needs.

Looking ahead, we have recruited key technology personnel in the architecture and security domains to deliver upon our security and simplification goals for FY23. The migration of our verticals to CIMET's technology is a top priority for FY23. Our Product and Technology teams will continue to work closely to ensure smooth transition.

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LOOKING AHEAD

The migration of our products to CIMET's technology is a top priority for FY23 and Technology will continue to work closely with Product to ensure smooth transition.

Brand and Marketing

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FY22 saw the launch of our exciting new brand platform, which highlights the important service iSelect provides in helping Aussies find 'Better Value' across a range of household bills and expenses.

We launched our all-new 'Better Value' brand platform in February 2022. As many Australians continue to struggle with cost-of-living pressures, our focus on 'Better Value' is designed to reinforce iSelect's purpose of saving people time, effort and money.

The initial campaign under the 'Better Value' platform comprised of three different creatives (brand, rate rise and EOFY). Each features Bobby Holland Hanton, actor and stunt double to one of the world's biggest movie stars, under the premise that, like iSelect, Bobby delivers way better value than his more famous doppelgänger. The highly engaging campaign has been awarded a Bronze trophy at the prestigious 2022 New York Festivals Advertising Awards – one of the most highly regarded international award shows for excellence in creativity.

The heightened media focus on rising prices meant our press office was able to both reactively 'news jack' and proactively pitch exclusive research findings and customer savings case studies. As a result, our company spokespeople and satisfied customers continued to be featured on high-profile news and current affairs programming throughout FY22. These earned media appearances further strengthened trust in the iSelect brand among consumers during this time of rising prices and cost-of-living pressures.

The past year presented both challenges and opportunities from a marketing point of view. Whilst the decision by many health funds to defer their 2022 rate rise meant our key trading period of March was much quieter than usual, it also means we will likely benefit from a secondary rate rise period in H1FY23. From a marketing perspective, we looked to capitalise on the confusion the deferred rate rise created among customers.

H2FY22 was also characterised by unexpected volatility within the energy industry resulting in an unanticipated spike in customer demand in late FY22. Our team was able to quickly adapt to this new environment and pivot our marketing strategy accordingly to match changing customer needs.

Looking ahead to FY23, we will continue to evolve our 'Better Value' brand proposition by leveraging the existing assets for longevity, as well as creating new assets to support new product and vertical launches. Building quality product-focused, information and lifestyle-based content to better support our customers' research trends will be an even greater focus in FY23. It is planned that we will launch our updated blog in early FY23 to diversify traffic streams and help customers to 'master their money', something that is highly relevant to our customers given the budget pressures many households are under.

Our digital marketing strategy will further evolve throughout FY23. Increasing digital sales is a key pillar of the business' i26 strategy and to support this aspiration, FY23 will see an even stronger emphasis on marketing automation and further improvement of digital cross-sell. Other key initiatives under our digital strategy include further improving the customer communication experience through better tailored advertising experiences utilising our first-party data sources.

We will also explore partnerships designed to leverage our relationship with CIMET and their platform's ability to provide a more simplified customer experience. We expect this will not only improve customer experience but also boost online conversion and reduce our cost to serve.

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> “As living expenses increase, it is more important for me to look into my finances and services, and iSelect has really helped me achieve this”
>
> **Health:** Vindya, Keysborough VIC

Board Members

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Brodie Arnhold

Chairman and Non-Executive Director

Member of the Remuneration Committee and Nominations Committee

Brodie was appointed Chairman in March 2021, having first joined iSelect as a Board member in September 2014. Brodie also spent two years as CEO for the Company between April 2018 and October 2020. Brodie has over 15 years' domestic and international experience in private equity, investment banking and corporate finance.

Brodie is currently Chair of Shaver Shop Group Limited (ASX: SSG), Endota Spa Pty Ltd, Industry Beans Pty Ltd, and is a Non-Executive Director of Bailador Technology Investments Limited (ASX: BTI).

Previously, Brodie was the CEO of Melbourne Racing Club. He has also worked for Investec Bank from 2010-2013 where he was responsible for building a high net worth private client business.

Brodie worked for Westpac Banking Corporation where he grew the institutional bank's presence in Victoria, South Australia and Western Australia, and from 2006-2010 held the role of Investment Director at Westpac's private equity fund.

During his career, Brodie has also worked at leading accounting and investment firms including Deloitte (Australia), Nomura (UK) and Goldman Sachs (Hong Kong).

Brodie holds a Bachelor of Commerce and MBA from the University of Melbourne and is a member of Chartered Accountants in Australia and New Zealand (CA ANZ).

Shaun Bonett

Independent Non-Executive Director

Chair of the Remuneration and Nominations Committees

Shaun was appointed to the iSelect Board in May 2003. Shaun founded Precision Group in 1994 and serves as its CEO and Managing Director, being principally responsible for the strategic direction of Precision. In addition, Shaun acts as a Director and Strategic Adviser of various entities Precision has interests in, including as Chairman of Litigation Lending and of Prezzee, ExoFlare, Skyfii and Lenders Direct.

Shaun holds a Bachelor of Arts (Major in Jurisprudence), Bachelor of Law and Graduate Diploma in Legal Practice from the University of Adelaide and is a Barrister and Solicitor of the High Court of Australia.

Shaun is also a Fellow of the Australian Institute of Company Directors, a member of the Young Presidents' Organisation, and of the President's Council of the Art Gallery of NSW.

Philanthropy is also a key part of Shaun's activities, and he acts as Deputy Chairman of Life Education Australia, is a Director of the Princes Trust, a Director of the Chinese Language and Culture Education Foundation of Australia, and founder of his own charity the Heartfelt Foundation.

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Bridget Fair

Independent Non-Executive Director

Member of the Audit and Risk Management Committee, Remuneration Committee, and Nominations Committee

Bridget was appointed to the Board of iSelect in 2013 and is a senior media executive with over 20 years' experience in corporate affairs, government relations, business strategy and commercial negotiation in the media, technology and communications sectors.

Bridget joined Free TV Australia as Chief Executive Officer in February 2018. Bridget previously held a number of senior roles with Seven West Media and has also worked with the ABC and SBS.

Bridget is a former Chair of Screenrights and has been on the boards of OzTAM and Freeview.

Bridget is a graduate of the Australian Institute of Company Directors.

Geoff Stalley

Independent Non-Executive Director

Chair of the Audit and Risk Management Committee

Geoff was appointed to the iSelect Board in December 2018 and is an entrepreneurial senior executive with consistent success in starting, building, growing and improving the performance of businesses both as a senior advisor and as a business leader.

His operational experience includes his current role as the Chief Financial Officer for Booktopia (ASX:BKG). Prior to this he was the Chief Growth Officer for Serco Asia Pacific, a global public sector services business. Geoff's career has also included Managing or Lead Partner positions for global consulting businesses (AT Kearney, Andersen, EY and Deloitte) with clients including Westpac, AMP, Telstra, Qantas, FedEx, Oracle, Caterpillar and Brambles.

Geoff is also the Chair of Uplifting Australia, a not-for-profit organisation; Chair of Exent Consulting; and a member of the Advisory Board for NSW Public Service Commission.

Geoff is a Graduate of the AICD Directors Course, has a Masters of Economics (Macq), a Bachelor of Business (UTS), is a CA of Chartered Accountants in Australia and New Zealand (CA ANZ) and a CPA.

Melissa Reynolds

Independent Non-Executive Director

Member of the Audit and Risk Management Committee

Melissa Reynolds was appointed to the Board of iSelect in March 2022. Melissa is based in Melbourne and has over 30 years' experience in the financial services, energy and media sectors. She has held several senior executive positions in ASX 50 companies including as Chief Customer Officer at AGL, Executive General Manager at NAB, and General Manager at White Pages, Sensis. Melissa brings a wealth of experience in digital transformation, innovation, customer experience, sales, brand and marketing in B2C and B2B markets.

Melissa is a Non-Executive Director at Teachers Mutual Bank and a member of the Risk and Compliance and Remuneration committees and inaugural Chair of the Tech and Innovation Committee. Melissa also serves as a Director of the Colonial Foundation, Deep Brain Stimulation Technologies Limited and Genazzano FCJ College.

Melissa holds a Master of Commerce in Marketing & Organisational Behaviour from the University of NSW, a Bachelor of Economics from the University of Newcastle, is a Graduate of the AICD and has completed the Advanced management Program at INSEAD, France.

Leadership Team

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Warren Hebard

Chief Executive Officer

Warren was appointed CEO in November 2020. He first joined iSelect in April 2018 as Chief Marketing Officer (CMO) before his role was expanded in June 2020 to also include responsibility for iSelect's commercial partnerships.

Warren brings extensive management and data led decision making experience to iSelect.

Prior to joining iSelect, Warren was Chief Marketing Officer at William Hill Australia. He previously held senior management roles within both agency and in-house environments, including Brand Director with online bookmaker TomWaterhouse.com where he was responsible for launching the brand into the Australian marketplace.

Warren holds a Bachelor of Business Marketing and has attended Harvard Business School Executive Education programs in 2016, 2017 and 2019.

Vicki Pafumi

Executive – Finance & Strategy

Vicki joined iSelect in November 2015 and held senior roles within the Company's finance and operations functions before being appointed Chief Financial Officer (CFO) in July 2018. Prior to Vicki's appointment as CFO, she held the role of Interim CFO from 27 January 2016 to 3 July 2017 and from 17 November 2017 to 1 July 2018.

Previously, Vicki was responsible for Workforce Planning, Dialler Operations and Project Management as well as the management of our former Cape Town business. Vicki has over 25 years' experience spanning all areas of finance, six sigma, supply chain, operations and aftermarket.

A results driven professional with extensive people management experience, Vicki is passionate about leading and developing individuals to succeed and be their best.

Vicki holds a Bachelor of Business (Accountancy, Law and Economics major) from Monash University, is a qualified CPA and is a member of the Australian Institute of Company Directors.

Katherine Briggs

Executive – General Counsel

Katherine joined iSelect in May 2021 and leads the legal, company secretariat, risk and compliance teams. An established leader, she brings more than 20 years' experience across a range of areas including corporate governance, regulatory change and mergers and acquisitions. Katherine has worked across a variety of industries including financial services, payments, insurance, and the online sector. Prior to joining iSelect, Katherine was Executive Manager, Client and Conduct at Westpac.

Katherine is a graduate of the Australian Institute of Company Directors and holds a Bachelor of Laws and Bachelor of Arts from The Australian National University.

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Sonya Oakley

Executive – People & Culture

Sonya has led the Company's People, Safety and Wellbeing function since joining iSelect in April 2019. An astute, pragmatic and authentic leader, Sonya has an extensive understanding of strategic and operational best practice gained through her roles in mid to large businesses over more than 20 years.

Her work in people and culture has spanned many industries including technology/telecommunications, hospitality, retail, professional services and heavy manufacturing.

Sonya holds a Bachelor of Economics from the University of Newcastle and a Graduate Diploma in Psychology from Monash University and is currently completing a Masters in Business Psychology. She is also a Certified Professional of the Australian Human Resources Institute.

Michael White

Executive – Sales & Operations

Michael first joined iSelect in February 2016 as Head of Commercial – Health, before taking on the role of Group Executive – Health & General Insurance in April 2017. In April 2020 he moved into his current role of Executive Sales & Operations.

A commercial and results-orientated executive, Michael has experience managing challenging and varied businesses across FMCG, retail, insurance, and online aggregation. Michael's successful track record in growing businesses is underpinned by a strategic and customer-led approach, while also focusing on building people and business capability.

Prior to joining iSelect, Michael held senior sales and marketing roles at Masterfoods (MARS Group), Bright Foods, Hallmark, FIJI Water and Heinz.

Michael holds both a Bachelor of Business and Masters of Entrepreneurship & Innovation from Swinburne University of Technology.

Paul Coco

Executive – Marketing

Paul joined iSelect in March 2017 as Head of Digital Marketing, before moving into the role of Head of Marketing in 2020 and was then welcomed into the iSelect Executive team as Executive – Marketing in 2021.

Paul has a breadth of experience and knowledge across all facets of digital marketing having previously worked on digital marketing strategies across various industries including financial services, education, health insurance and Government sectors. Paul started his marketing career at Dentsu Aegis, a multinational media communications agency where he specialised in performance marketing. He developed over his time there to lead multiple highly skilled digital marketing teams and joined the management team as a business director helping to grow the adoption of their products and services across clients.

Paul holds qualifications in Digital Marketing, a Bachelor of Exercise and Sports Science (BSc) from Deakin University and has completed consecutive modules of a Mini MBA in 2020 and 2021.

Leadership Team

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Justin Logan

Executive – Commercial

Justin joined iSelect in 2017 as Head of Commercial (Telco & Energy) and was welcomed into the iSelect Executive team in 2021.

Justin has extensive expertise in business development, relationship management and sales across the fintech industry and financial markets. Originally from a foreign exchange dealing background, Justin has held numerous senior positions included leading national and APAC Sales teams in FX and international payments and was the Country Manager for Western Union Business Solutions.

Justin holds a Bachelor of Economics from Monash University.

Claire MacFarlane

Executive – Product

Claire joined iSelect in January 2022 to lead the Product and Experience Design teams with focus on embedding customer-led product delivery to drive innovation within the comparator market.

A seasoned leader in digital transformation, Claire brings a wealth of experience in developing digital products and channels to iSelect and has a passion for meaningful customer and commercial outcomes.

Prior to joining iSelect, Claire was Head of Digital for the Retail Division of AGL. She previously held senior management roles in telecommunications, digital marketing, and consulting, complemented by her extensive work in communications, public relations, and the not-for-profit sector.

Claire holds a Bachelor of Science from Deakin University.

Courtney Shergold

Executive – Technology

Courtney joined the iSelect Executive team in April 2022 to lead the Company's Technology functions.

A passionate and established transformational technology leader, Courtney has more than 19 years' experience working in dynamic and fast-paced industries, including superannuation, financial services, retail, energy and manufacturing.

Prior to joining iSelect, Courtney was General Manager - Digital Platforms & Delivery at Jemena, where he worked to transform the digital division at the energy infrastructure business.

Courtney has held various leadership roles throughout his career, including Head of Technology at UniSuper, where he was responsible for core platforms, delivery, and architecture.

Courtney holds a Bachelor of Engineering (Honours) from Monash University.

> "I'm separating from my partner of 25 years and I've never had to connect utilities before. At this very difficult time my consultant Matt made things exceptionally easy for me"
>
> **Broadband:** Thomas, Redfern NSW

Directors Report

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The Directors present their report together with the consolidated financial statements of the Group comprising iSelect Limited and its subsidiaries for the financial year ended 30 June 2022 and the auditor's report thereon.

Directors

The names of the Directors in office during or since the end of the financial year are:

Brodie Arnhold
Non-Executive Chairman

Shaun Bonett
Non-Executive Director

Bridget Fair
Non-Executive Director

Melanie Wilson
Non-Executive Director (ceased 19 October 2021)

Geoff Stalley
Non-Executive Director

Melissa Reynolds
Non-Executive Director (appointed 1 March 2022)

The aforementioned Directors held office for the whole of the period unless otherwise specified. The qualifications, experience, special responsibilities and other details of the Directors in office at the date of this report appear on pages 16 and 17 of this report.

Company Secretary

Mark Licciardo
BBus (Accounting), FAICD, FGIA

Mark joined iSelect Limited as Company Secretary in April 2020. Mark was the founder and Managing Director of Mertons Corporate Services, and is now Managing Director, Listed Company Services for Acclime. Acclime provides company secretarial and corporate governance consulting services to ASX listed and unlisted public and private companies. He is also a former Company Secretary of ASX listed companies Transurban Group and Australian Foundation Investment Company Limited.

Directors' Meetings

The number of meetings of Directors, including meetings of Committees of Directors, held during the year and the number of meetings attended by each Director is presented below.

DIRECTORS	BOARD OF DIRECTORS		AUDIT AND RISK MANAGEMENT COMMITTEE		REMUNERATION COMMITTEE	
	HELD^	ATTENDED	HELD^	ATTENDED	HELD^	ATTENDED
B. Arnhold	14	14	-	-	1	1
S. Bonett	14	13	-	-	2	2
B. Fair	14	14	5	5	2	2
M. Wilson	5	5	1	1	1	1
G Stalley	14	14	5	5	-	-
M Reynolds	3	3	2	2	-	-

^ The number of meetings held indicates the total number held whilst the Director was in office during the course of the year.

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Principal Activities

The principal activities during the financial year within the Group were health, life and car insurance policy sales, energy, broadband and financial referral services. There have been no significant changes in the nature of these activities during the year.

Review of results and operations[1]

Summary of financial results

	2022	2021	
	$'000	$'000	CHANGE
Continuing Operations			
Operating revenue	93,107	110,970	(16%)
Gross profit	32,025	43,542	(26%)
EBITDA	5,034	11,450	(56%)
EBIT	(15,690)	976	n.m.
NPAT	(11,819)	(2,059)	(474%)
Reported Results (including discontinued operations)[2]			
Operating revenue	93,107	111,059	(16%)
Gross profit	32,025	43,578	(27%)
EBITDA	5,034	8,471	(41%)
EBIT	(15,690)	(2,003)	n.m.
NPAT	(11,819)	(5,072)	(133%)
EPS (cents)	(5.2)	(2.3)	(126%)
Underlying Results[3]			
Underlying EBITDA	9,874	17,399	(43%)
Underlying EBIT	58	6,925	(99%)
Underlying NPAT	1,782	4,685	(62%)
Underlying EPS	0.8	2.1	(62%)

1 Throughout this report, certain non-IFRS information, such as EBITDA, EBIT, Net Profit after Tax (NPAT), Earnings Per Share (EPS), Conversion Ratio, Leads and Revenue Per Sale (RPS) are used. Earnings before interest and income tax expense (EBIT) reflects profit for the year prior to including the effect of net finance costs and income taxes. Earnings before interest, income tax expense and depreciation and amortisation (EBITDA) reflects profits for the year prior to including the effect of net finance costs, income taxes, depreciation and amortisation, and share of loss in associates. The individual components of EBITDA and EBIT are included as line items in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Non-IFRS information is not audited. Reference to underlying results excludes the financial impacts of the CIMET performance, and material once-off transactions in reference to CIMET acquisition transaction costs, sale of legacy Health trail commission assets and accelerated portion of amortisation expense.

2 Results include iMoney trading, which is classified as "discontinued operation" for statutory reporting purposes in 2021.

3 Refer to the Reported versus Underlying Results reconciliation on page 94. The reconciliation forms part of the Review of Results and Operations.

n.m = not meaningful

Group financial performance and reported results

The Group operates in the online product comparison sector and compares private health insurance, life insurance, general insurance, broadband, energy and personal finance products. The Group maintains two brands, iSelect (www.iselect.com.au), and Energy Watch (www.energywatch.com.au). The Group's business model is comprised of four key pillars that are linked: brand, lead generation, conversion and product providers. The Group derives the majority of its revenue from fees or commissions paid by product providers for a successful sale of their products.

Reported operating revenue for the year ended 30 June 2022 was $93,107,000, representing a decrease of 16% on the prior comparative period.

The Group delivered gross profit of $32,025,000, a decrease of 26% on prior year. The decrease in gross profit can be summarised as follows:

- Consumer demand remained suppressed throughout H1 in FY22 impacting leads and revenue.
- In Health, the annual premium rate rise was deferred into FY23 by the majority of major private health funds, impacting Health performance in H2.
- In Energy, prices reached an 8-year low in 2021[1] which saw consumer demand continue to decline in H1FY22[2], before rapidly increasing in Q4FY22 due to the media attention surrounding the energy market.

Reported operating overheads for the year was $25,319,000. The costs of the CIMET transactions, loss from sale of legacy trail commission asset, depreciation of the Group's intangible assets following the acquisition of CIMET, as well as share of loss in CIMET group were excluded from the underlying result. On an underlying basis, operating overheads reduced from last year by 15%, as a result of the Group's continual focus on its fixed cost base.

Reported EBITDA for the year was a profit of $5,034,000. On an underlying basis, EBITDA was a profit $9,874,000, down 43% on prior year.

Reported EBIT was a loss of $15,690,000, with underlying EBIT of $58,000 compared to $6,925,000 in FY21 (a 99% decrease).

Reported NPAT was a $11,819,000 loss. Underlying NPAT was a profit of $1,782,000.

1 Source: https://www.accc.gov.au/media-release/cost-of-supplying-electricity-to-households-at-an-eight-year-low

2 2021 - Google Industry Demand Index, year on year comparison of average demand queries

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Review of results and operations (cont'd)

Key Operating Metrics

Leads

iSelect categorises a 'lead' across the business as a second-page visit to one of its websites, or an inbound phone call from a potential customer to the Customer Contact Centre. This is considered by management to be a more conservative metric than counting all the unique visits to the homepage as leads.

Conversion Ratio

Once a lead is generated, iSelect provides information and purchase support to the customer either via its websites or its Customer Contact Centre. If that results in a customer referral to a product provider, then the lead is considered to have been converted. The conversion ratio is used to measure the efficiency in turning leads into sales. An increase in the conversion ratio increases iSelect's earnings without the need for additional marketing spend.

It should be noted that product sales are subject to clawback provisions and lapses (for example, from customers deciding not to continue with their selected products). The conversion ratio as tabled represents the 'gross' conversion of leads, before the impact of clawback and lapses.

Revenue Per Sale

Revenue per sale (RPS) measures the average revenue generated from each lead that is converted to a sale. It should be noted the RPS of different products sold by the Group varies considerably.

Consolidated Key Operating Metrics

The Group's key operating metrics are considered to be "leads", "conversion ratio" and "RPS". Throughout this report consolidated key operating metrics are provided.

CONSOLIDATED	2022	2021	CHANGE
Leads (000s)	2,046	2,128	(4%)
Conversion ratio[1]	9.6%	10.4%	(0.8pp)
Average RPS[2] ($)	463	490	(6%)

1 Conversion ratio is calculated as the number of gross sales divided by sales leads (ie. average percentage of sales leads that are converted into sales)

2 Average RPS is calculated as gross referred revenue divided by the number of gross sales

pp: percentage point

Discussion of Consolidated Key Operating Metrics

The consolidated key operating metrics for the financial year 2022 are discussed in more detail below. Key operating metrics by segment are also discussed in this Review of Results and Operations, in the section on Segment Performance.

Leads

Leads decreased by 4% to 2,046,000, a result of suppressed consumer demand in key verticals for most of the financial year. The Health segment had volume declines of 1%, Energy and Telecommunications segment had volume declines of 14%, while the Life and General Insurance segment had an increase of 10%.

Conversion Ratio

Conversion decreased to 9.6% for the year, which although slightly down on FY21, is still a solid result. It was impacted by the absence of a Health premium increase during FY22, which was a key contributing factor to the decline. The Energy & Telecommunications segment experienced a decrease of 0.9pp. A key driver of the decline came in Q4, where retailers began to withdraw their competitive plans from the market, making it less compelling for a consumer to switch their Energy service. Conversion decreased by 0.4pp in the Life & General segment, which is a result of more sales being completed via our online channel (where conversion is slightly lower).

Revenue Per Sale

RPS has decreased by 6%, ending the year at $463. This was driven by a changing mix in contribution from each business within the Group.

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Review of results and operations (cont'd)

Segment Performance

Health

The Health segment offers comparison, purchase and referral services across the private health insurance category.

FINANCIAL PERFORMANCE	2022 $'000	2021 $'000	CHANGE
Operating revenue	61,827	75,072	(18%)
Segment EBITDA[1]	3,515	11,986	(71%)
Margin %	5.7	16.0	(10.3pp)

KEY OPERATING METRICS	2022	2021	CHANGE
Leads (000s)	748	753	(1%)
Conversion ratio	8.2%	9.6%	(1.4pp)
Average RPS ($)	1,049	1,063	(1%)

1 Segment EBITDA excludes certain corporate overhead costs that are not allocated at segment level.

The Health segment showed operating revenue decreased by $13,245,000 (or 18%) to $61,827,000 against prior comparative period. The majority of Health Insurers deferred their annual premium rate rise from April 2022 until later in the calendar year. As a result, this meant that FY22 saw no premium rate rise (following FY21, which saw two premium rate rises).

This impacted both consumer demand and intent to purchase levels which saw a lower conversion resulting in an EBITDA decreased of 71% to $3,515,000.

Life and General Insurance

The Life and General Insurance segment offers comparison, purchase and referral services across a range of life insurance, car insurance and other general insurance products.

FINANCIAL PERFORMANCE	2022	2021	CHANGE
Operating revenue	15,695	16,847	(7%)
Segment EBITDA[1]	9,067	8,476	7%
Margin %	57.8	50.3	7.5pp

KEY OPERATING METRICS	2022	2021	CHANGE
Leads (000s)	475	431	10%
Conversion ratio	13.0%	13.4%	(0.4pp)
Average RPS ($)	152	184	(17%)

1 Segment EBITDA excludes certain corporate overhead costs that are not allocated at segment level.

Operating revenue for the Life and General Insurance segment decreased by $1,152,000 (or 7%) from the last comparative period.

Operational performance remained strong with a greater percentage of sales being completed via our online channel. In Car Insurance, online sales increased from 23% (in FY21) to 40% of our sales mix in FY22, indicating further opportunity for growth in this channel.

The Life and General Insurance segment's RPS for the year decreased by 17% as a result of the online business model in Life Insurance and changing product mix in this segment.

The segment posted an EBITDA profit of $9,067,000 compared with the prior year profit of $8,476,000 (an increase of 7%). The year on year EBITDA improvement can be attributed to increase in the online sales mix in General Insurance and the improved economics of the new Life Insurance model.

Energy and Telecommunications

The Energy and Telecommunications segment offers comparison, purchase and referral services across a range of household utilities including electricity, gas and broadband products.

FINANCIAL PERFORMANCE	2022	2021	CHANGE
Operating revenue	15,045	18,625	(19%)
Segment EBITDA[1]	(2,200)	(903)	(144%)
Margin %	(14.6)	(4.8)	(9.8pp)

KEY OPERATING METRICS	2022	2021	CHANGE
Leads (000s)	679	787	(14%)
Conversion ratio	10.8%	11.7%	(0.9pp)
Average RPS ($)	228	230	(1%)

1 Segment EBITDA excludes certain corporate overhead costs that are not allocated at segment level.

The Energy and Telecommunications segment delivered a revenue result of $15,045,000, which was $3,580,000 or 19% lower than previous year.

The segment posted an EBITDA loss of $2,200,000 compared with the prior year result of $903,000 loss (a 144% increase in losses). This result reflects the challenging year in Energy and Telecommunications, where demand was initially suppressed (H1 Energy: -5.5%; H1 Telco: -16.2%) and then in the case of Energy, rebounded strongly in H2 when media attention focussed on the Energy market. iSelect was unable to capitalise on the spike in demand as Energy Retailers began withdrawing their competitive plans in response to the challenging market, which impacted iSelect's ability to convert leads to sales.

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Review of results and operations (cont'd)

Financial position and cash flow

CASH FLOW SUMMARY	2022	2021	CHANGE
Net cash provided by operating activities	4,836	9,859	(51%)
Net cash used in investing activities	(13,158)	(6,901)	(91%)
Net cash provided by/(used in) financing activities	10,209	(5,217)	296%
Net change in cash and cash equivalent	1,887	(2,259)	184%

FINANCIAL POSITION SUMMARY	2022	2021	CHANGE
Current assets	58,092	61,611	(6%)
Non-current assets	111,360	110,696	1%
Total assets	169,452	172,307	(2%)
Current liabilities	26,677	25,967	(3%)
Non-current liabilities	38,752	35,633	9%
Total liabilities	65,429	61,600	6%
Net assets	104,023	110,707	(6%)
Equity	104,023	110,707	(6%)

Capital expenditure and cash flow

Net operating cash inflow was $4,836,000, which was $5,023,000 lower than last year, noting that FY21 included JobKeeper of $3,406,000.

Net investing cash outflows for the year was $13,158,000. The $6,257,000 increase in spend in investing activities is primarily a result of the Group's acquisition of 49% of CIMET's shares whilst the net cash inflow from financing activities relates to the bank facility taken out at the time of the CIMET investment.

Net financing cash outflows for the 2022 year totalled $10,209,000. This included $13,407,000 net proceeds from bank facilities (net of repayment).

Statement of financial position

Net assets have decreased to $104,023,000 at 30 June 2022 from $110,707,000 at 30 June 2021.

Current assets have decreased from 30 June 2021 by 6% to $58,092,000. The current component of the trail commission asset is $31,518,000, which decreased by 6% since 30 June 2021.

Non-current assets have increased slightly from 30 June 2021 by 1% to $111,360,000 which is largely due to the acquisition of 49% shares in CIMET, offset by the sale of the Health legacy trail commission assets and accelerated depreciation of capitalised software development costs. The non-current component of the trail commission asset is $86,437,000, a 5% decrease from prior year.

Current liabilities decreased from 30 June 2021 to 30 June 2022 by 3% to $25,967,000 primarily due to the timing of payments to suppliers.

Non-current liabilities increased by 9% to $38,752,000 mainly due to the bank facilities taken out during FY22 in relation to the CIMET investment.

Dividends

No dividend has been declared for the year ended 30 June 2022. Further details of the dividend are provided in note 4.1 to the financial statements.

Future developments and expected results

Having recently signed the Scheme Implementation Agreement (SIA) with Innovation Holdings Australia (IHA), the Company will continue to operate the business within the parameters of the SIA and work towards implementation of the Scheme.

With the Health premium rises in H1FY23 being 'out of cycle' in nature, there is uncertainty as to what level of customer demand to expect during H1FY23. In recent years when the Health premium rises have been delayed, this has resulted in the traditional H2 April 1st rate rise being significantly impacted or deferred. Therefore, the outlook for Health performance in H2FY23 is also unclear at this point.

For Energy, in response to higher wholesale costs, the market has seen Energy retailers withdraw their competitive offers, with most now offering consumers at, or close to, the default market price. This market dynamic is similar to what occurred in FY20, where iSelect saw conversion rates within our Energy business adversely impacted.

Whilst the overall outlook for FY23 remains unclear at this point in time, due to these market factors outlined above, the company expects overall financial performance for the iSelect Group to be significantly impacted in FY23, when compared to FY22.

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Future developments and expected results (con'd)

The Company retains its conviction in the Consumer Data Right as a macro trend and will be continuing to invest to maximise this future opportunity. Our strategic partnership with CIMET continues to develop and we look forward to leveraging their platform during FY23. Ultimately, we remain committed to our customers and helping them find opportunities to save on their bills and expenses in a time of rising inflation and increased cost-of-living.

The Group also remains aware of potential risks to its business and will continue to closely monitor and work to mitigate these throughout FY23. These include potential changes in government policy and legislation, any commercial decisions taken by product providers currently listed on the Group's websites and other uncertainty stemming from broader economic repercussions.

Changes in the State of Affairs

In the Directors' opinion there have been no significant changes in the state of affairs of the Group during the year.

Significant Events after Balance Date

On 10 August 2022, the Group announced that it has entered into a Scheme Implementation Agreement (SIA) with Innovation Holdings Australia ("IHA"). IHA and its associates currently hold 26.0% of the ordinary shares of iSelect. Under the SIA, it is proposed that IHA will acquire all of the shares in iSelect that it does not own by way of a scheme of arrangement ("Scheme").

The implementation of the Scheme is subject to certain conditions precedent which must be satisfied or waived before it can be implemented, but if the Scheme is implemented, iSelect shareholders will receive cash consideration of $0.30 per iSelect share for the transfer to IHA of those iSelect shares under (and on the terms of) the Scheme.

The cash price of $0.30 per iselect share represents:

- A 87.5% premium to the closing price of iSelect shares on 9 August 2022 of $0.16;
- A 70.6% premium to the one-month volume weighted average price to 9 August 2022 of $0.18; and
- A 87.7% premium to the three-month volume weighted average price to 9 August 2022 of $0.16.

No other matters or circumstances have arisen since the end of the period that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Indemnification of Officers and Auditors

The Constitution of the Group provides that the Group will indemnify each person who is or has been a Director, Alternate Director or Executive Officer (each an Officer) of the Group, on a full indemnity basis and to the extent permitted by law, against any losses, liabilities, costs, charges and expenses incurred by them in their capacity as an Officer.

The Group has entered into Deeds of Indemnity, Insurance and Access with each of its Officers.

During the year the Group paid a premium in respect of a contract insuring the Officers of the Group against a liability incurred by an Officer to the extent permitted by the *Corporations Act 2001*. The Group has not otherwise, during or since the end of the period, indemnified or agreed to indemnify an Officer (including a Director) or Auditor of the Group or of any related body corporate against a liability incurred by such an Officer or Auditor. In accordance with commercial practice, the insurance policy prohibits disclosure of the terms of the policy, including the nature of the liability insured against and the amount of the premium.

Proceedings on behalf of the Group

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the *Corporations Act 2001*.

Environmental Regulation

The Group is not subject to significant environmental regulation in respect of its operations. The Group has not incurred any liability (including any liability for rectification costs) under any environmental legislation.

Corporate Governance Statement

For detailed information on the corporate governance framework and main governance practices, policies and charters of the Group, including details of the Group's compliance with the 4th edition of the ASX Corporate Governance Principles and Recommendations, refer to the Group's 2022 corporate governance statement found on our website www.iselect.com.au.

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Non-Audit Services

Details of the amounts paid or payable to the auditor, BDO Audit Pty Ltd (BDO), for audit services provided during the financial year by the auditor are outlined in note 7.3 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The Directors are of the opinion that the services as disclosed in note 7.3 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decisionmaking capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the group who are former Audit Partners of BDO

There are no Officers of the Group who are former partners of BDO.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* in relation to the audit for the year ended 30 June 2022 is on page 43 of this report.

Auditor

BDO continues in office in accordance with section 327 of the *Corporations Act 2001*.

Rounding

The Group has applied the Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' reports) Instrument 2016/191 to this report and amounts in the financial statements are rounded to the nearest thousand dollars, unless otherwise indicated.

"Great Service. Whilst I spent a little bit more money, I did request additional services and I would have ended up paying more had I remained with the same provider"

Health: Joanne, Newport VIC

Remuneration Report

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This Remuneration Report for the year ended 30 June 2022 outlines the remuneration arrangements of the Group in accordance with the *Corporations Act 2001* (the "Act") and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report is presented under the following sections:

1. Introduction
2. Remuneration governance
3. Senior executive remuneration for the year ended 30 June 2022
4. Senior executive contracts
5. Link between group performance, shareholder wealth and remuneration
6. Non-executive director remuneration
7. Key management personnel shareholdings
8. Key management personnel option holdings
9. Other transactions and balances with KMP and their related parties

"Everything was explained to me in a way I could understand. I saved only $3 on my monthly premium, but there's way better value with my new policy and nothing there unnecessary anymore"

Health: Naomi, Dubbo NSW

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1. INTRODUCTION

The Remuneration Report details the remuneration arrangements for Key Management Personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly, including any Director (whether executive or otherwise) of the parent entity. The KMP during and since the year ended 30 June 2022 were as follows:

CURRENT NON-EXECUTIVE DIRECTORS	
Brodie Arnhold	Non-Executive Chairman
Shaun Bonett	Non-Executive Director
Bridget Fair	Non-Executive Director
Melissa Reynolds	Non-Executive Director (appointed 1 March 2022)
Geoff Stalley	Non-Executive Director
CURRENT SENIOR EXECUTIVES	
Warren Hebard	Chief Executive Officer
Vicki Pafumi	Executive – Finance & Strategy
FORMER SENIOR EXECUTIVES	
Slade Sherman	Executive – Customer Experience (ceased 9 July 2021)
FORMER NON-EXECUTIVE DIRECTORS	
Melanie Wilson	Non-Executive Director (ceased 19 October 2021)

2. REMUNERATION GOVERNANCE

2.1 Remuneration committee

In accordance with the Remuneration Committee Charter ("the Charter"), the role of the Remuneration Committee is:

- To review and make recommendations to the Board on remuneration packages and policies related to the Directors and Senior Executives; and
- To ensure that the remuneration policies and practices are consistent with the Group's strategic goals and human resources objectives.

The Remuneration Committee membership is made up of members of the Board, none of whom are Senior Executives, as determined in accordance with the iSelect Board Charter ("the Board Charter"). For the year ended 30 June 2022:

- Shaun Bonett acted as Chair of the Committee
- Bridget Fair served as a member of the Committee
- Melanie Wilson served as a member of the Committee (ceased 19 October 2021)
- Brodie Arnhold served as a member of the Committee (appointed 31 May 2022)

Details regarding Remuneration Committee meetings are provided in the Directors' Report.

The Remuneration Committee meets as often as is required by the Charter or other policies approved by the Board to govern the Committee's operation. The Remuneration Committee reports to the Board as necessary and seeks Board approval as required. iSelect's CEO attends certain Remuneration Committee meetings by invitation, where management input is required.

2.2 Information used to set Senior Executive Remuneration

To ensure the Remuneration Committee has sufficient information to make appropriate remuneration decisions and recommendations, it may seek and consider information from independent remuneration consultants. Remuneration advice provided by such consultants is used to aid decision making but does not replace thorough consideration of Senior Executive remuneration by the Directors.

During the 2022 financial year, iSelect's Remuneration Committee did not seek a remuneration recommendation from an external consultant in relation to our KMP.

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3. SENIOR EXECUTIVE REMUNERATION FOR THE YEAR ENDED 30 JUNE 2022

3.1 Remuneration Principles and Strategy

iSelect relies heavily on our people to enable the business to perform, grow and innovate.

The aim of the Group's remuneration strategy is to align iSelect's remuneration with its strategic direction, create shareholder value and provide a tangible link between remuneration outcomes with both Group and individual performance.

Fixed remuneration is set at a level which is competitive with remuneration for professionals with the required skills and expertise to maximise the current and future value of the business. Variable remuneration provides the opportunity for employees to share financially in iSelect's overall performance and performance of the business when targets are met or exceeded.

The Group's Senior Executive remuneration strategy is designed to:

- **Align the interests of Senior Executives with shareholders –** the remuneration framework incorporates variable components including short-term incentives and long-term incentives. Performance is assessed against both financial and non-financial targets, goals and key performance indicators that are relevant to the success of the Group and provide acceptable returns for shareholders; and
- **Attract, motivate and retain high-performing individuals –** the remuneration framework ensures that the remuneration paid is competitive with that offered by companies to professionals with the required skills and expertise to maximise the current and future value of the business as well as support retention through longer-term remuneration.

3.2 Remuneration Framework

Senior Executive remuneration is provided in a mix appropriate to the position, responsibilities and performance of each Senior Executive within the Group and considerations of relevant market practices.

For the financial year ended 30 June 2022, Senior Executive remuneration was structured as a mix of Total Fixed and Variable Remuneration utilising short and long-term incentive elements. As a result, the relative weightings of the three components are as follows:

	FIXED		
	TOTAL FIXED REMUNERATION (TFR)	SHORT TERM INCENTIVE PLAN (STIP)	LONG TERM INCENTIVE PLAN (LTIP)
Current Organisation Structure[1]			
Chief Executive Officer	88%	0% (45% of TFR)	12% (45% of TFR)
Other Senior Executives	89%	0% (45% of TFR)	11% (40% of TFR)

1 As disclosed in section 1 under "Current Senior Executives"

Further details regarding each element of the remuneration mix is provided in section 3.3. In addition to the standard structure outlined above, section 3.3 also outlines two discretionary schemes that applied to Senior Executives during FY2022.

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3.3 Details of Senior Executive Remuneration Components

The following table provides an overview of each of the elements of the remuneration framework with details for the fixed and variable components outlined separately in this section.

PARAMETER	DETAILS
Objectives	Align the interests of Senior Executives with shareholders – the remuneration framework incorporates variable components including short-term incentives and long-term incentives. Performance is assessed against both financial and non-financial targets, goals and key performance indicators that are relevant to the success of the Group and provide acceptable returns for shareholders, and Attract, motivate and retain high-performing individuals – ensure that remuneration paid is competitive with that offered by companies to professionals with the required skills and expertise to maximise the current and future value of the business as well as support retention through longer-term remuneration.
Benchmark peer groups	Below Senior Executive level, the prime benchmarking reference is through job evaluation methodology matched to grade levels sourced through AON Hewitt's market data.
Review	Remuneration levels are reviewed annually through a remuneration review that considers market data, insights into remuneration trends, the performance of the Group and individual, as well as the broader economic environment.
Total Fixed Remuneration (TFR)	TFR comprises cash salary, employer contributions to superannuation and salary sacrifice benefits.
Variable Remuneration (VR)	Variable Remuneration is awarded on a contingent basis depending on outcomes against defined targets. It is divided into two elements, a short-term incentive (STI) and a long-term incentive (LTI), which depend respectively on annual and long-term performance measures and form part of the standard remuneration approach each year.
Total Remuneration (TR)	The sum of TFR, STI and LTI represents total remuneration (TR). It is intended that when VR is awarded at target levels, the TR will reflect "at target" TR for the benchmark populations. Additionally, when performance is exceptional, it is intended that Senior Executives well established in their roles will have the potential for TR to be at or above the 75th percentile of the benchmark population.

Total Fixed Remuneration (TFR)

TFR consists of base salary and statutory superannuation contributions. Senior Executives may also elect to have a combination of benefits provided out of their TFR including additional superannuation. The value of any non-cash benefits provided to them includes the cost of any fringe benefits tax payable by iSelect as a result of providing the benefit. TFR is not "at risk" and is set using appropriate market benchmark data which considers the individual's role, responsibility, skills, experience and performance.

The annual performance review process recommenced in FY2022 and as a result, TFR for Senior Executives was increased by between 2 – 2.5% (including the increased superannuation guarantee levy adjustment of 0.5%).

Variable Remuneration

Short Term Incentive Plan (STIP)

The STIP puts a significant proportion of remuneration "at risk" subject to the achievement of Group financial outcomes and individual performance measures. All Senior Executives are eligible to participate. This provides a tangible link between the interest of employees and the financial performance of the Group.

PARAMETER	DETAILS
Name	Short Term Incentive Plan (STIP)
Objective	To align superior outcomes for shareholders with remuneration outcomes for Executives and employees; to reward performance; to be competitive in the broad market and to offer attractive levels of reward for overperformance. STIP is a key element in the overall remuneration objective to attract, motivate and retain high-calibre individuals.

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3.3 Details of Senior Executive Remuneration Components (con'd)

Variable Remuneration (con'd)

Short Term Incentive Plan (STIP) (con'd)

PARAMETER	DETAILS
Type	Annual awards based on annual objectives delivered in cash, with payments made once per year following the announcement of the audited financial results at financial year end.
Opportunity amount	For FY2022 the STIP opportunity for the CEO and Senior Executives was 26 – 28% of the total potential earnings. The minimum payout for each measure is 0% of TFR. Performance against the financial targets must be greater than the underlying EBIT target established by the Board in order for any STIP to be paid. For performance above the minimum threshold but below EBIT plus 2%, 30% of the STIP will be payable. Where performance is between the minimum threshold and target, the Board may apply discretion in awarding STIP between 30% and 100%. For performance above EBIT plus 2%, 100% of STIP will be available to be paid with a maximum of 150% for significantly greater performance against EBIT targets.
Performance measures	The performance measures for the Senior Executives have been adopted to provide a balance between financial and non-financial, Group and individual, operational and strategic aspects of performance. For the CEO, there are three financial measures – Underlying EBIT, operational expenses and Marketing Return On Investment (ROI), and a measure of performance against individual goals. Operating expenses were set against the Group's financial year 2022 budget on an underlying basis. Marketing ROI is set against a target multiple set by the Board. For other Senior Executives there are two performance measures considered within the STIP – a financial measure (Underlying EBIT) and individual goals. The Board uses underlying EBIT as a primary measure to assess the Group's operating performance while maintaining focus on the Group's operating results and associated cash generation. Underlying EBIT is set against the Group's financial year 2022 budget. Individual goals create personal, non-financial measures specific to each individual's area of accountability. Goals are aligned to business objectives in the areas of growth and diversification, marketplace efficiency, customer experience, employee experience, platforms and technology, regulatory and compliance requirements and Contact Centre performance. For the financial year ended 30 June 2022, the relative weightings were as follows: **CEO** / **Other Senior Executives** Financial measures: 50% / 50% Individual Goals: 50% / 50%
Approval	The Group's financial performance STIP targets are set by the Board, based on the recommendation of the Remuneration Committee. The CEO's individual goals are set and measured by the Board with the assistance of the Remuneration Committee. The individual goals of each Senior Executive are set and measured by the CEO. Recommendations by the CEO in relation to payment on the basis of achievement of performance targets set under the STIP are made to the Remuneration Committee.
Service and behavioural conditions	The award of a STI is subject to ongoing employment with satisfactory performance throughout the performance period. Adherence to iSelect's values and behavioural standards while running their operations is a requirement for achieving satisfactory performance.
Payment	All elements of the STIP are measured and paid annually following the preparation and completion of the financial statements. Payments are generally made in the month of September following financial year end.

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3.3 Details of Senior Executive Remuneration Components (con'd)

Long Term Incentive Plan (LTIP)

LTIP awards are provided in the form of equity allocations which are made annually according to role size and influence on long-term performance. The equity may vest in the future subject to the Senior Executives meeting service and performance obligations, and the Group meeting or exceeding performance hurdles.

Grants were made under the FY2022 LTIP in July 2021. The details provided in this section relate to these grants during the financial year ended 30 June 2022. A detailed description of the LTI plan operation is provided below.

PARAMETER	DETAILS
Name	Long Term Incentive Plan (LTIP)
Objective	The LTIP has been established to provide a long-term incentive component of remuneration to support the attraction, reward and retention of key employees including Senior Executives. The LTIP links long-term reward with the ongoing creation of shareholder value.
Type	LTI is conditional equity that may or may not vest in the future. Vesting is subject to the Group meeting or exceeding long-term performance conditions (set out below).
Allocation basis and pricing period	The basis of LTI awards and allocations is on the face value of an iSelect share calculated as the 5-day-VWAP up to and including the date the award is granted.
Grant	The Board's recommendation for the CEO's LTI equity award is submitted for approval following the end of the financial year, and the equity grant is made as soon as practicable after shareholder approval has been obtained. LTI equity grants to Senior Executives are made as soon as practicable after Board approval, which is generally at the end of August following the end of the financial year.
Allocation amount	The value of the allocation is role-based reflecting accountability and influence on long-term Group performance. For FY2022: **Role** — **% of TFR allocation on a Face Value basis** CEO — 12% Other Senior Executives — 11% Awards are considered soon after the end of the financial year and take into account demonstrated performance and long-term commitment as assessed at that time. The Board may determine that the allocation should be varied up or down (including to zero). The benchmarks used to determine the allocation levels are described in the Total Remuneration in section 3.2.
Allocation approval	Annual LTI allocations for Senior Executives are approved by the Board on advice from the Remuneration Committee. The CEO makes recommendations to the Remuneration Committee in respect of his direct reports.
Instruments	Performance Share Rights (PSRs) are the standard vehicle for Senior Executives LTI awards for FY2022. A PSR is a right to a fully paid ordinary share in the Company, subject to the fulfilment of performance and service conditions. The PSRs are granted at no cost because they are awarded as remuneration.
Dividends and voting rights	PSRs carry no dividend entitlements or voting rights.
Service and behavioural conditions	In addition to the performance conditions below, unvested LTI awards will ordinarily be forfeited if the holder does not remain in ongoing employment with satisfactory service through to the end of the performance period. Satisfactory service includes adherence to iSelect's values and behavioural standards.

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PARAMETER	DETAILS
Performance condition	Awards granted under the FY2022 LTIP are subject to a three-year performance period for Senior Executives and a relative Total Shareholder Return (TSR) hurdle. The relative TSR target is a market-based performance measure that provides a direct link between Senior Executive reward and shareholder value. It provides an external market measure to encourage and motivate Senior Executive performance which is relative to the designated comparator group, the ASX Small Ordinaries Index excluding mining and energy companies, during the performance period. The ASX Small Ordinaries Index was selected as it was deemed to be the best comparator to the Group's current size. The ASX Small Ordinaries Index is made up of the small cap members of the ASX 300 Index (ASX members 101-300).
Minimum and maximum value	The minimum value of the PSRs is zero. This will be the case where awards are not made, or where service conditions are not met, or where performance conditions are not met and there is no vesting. The maximum present-day value is the present-day face value based on full vesting. The actual future value will of course depend on the future share price and the level of vesting.
Pricing period	The pricing period for allocation is the 5-day VWAP up to and including the last trading day of the date the award is granted.
Vesting and exercise	PSRs vest according to the level at which each the performance condition has been met. Exercise of PSRs is automatic on vesting and there is no exercise price.
Leaver	Where a Senior Executive ceases employment, any unvested LTIP shares will be forfeited unless determined and approved otherwise by the Board.
Malus and clawback	Under the rules of the FY2022 LTIP, the Board has the power (in certain circumstances) to determine a participants' interest in any or all of the LTIP shares to be forfeited and surrendered and/or that the value that the participant has derived from any vested shares is set off against any current or future fixed remuneration or annual bonuses owed to the participant. This applies in cases of fraud, dishonesty and breach of obligations, including, without limitation, a material misstatement of financial information whether the action or omission is intentional or inadvertent.
Change of control	In the event of a change of control, the Board may in its absolute discretion, subject to applicable laws, determine that all or a specified number of a participant's performance rights shall immediately vest having regard to all relevant circumstances including whether performance is in line with any applicable performance conditions.

MEASURE	WEIGHTING	DESCRIPTION OF MEASURE
Relative Total Shareholder Return (TSR)	100%	The shares will only vest if a certain Total Shareholder Return (TSR) relative to the designated comparator group, the ASX Small Ordinaries Index excluding mining and energy companies, is achieved during the performance period. TSR measures the total change in the value of the shares over the performance period, plus the value of any dividends and other distributions being treated as if they were reinvested in shares. The Group's TSR is compared against the TSR of the designated comparator group during the performance period. The shares will vest in line with the following relevant TSR vesting schedule:

RELATIVE TSR	% OF LTI PLAN SHARES THAT VEST
Less than 50th Percentile	0%
50th Percentile	50%
50th to 75th Percentile	Straight line vesting between 50% and 100%

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Discretionary Variable Remuneration – CIMET

The transaction with CIMET was of significant strategic value to iSelect. In recognition of the work to complete the agreement and to ensure ongoing alignment with shareholders on delivering shareholder value based on the agreement, a discretionary variable remuneration package was implemented in two parts, with details outlined below.

A discretionary short-term incentive payment between 5 and 10% of TFR was paid in cash on successful execution of the agreement. In addition, a discretionary long-term incentive offer was made under the same rules as outlined for the LTIP, with the exception of the allocation amount which was 15% of TFR (allocated in two tranches as set out below), pricing period which is not applicable and performance condition set out below.

The Performance Rights were granted in two tranches which will vest upon completion of each Put/Call Option (including any extension) in accordance with the Share Sale and Subscription Deed ("SSD") with CIMET. Each tranche will be equal to half of the maximum number of Performance Rights.

The vesting period for the first tranche will be following the exercise of the first Put/Call option. The Put/Call option becomes exercisable 24 months after Completion for an exercise period of 2 months. If not exercised by either party within that period, the vesting period will extend in line with the ongoing annual exercisable periods as defined in the SSD.

The vesting period for the second tranche will be following the exercise of the second Put/Call option. The second Put/Call option becomes available 12 months after the first Put/Call option. If not exercised by either party within that period, the vesting period will extend in line with the ongoing annual exercisable periods for the second Put/Call option as defined in the SSD.

Retention Bonus

In FY2022, a retention plan was implemented for Vicki Pafumi, Executive – Finance and Strategy. Vicki has been a long-serving member of the iSelect executive and it was determined that her ongoing employment with iSelect was critical over the course of the COVID-19 pandemic and FY2022 period. To support her retention, a cash-based award of $25,000 became payable on 30 September 2021 and a further $25,000 on 30 March 2022 upon meeting the service and performance requirements for each time period.

3.4 Details of Senior Executive Remuneration outcomes for financial year ended 30 June 2022

Variable Remuneration

Short Term Incentive Plan (STIP)

The STIP performance outcomes (inclusive of superannuation) for the year ended 30 June 2022 are detailed below:

	STIP OUTCOME (%)	ACTUAL STIP AWARDED	STIP FORFEITED (%)
CURRENT SENIOR EXECUTIVES			
Warren Hebard	0%	$0	100%
Vicki Pafumi	0%	$0	100%

Long Term Incentive Plan (LTIP)

The CEO and Eligible Senior Executives received LTIP shares with a grant date of 1 July 2021.

The relevant values of the grants are as follows:

RECIPIENT	GRANT DATE	FAIR VALUE OF AWARDS AT GRANT DATE	ONE WEEK VWAP UP TO AND INCLUDING GRANT DATE
		RELATIVE TSR	
CEO & Senior Executives	1 July 2021	$0.25	$0.40

NAME	NUMBER OF PERFORMANCE AWARDS GRANTED	ANNUAL VALUE AT GRANT DATE($)[1]	MAXIMUM TOTAL VALUE OF GRANT YET TO VEST ($)
Warren Hebard	869,712	72,476	217,428
Vicki Pafumi	711,400	59,283	177,850

1 Determined at the time of grant per AASB2. For details on the valuation of the LTIP shares please refer to Note 5.2 of the financial statements.

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3.4 Details of Senior Executive Remuneration outcomes for financial year ended 30 June 2022 (con'd)

FY2022 Performance Rights (Standard LTIP)

During the 2022 financial year, a grant was made under the FY2022 Performance Rights Plan for eligible Senior Executives. The grant had a performance period of three years.

The FY2022 Performance Rights Plan grant consisted of issuing 1,581,112 rights to Senior Executives.

DETAIL		FY2022 GRANT OF PERFORMANCE RIGHTS PLAN	
Grant date		1 July 2021	
Performance period (testing date is the last day of the period)		3 years	
MEASURE	**WEIGHTING**	**DESCRIPTION OF MEASURE**	
Relative Total Shareholder Return (TSR)	100%	Return (TSR) relative to the designated comparator group, the ASX Small Ordinaries Index excluding mining and energy companies, is achieved during the performance period. TSR measures the total change in the value of the shares over the performance period, plus the value of any dividends and other distributions being treated as if they were reinvested in shares.	
		RELATIVE TSR	**% OF LTI PLAN SHARES THAT VEST**
		Less than 50th Percentile	0%
		50th Percentile	50%
		50th to 75th Percentile	Straight line vesting between 50% and 100%
		75th Percentile or more	100%
Fair value of instrument at grant		$0.25	

Discretionary Variable Payments

The value of the discretionary variable payments for the year ended 30 June 2022 are detailed below. The discretionary short-term award is paid in cash and the amounts are inclusive of superannuation. The Senior Executives also received additional LTIP PSRs with a grant date of 15 March 2022 with the value of the relevant grant outlined below.

	SHORT-TERM INCENTIVE	LONG-TERM INCENTIVE		
NAME	SHORT-TERM AWARD	NUMBER OF PERFORMANCE AWARDS GRANTED	ANNUAL VALUE AT GRANT DATE ($)[1]	MAXIMUM TOTAL VALUE OF GRANT YET TO VEST ($)
Warren Hebard	51,255	235,116	19,593	47,023
Vicki Pafumi	25,268	216,374	18,031	43,275

1 Determined at the time of grant per AASB2. For details on the valuation of the LTIP shares please refer to Note 5.2 of the financial statements.

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3.4 Details of Senior Executive Remuneration outcomes for financial year ended 30 June 2022 (con'd)

Discretionary FY2022 Performance Rights (Discretionary LTIP)

During the 2022 financial year, an additional grant was made under the FY2022 Performance Rights Plan for eligible Senior Executives.

The Discretionary FY2022 Performance Rights grant consisted of issuing 451,490 rights to Senior Executives.

DETAIL	FY2022 GRANT OF PERFORMANCE RIGHTS PLAN
Grant date	15 March 2022
Performance period	Tranche 1 – approximately 24 months after completion of the first Put/Call option in accordance with the share sale and subscription deed, including extension periods in accordance with the deed. Tranche 2 – approximately 12 months after the exercise of the first Put/Call option in accordance with the share sale and subscription deed, including extension periods in accordance with the deed.
Fair value of instrument at grant	$0.20

Retention Payments

The total amount payable during FY2022 to Vicki Pafumi under the retention bonus plan was $50,000 (including superannuation).

Previous Incentive Plans

FY2019 and FY2020 LTIP Vesting Outcomes

The performance rights issued under the FY19 and FY20 LTIP plans were due to vest on 30 June 2022. Pursuant to the terms of the Scheme Implementation Agreement ("Scheme") between Innovation Holdings Australia Pty Ltd and iSelect, it has been agreed that all outstanding performance rights will either lapse or be cancelled prior to the proposed scheme of arrangement being implemented. Accordingly, the Board has not taken any steps to vest the rights issued under the FY19 and FY20 LTIP plans. It is also intended that participants in the FY19 and FY20 LTIP will become entitled to participate in a new executive incentive scheme proposed to be put in place by iSelect in connection with the Scheme. As at the date of this report, the rights issued under the FY19 and FY20 plans remain on foot.

Number of performance awards on issue as at 30 June 2022

	BALANCE AT START OF YEAR	GRANTED	VESTED	FORFEITED / OTHER	BALANCE AT END OF YEAR
CURRENT SENIOR EXECUTIVES					
Warren Hebard	1,444,445	1,104,828	-	(444,445)	2,104,828
Vicki Pafumi	1,534,167	927,774	-	-	2,461,941

3.5 Key Events Impacting Remuneration during the Year Ended 30 June 2022

Executive, Customer Experience Departure

Changes in the executive leadership team structure resulted in the Executive - Customer Experience role being made redundant and as a result Mr Slade Sherman exited iSelect on 9 July 2021. For the period ended 30 June 2022, in satisfaction of his contractual entitlements Mr Sherman received the following:

- A pro-rata amount of TFR for the period up to 9 July of $11,368 and superannuation of $5,892.
- A redundancy payment including notice of $276,086 in accordance with the national employment standards.
- A payment of $39,312 comprising accrued annual leave entitlement.

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3.6 Remuneration Paid to Senior Executives

The table below has been prepared in accordance with the requirements of the Corporations Act and relevant Accounting Standards.

NAME AND TITLE	YEAR	SHORT TERM BENEFITS			POST EMPLOY-MENT BENEFITS	EQUITY SETTLED SHARE BASED PAYMENT EXPENSE[3]		TERMI-NATION PAYMENT	TOTAL	PERFORMANCE RELATED	
		SALARY $	STIP $	OTHER $	SUPER $	OPTIONS $	SHARES $	$	$	$	%
CURRENT SENIOR EXECUTIVES											
Warren Hebard											
Chief Executive Officer	2022	487,309	-	51,255	23,568	-	168,164	-	730,296	219,419	30
	2021	448,970	158,381[2]	-	21,694	-	145,000	-	774,045	303,381	39
Vicki Pafumi											
Executive – Finance and Strategy	2022	446,963	-	73,585	23,568	-	159,585	-	703,701	233,170	33
	2021	432,257	172,528[2]	-	21,694	-	156,400	-	782,879	328,928	42
FORMER SENIOR EXECUTIVES											
Slade Sherman (ceased 9 July 2021)											
Executive - Customer Experience	2022	11,368	-	39,312	5,892	-	-	276,086	332,658	-	-
	2021	440,469	-	-	21,694	-	155,661	-	617,824	155,661	25
Brodie Arnhold (ceased CEO position 31 October 2020)[3]											
Chief Executive Officer	2022	-	-	-	-	-	-	-	-	-	-
	2021	274,667	200,000	-	-	-	103,000	-	577,667	303,000	52
Total Current & Former KMP	**2022**	**945,640**	**-**	**164,152**	**53,028**	**-**	**327,749**	**276,086**	**1,766,655**	**452,589**	**26**
	2021[2]	1,596,363	530,909	-	65,082	-	560,061	-	2,752,415	1,090,970	40

1 The figures provided under the equity settled share-based payments columns are based on accounting values and do not reflect actual payments received by Senior Executives.

2 Figures were overstated in FY21 report. Correct STIP performance outcomes (inclusive of superannuation) for the year ended 30 June 2021 were $158,381 for Warren Hebard (reported $163,966) and $172,528 for Vicki Pafumi (reported $179,974).

3 Ceased as Chief Executive Officer & Executive Director on 31 October 2020. Earnings for his position on the Board from 1 November 2020 are included in section 6.

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4. SENIOR EXECUTIVE CONTRACTS

Remuneration arrangements for Senior Executives with service during the year ended 30 June 2022 are formalised in employment contracts. All contracts are for an unlimited duration.

CURRENT SENIOR EXECUTIVES	
Warren Hebard	• 6 months' notice by either party (or payment in lieu). • Where employment terminates prior to a bonus being paid, or a bonus is due to be paid during gardening leave, may receive a bonus payment at the discretion of the Board.
Vicki Pafumi	• 6 months' notice by either party (or payment in lieu). • Where employment terminates prior to a bonus being paid, or a bonus is due to be paid during gardening leave, may receive a bonus payment at the discretion of the Board.
FORMER SENIOR EXECUTIVES	
Slade Sherman	• 6 months' notice by either party (or payment in lieu). • Where employment terminates prior to a bonus being paid, or a bonus is due to be paid during gardening leave, may receive a bonus payment at the discretion of the Board.

5. LINK BETWEEN GROUP PERFORMANCE, SHAREHOLDER WEALTH AND REMUNERATION

The variable or "at risk" remuneration of Senior Executives is linked to the Group's performance through measures based on the operating performance of the business.

5.1 Group Performance and STIP

For the year ended 30 June 2022 STIP is to be awarded based on the achievement of underlying EBIT targets.

Underlying EBIT

The underlying EBIT result for the year ended 30 June 2022 was a profit of $58,000. Details regarding reported and underlying EBIT performance of the business are provided in the Review of Results and Operations section of the Directors' Report.

5.2 Group Performance and LTI Plan Grants

LTIP grants were made in the financial year ended 30 June 2022. Grants made to Senior Executives in financial year 2022 are linked to Relative TSR.

5.3 Group Performance

MEASURE	FY2022	FY2021	FY2020	FY2019	FY2018 RESTATED[1]
Share price at year end	$0.15	$0.41	$0.20	$0.62	$0.82
5 day VWAP to 30 June	$0.15	$0.40	$0.21	$0.62	$0.80
Dividend paid per security	-	1.0 cent	-	-	1.5 cents
EBIT	(15,690,000)	($2,003,000)	($41,039,000)	($2,252,000)	($15,278,000)
Operating revenue	$93,107,000	$111,059,000	$125,270,000	$154,585,000	$178,139,000
Reported earnings per share	(5.2 cents)	(2.3 cents)	(19.9 cents)	(1.7 cents)	(7.0 cents)

1 Restated due to retrospective adoption of new Accounting Standards. The EBIT, operating revenue and reported earnings per share as per the financial year 2018 audited financial statements were EBIT $12,941,000 loss, $181,439,000 operating revenue and 6.0 cents reported loss per share.

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6. NON-EXECUTIVE DIRECTOR REMUNERATION

6.1 Remuneration Policy

The Group's Non-Executive Director remuneration strategy is designed to:

- **Attract and retain Directors of the highest calibre** – ensure remuneration is competitive with companies of a similar size and complexity. Independence and impartiality of Directors is aided by no element of Director remuneration being 'at risk' (i.e. Remuneration is not based upon Group performance); and
- **Incur a cost that is acceptable to shareholders** – the aggregate pool is set by shareholders with any change requiring shareholder approval at a general meeting.

6.2 Remuneration arrangement

Maximum aggregate remuneration

The aggregate remuneration paid to Non-Executive Directors is capped at a level approved by shareholders. The current Non-Executive Director fee pool was set at $950,000 on 31 May 2013. The amount of aggregate remuneration is reviewed annually with no increase in the Non-Executive Director fee pool during the financial year ended 30 June 2022.

Board and Committee fees, as well as statutory superannuation contributions made on behalf of the Non-Executive Directors, are included in the aggregate fee pool.

Non-Executive Director fees for the financial year ended 30 June 2022

The table below provides details of Board and Committee fees (inclusive of superannuation) for the year ended 30 June 2022. Director member fees have not increased during financial year 2022 and the remuneration of Non-Executive Directors does not include any commission, incentive or percentage of profits.

All committee members are also members of the Board. No additional fees are paid to Board members for their participation on committees, apart from where they act as a Chair of the committee.

Fees are annualised and include superannuation.

	FEE ($)
Chair	250,000
Board Member	95,000
Audit and Risk Management Committee	10,000
Remuneration Committee	10,000
Nomination Committee	10,000

6.3 Key Events Impacting Remuneration and makeup of Non-Executive Directors during the year ended 30 June 2022

Non-Executive Director Appointment

On 1 March 2022, Ms Melissa Reynolds was appointed as a Non-Executive Director, replacing Ms Melanie Wilson. Ms Reynolds has held several senior executive positions in ASX 50 companies in the financial services and utilities industries as well as other Board positions in technology and financial services.

Non-Executive Departure

On 19 October 2021, Ms Melanie Wilson resigned from her position of Non-Executive Director and member of the iSelect Board. Ms Wilson received fees up to and including 31 October 2022.

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6.4 Remuneration Paid to Non-Executive Directors for the Year Ended 30 June 2022

	FEES & ALLOWANCES $	SHORT TERM BENEFITS $	SUPER $	OTHER $	TOTAL $
NON-EXECUTIVE DIRECTORS					
Brodie Arnhold					
2022	250,000	-	-	-	250,000
2021	112,121	-	-	60,000	172,121
Shaun Bonett					
2022	104,547	-	10,455	-	115,002
2021	105,023	-	9,977	-	115,000
Bridget Fair					
2022	86,365	-	8,637	-	95,002
2021	86,758	-	8,242	-	95,000
Melanie Wilson (ceased 19 October 2021)					
2022	31,819	-	3,182	-	35,001
2021	95,890	-	9,110	-	105,000
Geoff Stalley					
2022	92,751	-	9,275	-	102,026
2021	86,758	-	8,242	-	95,000
Melissa Reynolds (appointed 1 March 2022)					
2022	28,788	-	2,879	-	31,667
2021	-	-	-	-	-
Total					
2022	**594,270**	**-**	**34,428**	**-**	**628,698**
2021	486,550	-	35,571	60,000	582,121

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7. KEY MANAGEMENT PERSONNEL SHAREHOLDINGS

The numbers of ordinary shares in iSelect Limited held during the financial year (directly and indirectly) by KMP of the Group and their related parties are set out below:

	BALANCE AT START OF YEAR	GRANTED AS REMUNERATION	LAPSED/ FORFEITED	OTHER CHANGES	BALANCE AT END OF YEAR
CURRENT SENIOR EXECUTIVES					
Warren Hebard	-	-	-	-	-
Vicki Pafumi	160,005	-	-	-	160,005
CURRENT NON-EXECUTIVE DIRECTORS					
Brodie Arnhold	291,084	-	-	200,000	491,084
Shaun Bonett	2,500,000	-	-	5,000,000	7,500,000
Bridget Fair	80,728	-	-	-	80,728
Melissa Reynolds	-	-	-	50,000	50,000
Geoff Stalley	30,000	-	-	70,000	100,000
FORMER SENIOR EXECUTIVES/NON-EXECUTIVE DIRECTORS[1]					
Slade Sherman	14,000	-	-	-	14,000
Melanie Wilson	43,242	-	-	-	43,242

1 Balance is as at the date they cease being KMP.

8. KEY MANAGEMENT PERSONNEL OPTION HOLDINGS

There were no options in iSelect Limited held during the financial year (directly or indirectly) by KMP of the Group and their related parties.

9. OTHER TRANSACTIONS AND BALANCES WITH KMP AND THEIR RELATED PARTIES

Arnhold Investments Pty Ltd

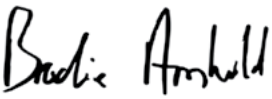
All remuneration for Mr Brodie Arnhold including all related fees for his positions of Non-Executive Director and Non-Executive Chairman was paid to Arnhold Investments Pty Ltd. Mr Arnhold is the Director and Company Secretary of Arnhold Investments Pty Ltd.

Prezzee Pty Ltd

During the year, the Group paid Prezzee Pty Ltd $87,405 (2021: $112,043) in relation to digital gift cards for customer and staff incentives. Prezzee Pty Ltd is considered to be a related party of the Group due to Precision Group's (under significant influence of Mr Shaun Bonett, an Non-Executive Director of the Group) investment in Prezzee Pty Ltd, and nothing that Mr Bonett is Chairman and a Non-Executive Director of Prezzee Pty Ltd. The amount payable to Prezzee Pty Ltd as at 30 June 2022 was $3,455 (2021: $9,020).

This Directors' Report and Remuneration Report is signed in accordance with a resolution of the Directors.

On behalf of the Directors



Brodie Arnhold
Director
Melbourne,
31 August 2022

Geoff Stalley
Director
Melbourne,
31 August 2022

Auditor's Independence Declaration

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DECLARATION OF INDEPENDENCE BY JAMES MOONEY TO THE DIRECTORS OF iSELECT LIMITED

As lead auditor of iSelect Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of iSelect Limited and the entities it controlled during the period.

James Mooney
Director

BDO Audit Pty Ltd

Melbourne, 31 August 2022

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

Financial Statements

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This is the financial report for iSelect Limited and its controlled entities. iSelect Limited (the "Company") is a for-profit entity limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange (Code: ISU). The consolidated financial statements of the Company as at and for the year ended 30 June 2022 comprise the financial statements of the Company and its subsidiaries (as outlined in note 6.2), together referred to in these financial statements as the "Group" and individually as "Group entities".

The financial report of iSelect Limited for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of Directors on 31 August 2022.

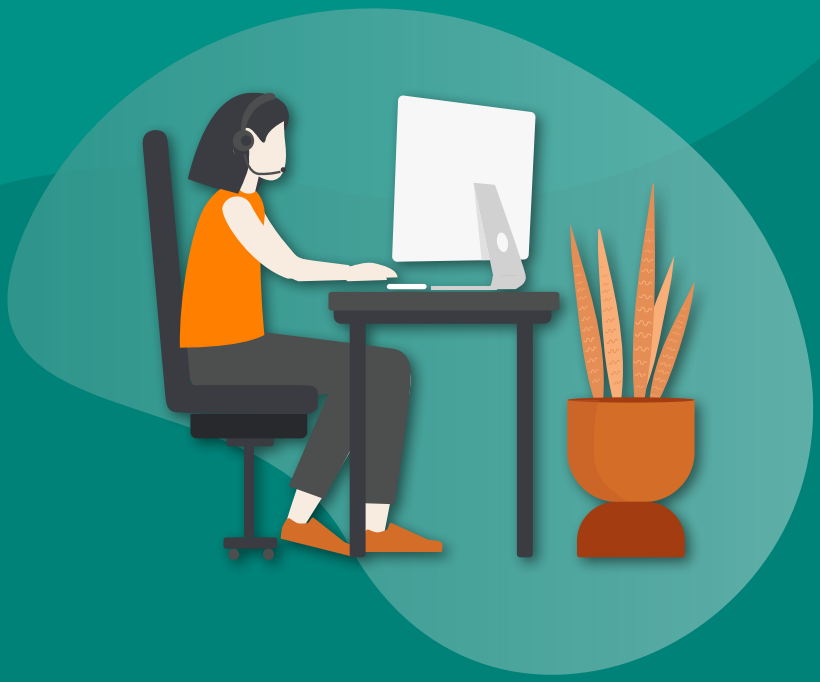
Reading the financials

Section introduction

The introduction at the start of each section outlines the focus of the section and explains the purpose and content of that section.

Information panel

The information panel describes our key accounting estimates and judgements applied in the preparation of the financial report which are relevant to that section or note.



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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

	NOTE	CONSOLIDATED 2022 $'000	CONSOLIDATED 2021 $'000
Continuing Operations			
Revenue from contracts with customers – continuing operations			
Upfront revenue	2.2	57,260	70,699
Trail commission revenue	2.2	35,847	40,271
Total Revenue From Contracts With Customers		**93,107**	**110,970**
Cost of sales		(61,082)	(67,428)
Gross Profit		**32,025**	**43,542**
Other income	2.3	475	3,600
Administrative expenses		(25,319)	(34,706)
Loss on disposal of assets	2.3	(1,568)	(139)
Share-based payments expense	2.3	(579)	(847)
Share of loss in associates	6.3	(119)	-
Depreciation and amortisation	2.3	(20,605)	(10,474)
(Loss)/Profit Before Interest and Tax		**(15,690)**	**976**
Finance income		3	3
Finance costs	2.3	(463)	(403)
Net Finance Costs		**(460)**	**(400)**
(Loss)/Profit Before Income Tax Expense		(16,150)	**576**
Income tax benefit/(expense)	2.6	4,331	(2,635)
Loss for the Year from Continuing Operations		**(11,819)**	**(2,059)**
Discontinued Operations			
Loss before tax for the period from discontinued operations		-	(3,013)
Income tax benefit/(expense)		-	-
Loss After Tax for the Period from Discontinued Operations		**-**	**(3,013)**
Loss for the Year		**(11,819)**	**(5,072)**

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Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)

For the year ended 30 June 2022

	NOTE	CONSOLIDATED 2022 $'000	CONSOLIDATED 2021 $'000
Other Comprehensive Income			
Items that are or may be reclassified to profit or loss			
Foreign operations – foreign currency translation movements		-	(168)
Other Comprehensive Income Net of Tax		**-**	**(168)**
Total Comprehensive Income for the Year		**(11,819)**	**(5,240)**
Loss attributable to			
Owners of the Company		(11,819)	(5,007)
Non-controlling interests		-	(65)
		(11,819)	**(5,072)**
Total Comprehensive Income Attributable to			
Owners of the Company		(11,819)	(5,184)
Non-controlling interests		-	(56)
		(11,819)	**(5,240)**
Loss per share (cents per share)			
Basic / diluted profit/(loss) for the year attributable to ordinary equity holders of the parent	2.4	(5.2)	(2.3)
Loss per share (cents per share) for continuing operations			
Basic / diluted profit/(loss) for the year attributable to ordinary equity holders of the parent	2.4	(5.2)	(0.9)
Loss per share (cents per share) for discontinued operations			
Basic / diluted profit/(loss) for the year attributable to ordinary equity holders of the parent	2.4	-	(1.4)

The accompanying notes form part of these consolidated financial statements.

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Consolidated Statement of Financial Position

As at 30 June 2022

	NOTE	CONSOLIDATED 2022 $'000	CONSOLIDATED 2021 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	2.5	11,320	9,433
Trade receivables and contract assets	3.3	10,812	14,864
Trail commission asset	3.4	31,518	33,407
Other assets		4,442	3,907
Total Current Assets		**58,092**	**61,611**
Non-Current Assets			
Trail commission asset	3.4	86,437	91,361
Investment in associates	6.3	22,459	-
Property, plant and equipment	3.1	2,069	4,538
Intangible assets	3.2	370	14,772
Other assets		25	25
Total Non-Current Assets		**111,360**	**110,696**
Total Assets		**169,452**	**172,307**
LIABILITIES			
Current Liabilities			
Trade and other payables	3.5	17,894	17,162
Borrowings	3.6	2,374	-
Lease liabilities	3.7	1,443	2,747
Provisions	3.8	4,966	6,058
Total Current Liabilities		**26,677**	**25,967**

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Consolidated Statement of Financial Position (continued)

As at 30 June 2022

	NOTE	CONSOLIDATED 2022 $'000	CONSOLIDATED 2021 $'000
Non-Current Liabilities			
Trade and other payables	3.5	2,600	4,600
Borrowings	3.6	11,033	-
Lease liabilities	3.7	-	1,443
Provisions	3.8	256	395
Net deferred tax liabilities	2.6	24,863	29,195
Total Non-Current Liabilities		**38,752**	**35,633**
Total Liabilities		**65,429**	**61,600**
Net Assets		**104,023**	**110,707**
EQUITY			
Contributed equity	4.2	115,981	111,425
Reserves	4.2	11,867	11,288
Accumulated losses		(23,825)	(12,006)
Total Equity		**104,023**	**110,707**

The accompanying notes form part of these consolidated financial statements.

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Consolidated Statement of Changes in Equity

For the year ended 30 June 2022

	ATTRIBUTABLE TO OWNERS OF THE COMPANY							
	CONTRIBUTED EQUITY	SHARE BASED PAYMENT RESERVE	BUSINESS COMBINATION RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	ACCUMULATED LOSSES	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
	NOTE 4.2	NOTE 4.2	NOTE 4.2	NOTE 4.2				
Balance at 30 June 2020	**111,290**	**4,870**	**5,571**	**177**	**(4,814)**	**117,094**	**(2,377)**	**114,717**
Loss for the period	-	-	-	-	(5,007)	(5,007)	(65)	(5,072)
Other comprehensive income	-	-	-	(177)	-	(177)	9	(168)
Total Comprehensive Income	**-**	**-**	**-**	**(177)**	**(5,007)**	**(5,184)**	**(56)**	**(5,240)**
Transactions with Owners in their Capacity as Owners								
Derecognition of non-controlling interest	-	-	-	-	-	-	2,433	2,433
Dividend paid	-	-	-	-	(2,185)	(2,185)	-	(2,185)
Issue of shares / recognition of share-based payments	135	847	-	-	-	982	-	982
Balance at 30 June 2021	**111,425**	**5,717**	**5,571**	**-**	**(12,006)**	**110,707**	**-**	**110,707**
Loss for the period	-	-	-	-	(11,819)	(11,819)	-	(11,819)
Other comprehensive income	-	-	-	-	-	-	-	-
Total Comprehensive Income	**-**	**-**	**-**	**-**	**(11,819)**	**(11,819)**	**-**	**(11,819)**
Transactions with Owners in their Capacity as Owners								
Issue of shares / recognition of share-based payments	4,556	579	-	-	-	5,135	-	5,135
Balance at 30 June 2022	**115,981**	**6,296**	**5,571**	**-**	**(23,825)**	**104,023**	**-**	**104,023**

The accompanying notes form part of these consolidated financial statements.

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Consolidated Statement of Cash Flows

For the year ended 30 June 2022

	NOTE	CONSOLIDATED 2022 $'000	CONSOLIDATED 2021 $'000
Cash Flows from Operating Activities			
Receipts from customers		106,204	109,504
Payments to suppliers and employees		(101,371)	(99,648)
Interest received		3	3
Net cash provided by operating activities	2.5	**4,836**	**9,859**
Cash Flows from Investing Activities			
Payments for property, plant and equipment and intangible assets		(3,763)	(5,325)
Cash disposed of as a part of discontinued operations		-	(1,576)
Payment for investment in CIMET	6.3	(14,012)	-
Proceeds from sale of non-current assets		4,617	-
Net cash used in investing activities		**(13,158)**	**(6,901)**
Cash Flows from Financing Activities			
Net proceeds from bank facilities		13,407	-
Repayment of lease liabilities		(2,747)	(2,595)
Interest paid		(451)	(437)
Dividend paid to shareholders of the parent		-	(2,185)
Net cash provided by / (used in) financing activities		**10,209**	**(5,217)**
Net increase / (decrease) in cash and cash equivalents		1,887	(2,259)
Net foreign exchange difference		-	436
Cash and cash equivalents at the beginning of the year		9,433	11,256
Cash and cash equivalents at the end of the year	2.5	**11,320**	**9,433**

The accompanying notes form part of these consolidated financial statements.

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Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

Section 1: Basis of preparation

This section explains basis of preparation of our financial report and provides a summary of our key accounting estimates and judgements.

1.1 Basis of preparation of the financial report

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards, International Financial Reporting Standards (IFRS) and other authoritative pronouncements of the Australian Accounting Standards Board. It has been prepared on a historical cost basis. The financial report is presented in Australian dollars unless otherwise noted. The Company is a company of the kind referred to in ASIC Class Order 2016/191, dated 24 March 2016, and in accordance with that Class Order, amounts in the Directors' Report and the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

1.2 Terminology used

Earnings before interest and income tax expense (EBIT) reflects profit or loss for the year prior to including the effect of net finance costs and income taxes.

Our management uses EBIT and earnings before interest, income tax expense, depreciation and amortisation (EBITDA), in combination with other financial measures, primarily to evaluate the Group's operating performance. In addition, the Directors believe EBIT is useful to investors because analysts and other members of the investment community largely view EBIT as a key and widely recognised measure of operating performance.

EBITDA is a similar measure to EBIT, but it does not take into account interest, income tax, depreciation and amortisation and share of loss in associates.

1.3 Key judgements and estimates

In the process of applying the Group's accounting policies, management has made a number of judgements and applied estimates of future events. Judgements and estimates which are material to the financial report are found in the following notes:

NOTE	SECTION	PAGE
2.2	Revenue from contracts with customers	55
2.6	Taxes	59
3.1	Property, plant and equipment	63
3.2	Intangible assets	65
3.3	Trade receivables and contract assets	66
3.4	Trail commission asset	67
3.8	Provisions	70
5.2	Employee share plans	75
6.3	Investment in associates	81

1.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2022. A list of controlled entities (subsidiaries) at year end is contained in note 6.2. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- The power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- The exposure, or rights, to variable returns from its involvement with the investee, and
- Has the ability to use its power over the investee to affect its returns.

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1.5 Foreign currency

The Group's consolidated financial statements are presented in Australian dollars, which is also the parent's functional currency.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income.

1.6 Provision for credit impairment on financial assets measured at amortised costs

The Group assesses impairment for its financial assets carried at amortised cost using an expected credit loss (ECL) model.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls and consist of three components:

- Probability of default (PD): represents the possibility of a default over the next 12 months and remaining lifetime of the financial asset;
- A loss given default (LGD): expected loss if a default occurs, taking into consideration the mitigating effect of collateral assets and time value of money;
- Exposure at default (EAD): the expected loss when a default takes place.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition, or if the credit risk on the financial instrument has not increased significantly since initial recognition (except for a purchase or originated credit-impaired financial asset), the Group is required to measure the loss allowance for that financial instrument at an amount equal to a 12-month ECL.

The Group uses the simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables and contract assets. Specifically, AASB 9 requires the Group to recognise a loss allowance for expected credit losses on:

- Trade receivables and contract assets, and
- Financial guarantee contracts to which the impairment requirements of AASB 9 apply.

1.7 Changes in amended standards and interpretations

The Group have not applied any standards and interpretations for the first time during the financial year.

1.8 Other accounting policies

Significant and other accounting policies that summarise the measurement basis used and are relevant to the understanding of the financial statements are provided throughout the notes to the financial statements.

1.9 Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

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Section 2: Performance for the year

This section explains our results and performance and includes our segment results, which are reported on the same basis as our internal management structure, and our earnings per share for the period. It also provides details of selected income and expense items, information about taxation and a reconciliation of our profit to net cash generated from operating activities.

2.1 Segment information

Segment information is based on the information that management uses to make decisions about operating matters and allows users to review operations through the eyes of management. We present our reportable segments and measure our segment results on a continuing operations basis, i.e. the same basis as our internal management reporting structure.

We have four reportable segments which offer a service that includes comparison, purchase support and lead referrals across:

- Health (private health insurance),
- Life and General Insurance,
- Energy and Telecommunications, and
- Other, predominately offering financial service products including home loans in Australia.

All revenue from continuing operations is generated from Australia. All non-current assets from continuing operations are also located in Australia.

	CONSOLIDATED	
	2022 $'000	2021 $'000
Trail commission asset		
Health	76,069	81,645
Life and General Insurance	38,981	39,207
Other	2,905	3,916
	117,955	**124,768**

	CONSOLIDATED	
	2022 $'000	2021 $'000
Operating revenue		
Upfront revenue	32,611	41,405
Trail commission revenue	29,216	33,667
Health Insurance	**61,827**	**75,072**
Upfront revenue	9,100	10,359
Trail commission revenue	6,595	6,488
Life and General Insurance	**15,695**	**16,847**
Upfront revenue	15,033	18,539
Trail commission revenue	12	86
Energy and Telecommunications	**15,045**	**18,625**
Upfront revenue	515	396
Trail commission revenue	25	30
Other	**540**	**426**
Operating revenue	**93,107**	**110,970**
EBITDA		
Health	3,515	11,986
Life and General Insurance	9,067	8,476
Energy and Telecommunications	(2,200)	(903)
Other	8	283
Unallocated corporate costs	(5,356)	(8,392)
EBITDA	**5,034**	**11,450**
Share of loss in associates	(119)	-
Depreciation and amortisation	(20,605)	(10,474)
Net finance cost	(460)	(400)
(Loss) / profit before income tax	**(16,150)**	**576**
Income tax benefit/(expense)	4,331	(2,635)
Loss from continuing operations	**(11,819)**	**(2,059)**

Revenue from three customers individually exceeded 10% of iSelect's revenue and amounted individually to $21,810,000 (2021: $28,244,000), $13,050,000 (2021: $17,051,000) and $11,232,000 (2021: $9,475,000) arising from upfront and trail commission in the Health segment.

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2.2 Revenue from contracts with customers

	CONSOLIDATED	
	2022 $'000	2021 $'000
Upfront revenue		
Upfront fees	55,361	68,825
Click-through fees	1,654	1,319
Advertising and subscription fees	245	555
	57,260	**70,699**
Trail commission revenue	**35,847**	**40,271**
Total revenue from contracts with customers	**93,107**	**110,970**
Revenue related to performance obligations satisfied in previous years	**4,400**	**(284)**

Key estimate: upfront fee revenue

Upfront fee revenue is recognised on a net basis of the historical percentage of 'referred' sales expected to become 'financial' and that do not trigger a 'clawback'. These estimates are adjusted to actual percentages experienced at each reporting date. As such, the Group determines its revenue by estimating variable consideration and applying the constraint by utilising industry data and historical experience (refer to note 3.8 for further information).

Key estimate: trail commission revenue

The method of revenue recognition for trail commission revenue requires Directors and management to make certain estimates and assumptions based on industry data and historical experience of the Group. Refer to note 3.4 for details on trail commission revenue.

Recognition and measurement

Revenue represents the variable consideration estimated at the point in time when the Group has essentially completed its contracted services and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Upfront fees

When the Group refers a consumer to the product provider (and thereby satisfies its performance obligation), the Group is entitled to an upfront fee that is contingent upon the following events: (a) the referred sale becoming 'financial', which occurs upon new members joining a health fund, initiating a life insurance policy, obtaining general insurance products, mortgages, broadband or energy products via iSelect; and (b) whether a 'clawback' of the upfront fee is triggered. Upfront fees may trigger a 'clawback' of revenue in the event of early termination by customers as specified in individual product provider agreements. These contingencies are incorporated into the estimate of variable consideration (refer to key estimates).

Click-through fees

Click-through fees are recognised based on the contractual arrangement with the relevant product provider. This can occur at one of three points depending on the contract; either when an internet user clicks on a paying advertiser's link, submits an application or a submitted application is approved.

Advertising and subscription fees

Revenue for contracted services, including advertising and subscription fees, is recognised based on the transaction price allocated to each performance obligation. As a result, non-refundable revenue may be recognised across multiple periods until the performance obligation has been satisfied.

Trail commission revenue

Trail commissions are ongoing fees for customers referred to individual product providers or who have applied for mortgages via iSelect. Trail commission revenue represents commission earned calculated as a percentage of the value of the underlying policy relationship to the expected life and, in the case of mortgages, a proportion of the underlying value of the loan. The Group is entitled to receive trail commission without having to perform further services. On initial recognition, trail revenue and assets are recognised at expected value and subject to constraints.

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2.3 Other income and expenses

In our profit or loss and other comprehensive income, we classify our expenses (apart from share-based payments, depreciation and amortisation and net finance income) by function as this classification more accurately reflects the type of operations we undertake. The below provides more detail on the type (by nature) of expenses we incurred.

	CONSOLIDATED	
	2022 $'000	2021 $'000
Other Income		
Government grant	-	3,406
Sundry income	475	194
	475	**3,600**
Employee Benefits Expense		
Classified as cost of sales		
Remuneration, bonuses, on-costs and amounts provided for benefits	19,972	24,102
Superannuation expenses	1,855	2,098
Classified as administrative expenses		
Remuneration, bonuses, on-costs and amounts provided for benefits	10,191	14,228
Superannuation expenses	1,287	1,167
Share-based payments	579	847
	33,884	**42,442**
Loss on Disposal of Non-Current Assets		
Computer equipment	12	139
Trail commission asset	1,556	-
	1,568	139
Depreciation and Amortisation		
Depreciation	2,544	2,627
Amortisation of previously capitalised development costs	18,061	7,847
	20,605	**10,474**
Finance Costs		
Finance costs on lease liabilities	85	162
Other	378	275
	463	**437**
Research and Development Expenditure		
Research and development expenditure recognised as expenses	**4,975**	**2,920**

Recognition and measurement

Government grant

A government grant is recognised in the balance sheet initially as deferred income when there is reasonable assurance that it will be received and that the Group will comply with the conditions attached to it. Grants that compensate the Group for expenses incurred are recognised as other income on a systematic basis in the same periods in which the expenses are incurred.

Due to the economic impacts of COVID-19, the Group received JobKeeper payments under the COVID-19 government stimulus program. The amount received during the financial year was nil (2021: $3,406,000).

Employee benefits expense

The Group's accounting policy for expenses associated with employee benefits is set out in note 3.8. Employee benefits expense is net of amounts capitalised as development costs of $1,561,000 (2021: $2,572,000).

The policy relating to share-based payments is set out in note 5.2.

Depreciation and amortisation

Depreciation and amortisation reflects the use of property, plant and equipment and intangible assets over their useful life. Refer to note 3.1 and note 3.2 for further details.

Finance costs

Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss and other comprehensive income.

Impairment of receivables

Impairment expenses are recognised to the extent that the carrying amounts of assets exceed their recoverable amounts.

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2.4 Earnings per share

This note outlines the calculation of Earnings Per Share (EPS) which is the amount of post-tax profit attributable to each share.

We calculate basic and diluted EPS. Diluted EPS reflects the effects of the equity instruments allocated to our employee share schemes under iSelect Limited's share-based payment plans which is considered dilutive.

	CONSOLIDATED	
	2022 $'000	2021 $'000
Continuing operations	(11,819)	(2,059)
Discontinued operations	-	(2,948)
Loss attributable to the owners of the Group	**(11,819)**	**(5,007)**

	SHARES ('000)	SHARES ('000)
WANOS[1] for basic earnings per share	225,145	217,902
Effect of dilution[2]	-	-
WANOS[1] adjusted for effect of dilution	225,145	217,902

	CENTS	CENTS
Loss per share:		
Basic/Diluted EPS	(5.2)	(2.3)
Basic/Diluted EPS – continuing operations	(5.2)	(0.9)
Basic/Diluted EPS – discontinued operations	-	(1.4)

1 Weighted average number of ordinary shares.

2 As at 30 June 2022, the Group has nil (2021: 160,767) LTIP shares granted but not issued (see Note 5.2). These shares are not included in the diluted earning per share calculation due to losses and any potential increases in the number of shares are considered anti-dilutive.

Recognition and measurement

Basic Earnings Per Share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares outstanding during the financial year.

Diluted Earnings Per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after-tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

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2.5 Cash and cash equivalents

	CONSOLIDATED	
	2022 $'000	2021 $'000
Cash at bank and on hand	9,570	9,433
Term deposits	1,750	-
	11,320	**9,433**

The Group has pledged $1,500,000 (2021: $1,500,000) to fulfill bank guarantee and credit facility requirements.

Recognition and measurement

Cash and short-term deposits in the consolidated Statement of financial position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

As all cash is held with major financial institutions (ADI)'s and there has been no history of loss, it has been determined that expected credit loss would not be material and consequently has not been recognised.

Changes in liabilities arising from financing activities

	CONSOLIDATED	
	2022 $'000	2021 $'000
Lease liabilities		
Outstanding at the beginning of the period	4,190	6,709
Recognition of lease liability in relation to right-of-use assets	-	76
Cash flows	(2,747)	(2,595)
Outstanding at the end of the period	**1,443**	**4,190**

Reconciliation of profit after tax to net cash flows from operating activities

	CONSOLIDATED	
	2022 $'000	2021 $'000
Net loss after tax	**(11,819)**	**(5,072)**
Non-cash items:		
Foreign exchange movements	-	79
Depreciation and amortisation	20,605	10,474
Share-based payments expense	579	847
Impairment loss	-	2,433
Loss on disposal of property, plant and equipment and trail assets	1,568	163
Share of loss in associates	119	-
Other non-cash item	429	-
Items in net profit but not in operating cash flows:		
Interest expense classified as financing cash flow	463	437
(Increase)/decrease in assets		
Trade receivables	4,052	1,050
Trail commission asset	657	(6,505)
Other assets	(535)	(547)
Increase/(decrease) in liabilities		
Trade and other payables	(5,720)	3,614
Deferred taxes	(4,331)	2,635
Provisions	(1,231)	601
Other liabilities	-	(350)
Net cash flow provided by operating activities	**4,836**	**9,859**

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2.6 Taxes

On May 2016 the Board of Taxation announced and released the Tax Transparency Code (the "Code"). Whilst the Code is voluntary, the Directors have elected to adopt it in order to provide greater tax disclosure transparency to the users of the financial report.

Part A: Disclosures of tax information

Part A of this report provides reconciliations of the Group's current and deferred taxes and a summary of its tax-related accounting policies.

Current income tax is calculated by applying the statutory tax rate to taxable income. Taxable income is calculated as the accounting profit adjusted for differences in income and expenses where the tax and accounting treatments differ.

Deferred income tax, which is accounted for using the balance sheet method, arises because timing of recognition of accounting income is not always the same as taxable income. This creates temporary differences, which usually reverse over time. Until they reverse, a deferred tax asset or liability must be recognised on the balance sheet.

The table to the right provides a reconciliation of notional income tax expense to actual income tax expense. The table on the following page details the amount of deferred tax assets and liabilities recognised in the statement of financial position.

	CONSOLIDATED	
	2022 $'000	2021 $'000
Current taxes		
Amounts recognised in profit or loss		
Current income tax		
Current income tax expense	264	(2,279)
Previous years' adjustment[1]	204	1,138
Deferred income tax		
Origination and reversal of temporary differences	3,947	(655)
Reversal of previously recognised tax losses	-	42
Previous years' adjustment[1]	(84)	(881)
Income tax benefit/(expense) reported in income statement	**4,331**	**(2,635)**

	CONSOLIDATED	
	2022 $'000	2021 $'000
Tax reconciliation		
Accounting loss before income tax	(16,150)	(2,437)
Notional income tax at the statutory income tax rate of 30%	4,845	731
Non temporary differences		
Share-based payments	(174)	(254)
Entertainment	(12)	(27)
Initial recognition of research and development concessional credits	204	182
Previous years' adjustment in respect of current income tax[1]	204	1,138
Previous years' adjustment in respect of deferred income tax[1]	(84)	(881)
Share of loss in associates	(36)	-
Unrecognised tax losses	-	(146)
Reversal of previously recognised tax losses	-	42
Non-deductible fine and penalty	-	(2,580)
Loss on disposal of overseas subsidiary	-	(730)
Non-deductible legal and professional fees	(616)	(82)
Effect of lower tax rates in Malaysia	-	(26)
Effect of lower tax rates in Indonesia	-	(2)
Total income tax benefit/ (expense)	**4,331**	**(2,635)**

1 Arises from difference between provisional research and development concessional credits at previous reporting period and amount claimed in income tax return in current financial year.

2.6 Taxes (con'd)

	CONSOLIDATED	
	2022 $'000	2021 $'000
Deferred taxes		
Deferred tax assets relate to the following:		
Trade and other payables	1,562	3,549
Provisions	1,566	1,936
Property, plant and equipment	1,130	614
Development costs	2,245	-
ITAA 97 Section 40-880 business related costs	31	26
Unused tax losses	4,357	3,890
Total deferred tax assets	**10,891**	**10,015**
Deferred tax liabilities relate to the following:		
Trail commission asset	(35,754)	(37,663)
Development costs	-	(1,547)
Total deferred tax liabilities	**(35,754)**	**(39,210)**
Net deferred tax liabilities	**(24,863)**	**(29,195)**

	CONSOLIDATED	
	2022 $'000	2021 $'000
Income tax receivable		
Total income tax benefit/ (expense)	4,331	(2,635)
Temporary differences		
Origination and reversal of temporary differences	(4,331)	2,635
Income tax payable in the current financial year	-	-
Income tax receivable at the beginning of the year	-	-
Net tax refunded during the year	-	-
Income tax receivable as at 30 June	**-**	**-**
Represented in the statement of financial position by:		
Income tax receivable	-	-
Effective tax rate (ETR)		
Global operations[1]	26.8%	n.m
Australian operations[2]	26.8%	452.4%

1 Global operations ETR: The Group calculated total consolidated company income tax expense divided by total consolidated accounting profit on continuing and discontinued operations.

2 Australian operations ETR: The Group calculated total company income tax expense for all Australian companies operations of and Australian operations of overseas company included in these consolidated financial statements, divided by accounting profit derived by all Australian companies and Australian operations of overseas companies included in these consolidated financial statements. Effective tax rate for 2021 was impacted by non-deductible fine and penalty of $8,500,000.

n.m.: not meaningful

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2.6 Taxes (con'd)

Recognition and measurement

Our income tax expense is the sum of current and deferred income tax expenses. Current income tax expense is calculated on accounting profit after adjusting for non-taxable and non-deductible items based on rules set by the tax authorities. Deferred income tax expense is calculated at the tax rates that are expected to apply to the period in which the deferred tax asset is realised or the deferred tax liability is settled. Both our current and deferred income tax expenses are calculated using tax rates that have been enacted or substantively enacted at reporting date.

Our current and deferred taxes are recognised as an expense in profit or loss, except when they relate to items that are directly recognised in other comprehensive income or equity. In this case, our current and deferred tax expenses are also recognised directly in other comprehensive income or equity.

We generally recognise deferred tax liabilities for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- The initial recognition of goodwill; and
- The initial recognition of an asset or liability in a transaction that is not a business combination and affects neither our accounting profit nor our taxable income at the time of the transaction.

For our investments in controlled entities and associated entities, recognition of deferred tax liabilities is required unless we are able to control the timing of our temporary difference reversal and it is probable that the temporary difference will not reverse.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carried forward unused tax losses and tax credits, can be utilised.

Deferred tax assets and deferred tax liabilities are offset in the statement of financial position where they relate to income taxes levied by the same taxation authority and to the extent that we intend to settle our current tax assets and liabilities on a net basis.

Tax Consolidation Legislation

The iSelect Group formed an income tax consolidated group as at 30 April 2007. Members of the Group entered into a tax sharing agreement at that time that provided for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts are expected to be recognised in the consolidated financial statements in respect of this agreement on the basis that the probability of default is remote.

In accordance with Group accounting policy, the Group has applied Interpretation 1052, in which the head entity, iSelect Limited, and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. This is governed through a tax funding agreement between iSelect Ltd and its wholly-owned Australian entities.

In addition to its own current and deferred tax amounts, iSelect Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The allocation of taxes to the head entity is recognised as an increase/decrease in the controlled entities' intercompany accounts with the tax consolidated group head entity.

Key estimates: current and deferred taxes

The Group's accounting policy for taxation requires management's judgement in assessing whether deferred tax assets and deferred tax liabilities are recognised on the statement of financial position. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future sales volumes, operating costs, capital expenditure, dividends and other capital management transactions.

Judgements are also required about the application of income tax legislation in respect of the availability of carry forward tax losses. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised on the statement of financial position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the statement of profit or loss and other comprehensive income in future periods.

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2.6 Taxes (con'd)

Part B – Taxes paid report

Part B of this report discloses the taxes paid by iSelect Ltd and provides qualitative information about our approach to tax risk.

Tax policy, strategy and governance

Our philosophy is to embrace change by understanding the decisions, activities and operations undertaken by the Group, therefore enabling us to manage tax uncertainties and ensure our people, systems and processes are tax compliant in all aspects.

We achieve this by:

- Ensuring our teams are appropriately trained and resourced;
- Developing and maintaining strong internal control at management and Board level;
- Ensuring our systems and data are up-to-date and accurate;
- Collaborating across the organisation; and
- Maintaining robust documentation on processes and in supporting tax positions.

The Group adheres to the following tax principles:

- Complying with all relevant laws, rules, regulations, and reporting and disclosure requirements, wherever we operate;
- Ensuring openness, honesty and transparency will be paramount in all dealings with the tax authorities and other relevant bodies;
- Adopting a low risk appetite;
- Considering the commercial needs of the Group as paramount and ensuring that all tax planning will be undertaken in this context. All transactions must therefore have a business purpose or commercial rationale; and
- Due consideration will be given to the Group's reputation, brand, corporate and social responsibilities when considering tax initiatives, as well as the applicable legal and fiduciary duties of directors and employees of the Group and will form part of the overall decision-making and risk assessment process.

The decisions, activities and operations undertaken by the Group gives rise to various areas of uncertainty. We manage tax risk in 4 key areas:

Transactional risk: This concerns the risks and exposures associated with specific transactions undertaken by the Group.

Operational risk: This concerns the underlying risks of applying the tax laws, regulations and decisions to the routine everyday business operations of the Group.

Compliance risk: This concerns the risks associated with meeting the Group's tax compliance obligations. This primarily relates to the preparation, completion and review of the Group's tax returns and the risks within those processes.

Financial accounting risk: This concerns the risk of material misstatement (including material disclosures) in the Group's financial report, cash flow planning, forecasting, and in managing investor expectations of the future.

Tax governance strategy is about understanding where these risks may arise and implementing controls to effectively manage these risks. iSelect has a Tax Risk Management Strategy to identify, assess and manage these risks.

Australian taxes paid summary

Tax payments made by iSelect for the 2022 and 2021 financial years are summarised below.

	CONSOLIDATED	
	2022 $'000	2021 $'000
Income tax (net of refund)	-	-
Payroll tax	1,929	1,904
Fringe benefits tax	84	240
Total taxes paid	**2,013**	**2,144**

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Section 3: Our core assets and working capital

This section describes our core long-term tangible and intangible assets underpinning the Group's performance and provides a summary of our asset impairment assessment. This section also describes our short-term assets and liabilities, i.e. our working capital supporting the operating liquidity of our business.

3.1 Property, plant and equipment

	LEASEHOLD IMPROVE-MENTS $'000	OFFICE AND COMPUTER EQUIPMENT $'000	RIGHT OF USE ASSETS $000	COMPUTER SOFTWARE $'000	FURNITURE, FIXTURES AND FITTINGS $'000	TOTAL $'000
As at 30 June 2022						
Cost	6,994	8,256	7,109	7,848	904	31,111
Accumulated depreciation	(6,888)	(7,771)	(6,162)	(7,568)	(653)	(29,042)
Net carrying amount	**106**	**485**	**947**	**280**	**251**	**2,069**
Net carrying amount at 1 July 2021	141	804	2,860	432	301	4,538
Additions	-	62	-	-	42	104
Disposals	-	(29)	-	-	-	(29)
Depreciation expense	(35)	(352)	(1,913)	(152)	(92)	(2,544)
Net carrying amount at 30 June 2022	**106**	**485**	**947**	**280**	**251**	**2,069**
As at 30 June 2021						
Cost	6,994	8,388	7,109	7,848	863	31,202
Accumulated depreciation	(6,853)	(7,584)	(4,249)	(7,416)	(562)	(26,664)
Net carrying amount	**141**	**804**	**2,860**	**432**	**301**	**4,538**
Net carrying amount at 1 July 2020	178	1,076	4,718	578	389	6,939
Additions	-	123	76	24	5	228
Disposals	-	(2)	-	-	-	(2)
Depreciation expense	(37)	(393)	(1,934)	(170)	(93)	(2,627)
Net carrying amount at 30 June 2021	**141**	**804**	**2,860**	**432**	**301**	**4,538**

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3.1 Property, plant and equipment (con'd)

Recognition and measurement

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment loss, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Items of property, plant and equipment are depreciated on a straight-line basis over their useful lives as follows:

	USEFUL LIFE
Office and computer equipment	2 to 5 years
Furniture, fixtures and fittings	8 years
Leasehold improvements	8 to 10 years

Right-of-use asset

The Group recognises a right-of-use asset at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

For the Group's accounting policy on leases, refer to note 3.7.

Derecognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

Impairment

All non-current tangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. For our impairment assessment we identify cash generating units ("CGUs"), i.e. the smallest groups of assets that generate cash inflows independent of cash inflows from other assets or groups of assets.

Key estimate – useful lives

The estimation of useful lives, residual value and depreciation methods require management judgement and are reviewed annually. If they need to be modified, the change is accounted for prospectively from the date of reassessment until the end of the revised useful lives. Such revisions are generally required when there are changes in economic circumstances impacting specific assets or groups of assets and as such, any reasonably possible change in the estimate is unlikely to have a material impact on the estimation of useful lives, residual value or amortisation methods.

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3.2 Intangible assets

This note provides details of our intangible assets and their impairment assessment. Our impairment assessment reviews any objective evidence that may indicate that the carrying amounts may not be recoverable.

	DEVELOPMENT COSTS $'000	TRADEMARKS AND DOMAIN NAMES $'000	TOTAL $'000
As at 30 June 2022			
Cost	54,548	370	54,918
Accumulated amortisation	(54,548)	-	(54,548)
Net carrying amount	**-**	**370**	**370**
Net carrying amount at 1 July 2021	14,402	370	14,772
Additions	3,659	-	3,659
Amortisation	(18,061)	-	(18,061)
Net carrying amount at 30 June 2022	**-**	**370**	**370**
As at 30 June 2021			
Cost	50,889	370	51,259
Accumulated amortisation	(36,487)	-	(36,487)
Net carrying amount	**14,402**	**370**	**14,772**
Net carrying amount at 1 July 2020	17,236	370	17,606
Additions	5,173	-	5,173
Disposals	(160)	-	(160)
Amortisation	(7,847)	-	(7,847)
Net carrying amount at 30 June 2021	**14,402**	**370**	**14,772**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are measured at cost less any accumulated amortisation and impairment losses. Intangible assets acquired in a business combination are measured at fair value as at the date of acquisition.

Development costs – Development costs are recognised only when the Group can demonstrate the technical feasibility, the resources and the intention to complete the asset; its ability to use or sell the asset, generate future economic benefits and measure reliably the expenditure during development. Amortisation of the asset begins when development is complete and the asset is available for use in the condition as intended by management.

Trademarks and domain names – The Group made upfront payments to purchase trademarks and domain names which can be renewed at little or no cost to the Group are carried at cost less any impairment.

Key estimates - development costs

Internal project costs are classified as research or development based on management's assessment of the nature of each cost and the underlying activities performed. Management performs this assessment against the Group's development costs policy which is consistent with the requirements of AASB 138.

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3.2 Intangible assets (con'd)

Useful lives and amortisation

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life. Amortisation is calculated over the estimated useful life of the asset as follows:

	USEFUL LIFE
Development costs	2 to 5 years
Trademarks and domain names	Indefinite

Derecognition

Gains and losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

Key estimates - useful lives

The amortisation period and the method for intangible assets with a finite useful life are reviewed at least annually. Any changes in the useful life assessment is accounted for as a change in an accounting estimate and is made on a prospective basis.

Change in accounting estimate

On 15 March 2022, the Group acquired 49% interest in CIMET Holdings Pty Ltd. One of the key strategic rationales behind the acquisition is its technology platform. CIMET has a B2B comparison and technology platform business enabling brands to offer comparison via CIMET's white-label and SaaS-style propositions. Upon completion of the acquisition, the Group has commenced the process to migrate existing business into CIMET's platform. As a result, the Group believes that the useful lives of its existing capitalised software development costs are no longer appropriate, and amortisation should be accelerated to the extent that they are fully amortised by 30 June 2022. The impact of the change in estimated useful lives is an additional amortisation expense of $10,788,000 for the 2022 financial year.

3.3 Trade receivables and contract assets

	CONSOLIDATED	
	2022 $'000	2021 $'000
Trade receivables	1,620	1,432
Contract assets	9,192	13,432
	10,812	**14,864**
The ageing analysis of trade receivables is as follows:		
Current	1,607	1,414
Past due 1 – 30 days	13	18
Past due 31 – 90 days	-	-
Past due 90+ days	-	-
	1,620	**1,432**

Recognition and measurement

All trade and other receivables recognised as current assets are due for settlement within no more than 30 days for upfront fees and within one year for trail commission. Trade receivables are measured on the basis of amortised cost less any expected credit loss.

It is the Group's policy that all key partners who wish to trade on credit terms are subject to credit verification procedures.

Allowance for credit losses

iSelect applies the simplified approach and records lifetime expected losses on all trade receivables and contract assets. As a consequence, we do not track changes in credit risk, but recognise a loss allowance based on lifetime expected credit loss at each reporting date. No expected credit loss was identified during the financial year (2021: nil).

Contract assets

Contract assets are initially recognised for revenue earned from comparison, purchase support and referral services, as receipt of consideration is conditional on successful completion of a purchase between the customers and the product providers. Upon completion of sale and acceptance by the customer and the provider, invoices are issued to the provider for the amount receivable. These amounts invoiced are reclassified from contract assets to trade receivables. The trade receivable balance represents the Group's unconditional right to receive the cash.

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3.3 Trade receivables and contract assets (con'd)

Key estimates – allowance for credit losses

We apply management judgement to estimate the expected credit losses for trade receivables and contract assets. Expected credit losses are assessed on an ongoing basis. Financial difficulties of the debtor, probability of default, delinquency in payments and credit ratings are utilised in this assessment.

3.4 Trail commission asset

	CONSOLIDATED	
	2022 $'000	2021 $'000
Current	31,518	33,407
Non-current	86,437	91,361
Total trail commission asset	**117,955**	**124,768**
Reconciliation of movement in trail commission asset:		
Opening balance	**124,768**	**118,263**
Trail commission revenue – current period trail commission sales	35,847	40,271
Cash receipts	(42,660)	(33,766)
Closing balance	**117,955**	**124,768**

Recognition, measurement and classification

The Group accounts for trail commission revenue at the time of selling a product to which trail commission attaches, rather than on the basis of actual payments received from the relevant fund or providers involved. On initial recognition, trail commission revenue and assets are recognised at expected value. Subsequent to initial recognition and measurement, the carrying amount of the trail commission asset is adjusted to reflect actual and revised estimated cash flows. The resulting adjustment is recognised as revenue or against revenue in profit or loss.

Cash receipts that are expected to be received within 12 months of the reporting date are classified as current. All other expected cash receipts are classified as non-current.

Allowance for credit losses

Current trail commission receivables are due from a combination of highly rated major insurers, telecommunication and energy providers. There has been no historical instances where a loss has been incurred. ECL would not be material and consequently has not been recognised.

Sensitivity of trail commission asset

A combined premium price decrease of 1% and termination rate increase of 1% would have the effect of reducing the carrying value by $8,814,000 (2021: $10,416,000). A combined premium price increase of 1% and termination rate decrease of 1% would have the effect of increasing the carrying value by $11,486,000 (2021: $9,900,000). Individually, the effects of these inputs would not give rise to any additional amount greater than those stated.

Key estimates – trail commission revenue and asset

This method of revenue recognition and valuation of trail commission asset requires the Directors and management to make certain estimates and assumptions based on industry data and the historical experience of the Group.

Attrition rates in Health are particularly relevant to the overall trail commission asset considering the relative size of the Health trail commission asset. Attrition rates vary substantially by provider and also by the duration of time the policy has been in force, with rates generally higher in policies under two years old. The attrition rates used in the valuation of the Health portfolio at 30 June 2022 ranged from 7.5% and 26.50% (2021: 8.9% and 26.5%).

In undertaking this responsibility, the Group engages Deloitte Actuaries and Consultants Limited, a firm of consulting actuaries, to assist in reviewing the accuracy of assumptions for health, mortgages and life trail revenue. These estimates and assumptions include, but are not limited to: termination or lapse rates, mortality rates, inflation, forecast fund premium increases and the estimated impact of known Australian Federal and State Government policies.

These variable considerations are constrained to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. In determining the extent of constraint necessary to ensure to a high probability that a significant reversal of revenue will not occur, the Group performs a detailed assessment of the accuracy of previously forecast assumptions against historical results.

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3.5 Trade and other payables

	CONSOLIDATED	
	2022 $'000	2021 $'000
Current		
Trade payable	4,447	2,720
Accrued expenses	6,393	12,070
Settlement payable	2,000	2,000
Other payable	5,054	372
	17,894	**17,162**
Non current		
Settlement payable	2,600	4,600
	2,600	**4,600**

Recognition, measurement and classification

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the reporting date that are unpaid and arise when the Group obliged to make future payments in respect of the purchase of those goods and services.

3.6 Borrowings

	CONSOLIDATED	
	2022 $'000	2021 $'000
Current		
Bank facilities	2,374	-
Non current		
Bank facilities	11,033	-
	13,407	**-**

The Group also has an undrawn debt facility of $2,240,000 (2021: $10,000,000).

The debt facility comprised of two loan facilities with interest rate at Bank Bill Swap Bid Rate (BBSY) + 2.7%. The first facility was $11,240,000 and is repayable over 6 years. The second facility was $5,000,000 and is repayable over 5 years. The facilities are secured by the Group's assets with the financial covenants tested quarterly. The Group continues to comply with the financial covenants.

3.7 Leases

	CONSOLIDATED	
	2022 $'000	2021 $'000
Lease liabilities		
Current[1]	1,443	2,747
Non-current	-	1,443
	1,443	**4,190**

1 2021 includes current lease liability of $8,000 from the iMoney Group.

Recognition, measurement and classification

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the Group does not have the right to use the identified asset.
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where all the decisions about how and for what purpose the asset is used are predetermined, the Group has the right to direct the use of the asset if either:
  - The Group has the right to operate the asset
  - The Group designed the asset in a way that predetermines how and for what purpose it will be used

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. For measurement and recognition of right-of-use assets, refer to note 3.1.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the lessee uses its incremental borrowing rate as the discount rate.

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3.7 Leases (con'd)

Lease payments included in the measurement of the lease liability comprise:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and do not contain a purchase option, and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Right-of-use assets and lease liabilities by class

	CONSOLIDATED	
	2022 $'000	2021 $'000
Right-of-use assets		
Office premises	947	2,827
Office equipment	-	33
Total	**947**	**2,860**
Lease liabilities		
Office premises	1,443	4,157
Office equipment	-	33
Total	**1,443**	**4,190**

Maturity analysis – contractual undiscounted cash flows

	CONSOLIDATED	
	2022 $'000	2021 $'000
Not later than 1 year	1,456	2,832
Later than 1 year and not later than 5 years	-	1,456
Later than 5 years	-	-
Total	**1,456**	**4,288**

The Group has initially entered into leases on office premises with lease terms between 1 to 10 years. The Group has the option to lease the premises for additional terms of 1 to 10 years.

Amounts recognised in the profit or loss

	CONSOLIDATED	
	2022 $'000	2021 $'000
Interest on lease liabilities	85	162
Expenses relating to short-term leases[1]	-	23
Income relating to variable lease payment[2]	-	146
Depreciation charge for right-of-use assets		
Office premises	1,880	1,879
Office equipment	33	55
	1,913	**1,934**

1 Relates to iMoney Group's short term leases for office premises in Indonesia, Philippines and Thailand

2 As a direct result of the COVID-19 pandemic, the Group received a rent concession in relation to its principal place of business. The concession was a combination of rent deduction and deferment for a fixed period as agreed with the landlord. The Group has elected to apply the practical expedient to AASB 16 Leases in relation to lease modifications as a result of the COVID-19 pandemic and recognise the rent discount to the profit and loss.

Amounts recognised in the statement of cash flows

	CONSOLIDATED	
	2022 $'000	2021 $'000
Total cash outflow for leases	2,832	2,757

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3.8 Provisions

	CONSOLIDATED	
	2022 $'000	2021 $'000
Current		
Annual leave	1,980	2,183
Long service leave	1,194	966
Clawback	1,458	2,905
Rebates	334	4
	4,966	**6,058**
Non-Current		
Long service leave	256	395
	256	**395**

Recognition, measurement and classification

Employee benefits – annual and long service leave

The Group recognises a liability for long service leave and annual leave measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bond rates with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

The Group does not expect its long service leave or annual leave benefits to be settled wholly within 12 months of the reporting date.

Annual and long service leave are classified as current where there is a current obligation to pay the employee shall they leave the Group.

Clawback provisions

Upfront fees received from certain insurance funds, broadband providers and mortgage brokers can be clawed back in the event of early termination of membership. They vary across the industries and are usually triggered where a referred member terminates their policy. Each relevant Product Provider has an individual agreement and the clawback period ranges between 0 and 24 months, depending on the agreement.

Key estimates - Employee benefits

Long service leave liabilities are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

	ANNUAL LEAVE		LONG SERVICE LEAVE		CLAWBACK		REBATES	
	2022	2021	2022	2021	2022	2021	2022	2021
Movement in provision								
Carrying amount at the beginning of the year	**2,183**	2,007	**1,361**	1,356	**2,905**	2,255	**4**	234
Arising during the year	**1,329**	1,558	**174**	132	**2,469**	6,189	**330**	4
Utilised during the year	**(1,532)**	(1,382)	**(85)**	(127)	**(3,916)**	(5,539)	**-**	(234)
Carrying amount at the end of the year	**1,980**	2,183	**1,450**	1,361	**1,458**	2,905	**334**	4

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Section 4: Our capital and risk management

This section sets out the policies and procedures applied to manage our capital structure and the financial risks we are exposed to. We manage our capital structure in order to maximise shareholders' return, maintain optimal cost of capital and provide flexibility for strategic investments.

4.1 Dividends

This note also provides information about the current year final dividend paid. No provision for the current year final dividend has been raised as it was not determined or publicly recommended by the Board as at 30 June 2022.

Dividends paid during the financial year are as follows:

	CONSOLIDATED	
	2022 $'000	2021 $'000
Interim dividend paid	-	2,185
	-	**2,185**

Franking credit balance

Our franking credits available for use in subsequent reporting periods can be summarised as follows:

	CONSOLIDATED	
	2022 $'000	2021 $'000
Franking account balance	130	130
Franking debits from the refund of income tax as at 30 June (at a tax rate of 30% on a tax paid basis)	-	-
	130	**130**

4.2 Equity

	CONSOLIDATED	
	2022 $'000	2021 $'000
Contributed equity		
Issued capital	**115,981**	**111,425**

MOVEMENT IN SHARES ON ISSUE	NUMBER OF SHARES	SHARE CAPITAL $'000
Ordinary shares		
Total quoted shares outstanding at 1 July 2020	**217,861,393**	**111,290**
Issue of shares	472,911	135
Total quoted shares outstanding at 30 June 2021	**218,334,304**	**111,425**
Issue of shares - other	1,175,820	430
Issue of shares - CIMET	20,576,629	4,126
Total quoted shares outstanding at 30 June 2022	**240,086,753**	**115,981**
Total unquoted shares outstanding at 1 July 2020	**589,933**	**-**
Forfeiture of Shares	(429,166)	-
Total unquoted shares outstanding at 30 June 2021	**160,767**	**-**
Forfeiture of Shares	(160,767)	-
Total unquoted shares outstanding at 30 June 2022	-	-

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4.2 Equity (con'd)

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Ordinary shares have no par value and entitle the holder to the right to receive dividends as declared and, in the event of winding up of the Group, to participate in the proceeds from the sale of all surplus assets in proportion to the number and amount paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Group.

Unquoted shares

Shares issued as part of the Long Term Incentive Plan are unquoted shares. Refer to note 5.2 for further details of the Long Term Incentive Plans.

	CONSOLIDATED	
	2022 $'000	2021 $'000
Reserves		
Share-based payment reserve	6,296	5,717
Business combination reserve	5,571	5,571
	11,867	**11,288**

Share-based payment reserve

This reserve records the value of shares under the Long Term Incentive Plan, and historical Employee and CEO Share Option plans offered to the CEO, Senior Executives and employees as part of their remuneration. Refer to note 5.2 for further details of these plans.

Business combination reserve

The internal group restructure performed in the 2007 financial year, which interposed the holding company, iSelect Limited, into the consolidated group was exempted by AASB 3 Business Combinations as it precludes entities or businesses under common control. The carry-over basis method of accounting was used for the restructuring of the iSelect Group. As such, the assets and liabilities were reflected at their carrying amounts. No adjustments were made to reflect fair values, or recognise any new assets or liabilities. No goodwill was recognised as a result of the combination and any difference between the consideration paid and the 'equity' acquired was reflected within equity as an equity reserve titled "Business combination reserve".

Foreign currency translation reserve

Refer to note 1.5 for further details.

4.3 Capital management

This note provides information about components of our net equity as well as our capital management policies. In order to maintain or adjust the capital structure, we may issue or repay debt, adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain operations and future development of the business. Capital consists of ordinary shares and retained earnings. The Board of Directors monitors the return on equity and seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. A summary of our equity and debt attribution is as follows:

	CONSOLIDATED	
	2022 $'000	2021 $'000
Shareholders' equity	115,981	111,425
Debt	13,407	-
Total funding	**129,388**	**111,425**

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4.4 Financial instruments and risk management

Our underlying business activities result in exposure to operational risks and a number of financial risks, including interest rate risk, foreign currency risk, credit risk and liquidity risk.

Our overall risk management program seeks to mitigate these risks in order to reduce volatility on our financial performance and to support the delivery of our financial targets. Financial risk management is carried out by the Finance department under policies approved by the Board.

This note summarises how we manage these financial risks.

Managing our interest rate risk

Interest rate risk arises from changes in market interest rates. Variable rates on our cash and cash equivalents give rise to cash flow interest rate risk.

We manage interest rate risk on our cash and cash equivalents by:

- Monitoring levels of exposure to interest rate risk based on market performance;
- Maximising our interest rate cash potential by managing our term deposit portfolio; and
- Reducing risks by managing our target maturity profiles on term deposits.

Sensitivity

At 30 June 2022, if interest rates had moved as illustrated in the table below, with all other variables being held constant, post-tax profit would have been higher/(lower) as follows:

	CONSOLIDATED	
	2022 $'000	2021 $'000
TOTAL		
+2% (200 basis points)	74	206
-2% (200 basis points)	(74)	(206)
CASH AT BANK		
+2% (200 basis points)	208	206
-2% (200 basis points)	(208)	(206)
BANK FACILITIES		
+2% (200 basis points)	(134)	-
-2% (200 basis points)	134	-

Managing our foreign exchange risk

Foreign currency risk is the risk that the value of a financial commitment, forecast transaction, recognised asset or liability will fluctuate due to changes in foreign exchange rates.

The Group has minimal transactional currency exposure. Such exposures are limited to transactional currency exposure for some purchases made by the Australian entities in currencies other than the functional currency. We manage this risk by ensuring commercial terms with out suppliers are denominated in our functional currency and where they are not, invoices be processed in a timely manner. No hedging instrument have been or are in place as at 30 June 2022 (2021: nil).

Managing our credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss. We are exposed to credit risk from our operating activities (primarily from cash and cash equivalents, trade receivables and contract assets and trail commission asset in future periods).

The Group's maximum exposure to credit risk at reporting date in relation to each class of financial asset is the carrying amount of those assets as indicated in the statement of financial position.

Credit risk related to cash and cash equivalents

Investments of surplus funds are made only with approved counterparties and for approved amounts, to minimise the concentration of risks and mitigate financial loss through potential counterparty failure.

Credit risk related to trade receivables and future trail commission

Customer credit risk is managed in accordance with the Group's policies, procedures and controls relating to customer credit risk management. The credit risk rating of a customer is assessed based on internally defined criteria including the financial position of the counterparties and the business sector they operate in, and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and contract assets are regularly monitored.

An impairment analysis is performed at each reporting date based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type and customer type and rating). The calculation reflects the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The Group does not hold collateral as security.

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4.4 Financial instruments and risk management (con'd)

Exposure to credit risk

The carrying amount of financial assets subject to credit risk at reporting date are as follows:

	CONSOLIDATED	
	2022 $'000	2021 $'000
Cash and cash equivalents	11,320	9,433
Trade receivables and contract assets	10,812	14,864
Trail commission asset	117,955	124,768
	140,087	**149,065**

Managing our liquidity risks

Liquidity risk is the risk that we will be unable to meet our financial obligations.

The Group aims to maintain the level of its cash and cash equivalents at an amount to meet its financial obligations. The Group also monitors the level of expected cash inflows on trade receivables and contract assets together with expected cash outflows on trade and other payables through rolling forecasts. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

The Directors have prepared projected cash flow information for five years from the date of approval of these financial statements taking into consideration the estimation of the continued business impacts of COVID-19. In response to the uncertainty arising from this, the Directors have considered severe but plausible downside forecast scenarios.

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Group's internal policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of liquidity risks are controlled and managed accordingly.

The Group's non-derivative financial liabilities consist of trade payables expected to be settled within three months, bank facilities and lease liabilities expected to be settled within five years. At 30 June 2022, the contractual cash flows are:

	LESS THAN 3 MONTHS $'000	3-12 MONTHS $'000	1-5 YEARS $'000
30 June 2022			
Trade payables	15,440	-	-
Lease liability	728	728	-
Bank facility	594	1,780	11,033
	16,762	**2,508**	**11,033**
30 June 2021			
Trade payables	21,762	-	-
Lease liability	714	2,118	1,456
	22,476	2,118	1,456

Valuation and disclosure within fair value hierarchy

To determine fair value we use both observable and unobservable inputs. We classify inputs used in the valuation of our financial instruments according to a three level hierarchy as shown below:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair values of all financial assets and liabilities, with the exception of lease liabilities, approximates their carrying amounts shown in the statement of financial position.

For financial instruments not quoted in the active markets, the Group used valuation techniques such as present value techniques (which include lapse and mortality rates, commission terms, premium increases and credit risk), comparison to similar instruments for which market observable prices exist, and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs.

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Section 5: Our people

We are working to attract and retain employees with the skills and passion to best serve our markets. This section provides information about our employee benefits obligations. It also includes details of our employee share plans and compensation paid to key management personnel.

5.1 Key management personnel compensation

Key management personnel (KMP) refers to those who have authority and responsibility for planning, directing and controlling the activities of the Group. For a list of key management personnel and additional disclosures, refer to the remuneration report on pages 28 to 42.

KMP aggregate compensation

During the financial years 2022 and 2021, the aggregate compensation provided to KMP was as follows:

	CONSOLIDATED	
	2022 $	2021 $
Short-term employee benefits	1,704,062	2,880,397
Post-employment benefits	87,456	118,732
Share-based payments	327,749	560,061
Termination benefits	276,086	-
	2,395,353	**3,559,190**

Other transactions with our KMP and their related parties

During the financial years 2022 and 2021, apart from transactions disclosed in note 7.2 of the financial report, there were no other transactions with our KMP and their related parties.

We have a number of employee share plans that are available for executives and employees as part of their short-term and long-term remuneration packages.

A transaction will be classified as share-based compensation where the Group receives services from employees and pays for these in shares or similar equity instruments.

This note summarises the primary employee share plans and the key movements in the share-based payment arrangements during the financial year.

5.2 Employee share plans

Recognition and measurement

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they were granted. The fair value was determined by the Directors and management using a Binomial or Monte Carlo model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to profit or loss is the product of (i) grant date fair value of the award; (ii) current best estimate of the number of awards that will vest, taking into account the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and (iii) expired portion of the vesting period. The charge to profit or loss for the period is the cumulative amount as calculated above less the amounts already charged in previous periods where there is a corresponding credit to equity.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so due to the failure to meet a service or non-market vesting condition. Any award subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

Key estimates – employee share plans

The fair value shares granted under the long term incentive plans take into account terms and conditions upon which long term incentive plans shares were granted. Fair value is estimated as at the date of the grant using a binomial option pricing model for shares subject to an EPS hurdle. For shares subject to a TSR hurdle, a Monte Carlo simulation option pricing model has been used to estimate the fair value. Refer to each long term incentive plan for lists of inputs used in the valuation model.

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5.2 Employee share plans (con'd)

The recognised expense arising from equity settled share-based payment plans during the period is shown in note 2.3. During the year ended 30 June 2022, the Group had the following share-based payment plans in place:

Long Term Incentive Plan

- FY2018 LTI Plan

Performance Rights Plan

- 2022, 2021, 2020 and 2019 PRP

The FY2018 LTI Plan lapsed on 30 June 2020. There have been no cancellations or modifications to any of the plans during the period.

FY2018 LTI Plans

Description of Share-Based Payment Plans

The FY2018 LTI Plans were established as the long-term incentive component of remuneration in order to assist in the attraction, reward and retention of certain employees. The LTI Plans are designed to link long-term reward with the ongoing creation of shareholder value, through the allocation of LTI Plan Shares which are subject to satisfaction of long-term performance conditions.

The key terms of the LTI Plans are as follows:

- Participants are invited to join, via a loan-based share plan. There is no initial cost to the recipient to participate in the LTI Plan, but the loan must be repaid before or at the time of sale of the shares. The value of the loan is set by applying the market value at grant date to the number of units granted. This means the share price must increase over the life of the Plan, and pass the performance tests for there to be any value to the participant between vesting and expiry;
- The LTI Plan Shares are issued to each participant upfront, with the number of LTI Plan Shares determined by dividing the remuneration value by the fair value of the LTI Plan Shares at the time of allocation;
- The LTI Plan Shares will only vest upon satisfaction of conditions set by the Board at the time of the offer;
- If the conditions are met and the LTI Plan Shares vest, the loan becomes repayable and participants have up to five years from the date of allocation of the LTI Plan Shares to repay the outstanding balance. The LTI Plan Shares cannot be dealt with (other than to repay the loan) until the loan in respect of the vested LTI Plan Shares is repaid in full;
- Until the LTI Plan Shares vest, the participant is not entitled to exercise any voting rights attached to the LTI Plan Shares. Any dividends paid on the LTI Plan Shares while the loan remains outstanding are applied (on a notional after-tax basis) towards repayment of the loan; and
- In general, if the conditions are not satisfied by the relevant testing date for those conditions, or if the participant ceases employment before the LTI Plan Shares vest, the participant forfeits all interest in the LTI Plan Shares in full satisfaction of the loan.

Cessation of employment

Except where the Board determines otherwise in a specific instance, where a participant ceases employment with iSelect prior to any conditions attaching to LTI Plan Shares issued under the LTI Plan being satisfied, their LTI Plan Shares will be forfeited and surrendered (in full satisfaction of the loan) and the participant will have no further interest in the LTI Plan Shares. However the Board has discretion to approve the reason for a participant ceasing employment before LTI Plan Shares have vested in appropriate circumstances. Such circumstances may include ill health, death, redundancy or other circumstances approved by the Board.

Where the Board has approved the reason for ceasing employment, it has discretion to determine any treatment in respect of the unvested LTI Plan Shares it considers appropriate in the circumstances – for example, that a pro-rata number of LTI Plan Shares are eligible to vest, having regard to time worked during the performance period and the extent the performance condition has been satisfied at the time of cessation.

In relation to vested LTI Plan Shares that remain subject to the loan, the participant will have 12 months (or as otherwise agreed by the Board) from the date of the cessation of their employment to repay the loan. Once the loan is repaid, the participant may deal in the LTI Plan Shares.

For the purposes of Sections 200B and 200E of the Corporations Act, iSelect shareholders have approved the giving of any potential benefits under the LTI Plan provided in connection with any future retirement of a participant who holds a 'managerial or Executive office' such that for the purposes of the provisions, those benefits will not be included in the statutory limit.

Change in control

Unless the Board determines otherwise, all LTI Plan Shares will vest upon a 'change of control', and participants' loans will become repayable (including in respect of any outstanding loan where LTI Plan Shares had already vested prior to the 'change of control'). If the share price has fallen, LTI Plan Shares will be forfeited and surrendered in full satisfaction of the loan.

FY2018 offer under LTI Plan

Each LTI Plan share is offered subject to the achievement of the performance measure, which is tested once at the end of the performance period. The LTI Plans will be measured against one performance measure – relative Total Shareholder Return (TSR). LTI Plan Shares that do not vest after testing of the relevant performance measure, lapse without retesting.

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5.2 Employee share plans (con'd)

FY2018 offer under LTI Plan (con'd)

The shares will only vest if a certain Total Shareholder Return (TSR) relative to the designated comparator group, being the ASX Small Ordinaries Index excluding mining and energy companies, is achieved during the performance period. In relation to the offer, vesting starts where relative TSR reaches the 50th Percentile.

At the 50th Percentile, 50% of LTI Plan shares will vest. All LTI Plan shares will vest if relative TSR is above the 75th Percentile. Between these points, the percentage of vesting increases on a straight-line basis.

Summary of Shares issued under the FY2018 LTI Plan

The following table illustrates the number of, and movements in, shares issued during the year:

	2022 NUMBER	2021 NUMBER
Outstanding at the beginning of the period	**160,767**	**589,933**
Granted during the period	-	-
Forfeited during the period	(160,767)	(429,166)
Exercised during the period	-	-
Outstanding at the end of the period	**-**	**160,767**

The following table lists the inputs to the model for grants made:

	GRANT ON 3 JULY 2017	GRANT ON 31 OCTOBER 2017
Five day volume weighted average price (VWAP) as at grant date	$2.00	$1.53
Exercise price (same as underlying share price at grant date)	$2.00	$1.53
Expected life of LTI Plan shares	3 years	3 years
Risk free rate	2.2%	2.2%
Dividend yield	3.0%	3.0%
Expected volatility	35%	35%

Fair value of shares at grant date:

	GRANT ON 3 JULY 2017	GRANT ON 31 OCTOBER 2017
Relative TSR class	$0.60	$0.40

FY2022, FY2021, FY2020 and FY2019 Performance Rights Plan

The key terms of the Performance Rights Plans are as follows:

- The Performance Rights Plan allows the Group to issue rights to employees. The number of Performance Rights issued is determined by dividing the remuneration value by the fair value of the Performance Rights at the time of allocation;
- The Performance Rights Plan will only vest upon satisfaction of certain conditions which are set by the Board at the time of the offer;
- If the conditions are met and the Performance Rights vest, each participant is entitled to an ordinary share for each Performance Right which vests;
- Until the Performance Rights vest and ordinary shares are issued, the participant is not entitled to exercise any voting rights attached to the Performance Rights and is not entitled to any dividend payments; and

In general, if the conditions are not satisfied by the relevant testing date for those conditions, or if the participant ceases employment before the Performance Rights Plan Shares vest, the participant forfeits all interest in the Performance Rights.

Offer under Performance Rights Plan

The Performance Rights Plan rights granted are subject to the achievement of the performance measure, which is tested once at the end of the 3-year performance period. The Performance Rights will be measured against one performance measure – relative Total Shareholder Return (TSR). The Performance Rights that do not vest after testing of the relevant performance measure, lapse without retesting.

Offer under Discretionary Performance Rights Plan - CIMET

A discretionary long-term incentive offer was made under the same rules as outlined for the LTIP. The Performance Rights will be granted in two tranches which will vest upon completion of each Put/Call Option (including any extension) in accordance with the Share Sale and Subscription Deed ("SSD") with CIMET. Each tranche will be equal to half of the maximum number of Performance Rights outlined in this invitation.

The vesting period for the first tranche will be following the exercise of the first Put/Call option. The Put/Call option becomes exercisable 24 months after Completion for an exercise period of 2 months. If not exercised by either party within that period, the vesting period will extend in line with the ongoing annual exercisable periods as defined in the SSD.

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5.2 Employee share plans (con'd)

FY2022, FY2021, FY2020 and FY2019 Performance Rights Plan (con'd)

Offer under Discretionary Performance Rights Plan - CIMET (con'd)

The vesting period for the second tranche will be following the exercise of the second Put/Call option. The second Put/Call option becomes available 12 months after the first Put/Call option. If not exercised by either party within that period, the vesting period will extend in line with the ongoing annual exercisable periods for the second Put/Call option as defined in the SSD.

Cessation of employment

Except where the Board determines otherwise in a specific instance, where a participant ceases employment with iSelect prior to any conditions attaching to Performance Rights Plan Shares issued under the Performance Rights Plan being satisfied, their Performance Rights will be forfeited and the participant will have no further interest in the Performance Rights. However the Board has discretion to approve the reason for a participant ceasing employment before Performance Rights have vested in appropriate circumstances. Such circumstances may include ill health, death, redundancy or other circumstances approved by the Board.

Where the Board has approved the reason for ceasing employment, it has discretion to determine any treatment in respect of the unvested Performance Rights it considers appropriate in the circumstances – for example, that a pro-rata number of Performance Rights are eligible to vest, having regard to time worked during the performance period and the extent the performance condition has been satisfied at the time of cessation.

For the purposes of Sections 200B and 200E of the Corporations Act, iSelect shareholders have approved the giving of any potential benefits under the Performance Rights Plan provided in connection with any future retirement of a participant who holds a 'managerial or Executive office' such that for the purposes of the provisions, those benefits will not be included in the statutory limit.

Change in control

Upon a 'change of control', the Board has discretion to determine that some or all of the participants' Performance Rights vest immediately.

FY2022 Performance Rights Plan

The following table illustrates the number of, and movements in, shares issued during the year:

	2022 NUMBER	2021 NUMBER
Outstanding at the beginning of the period	-	-
Granted during the period	5,160,622	-
Forfeited during the period	(347,885)	-
Exercised during the period	-	-
Outstanding at the end of the period	**4,812,737**	**-**

The following table lists the inputs to the model for grants made:

	GRANT ON 1 JULY 2021	GRANT ON 15 MARCH 2022
Five day volume weighted average price (VWAP) as at grant date	$0.40	$0.20
Exercise price	$0.00	$0.00
Expected life of LTI Plan shares	3 years	n/a
Risk free rate	0.17%	n/a
Dividend yield	4.00%	n/a
Expected volatility	60%	n/a

Fair value of shares at grant date:

	GRANT ON 1 JULY 2021	GRANT ON 15 MARCH 2022
Relative TSR Class	$0.25	$0.20

FY2021 Performance Rights Plan

The following table illustrates the number of, and movements in, shares issued during the year:

	2022 NUMBER	2021 NUMBER
Outstanding at the beginning of the period	**2,772,621**	-
Granted during the period	-	3,220,823
Forfeited during the period	(584,000)	(448,202)
Exercised during the period	-	-
Outstanding at the end of the period	**2,188,621**	**2,772,621**

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5.2 Employee share plans (con'd)

FY2022, FY2021, FY2020 and FY2019 Performance Rights Plan (con'd)

FY2021 Performance Rights Plan (con'd)

The following table lists the inputs to the model for grants made:

	GRANT ON 1 JULY 2020
Five day volume weighted average price (VWAP) as at grant date	$0.21
Exercise price	$0.00
Expected life of LTI Plan shares	3 years
Risk free rate	0.26%
Dividend yield	0.00%
Expected volatility	40%

Fair value of shares at grant date:

	GRANT ON 1 JULY 2020
Relative TSR class	$0.15

FY2020 Performance Rights Plan

The following table illustrates the number of, and movements in, shares issued during the year:

	2022 NUMBER	2021 NUMBER
Outstanding at the beginning of the period	**3,974,175**	5,570,499
Granted during the period	-	-
Forfeited during the period	(560,889)	(1,596,324)
Exercised during the period	-	-
Outstanding at the end of the period	**3,413,286**	**3,974,175**

The following table lists the inputs to the model for grants made:

	GRANT ON 1 JULY 2019	GRANT ON 20 AUGUST 2020
Five day volume weighted average price (VWAP) as at grant date	$0.61	$0.55
Expected life of Performance Rights Plan	$0.61	$0.55
Risk free rate	3 years	1 year
Dividend yield	1.1%	1.0%
Expected volatility	5.5%	0.0%

Fair value of shares at grant date:

	GRANT ON 1 JULY 2019	GRANT ON 20 AUGUST 2019
Relative TSR class	$0.32	$0.31

FY2019 Performance Rights Plan

The following table illustrates the number of, and movements in, shares issued during the year:

	2022 NUMBER	2021 NUMBER
Outstanding at the beginning of the period	**1,877,778**	**2,558,889**
Granted during the period	-	-
Forfeited during the period	(1,146,111)	(681,111)
Exercised during the period	-	-
Outstanding at the end of the period	**731,667**	**1,877,778**

The following table lists the inputs to the model for grants made:

	GRANT ON 2 JULY 2018
Five day volume weighted average price (VWAP) as at grant date	$0.80
Expected life of Performance Rights Plan	3 years
Risk free rate	2.28%
Dividend yield	4.1%
Expected volatility	40%

Fair value of shares at grant date:

	GRANT ON 2 JULY 2018
Relative TSR Class	$0.45

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Section 6: Our investments

This section outlines our group structure and includes information about our controlled and associated entities. It provides details of changes to these investments and their effect on our financial position and performance during the financial year. It also includes the results of our associated entities.

6.1 Parent entity disclosures

The accounting policies of the parent entity, iSelect Limited, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements except for accounting for investments in subsidiaries which are measured at cost.

	CONSOLIDATED	
	2022 $'000	2021 $'000
Financial Position		
Assets		
Current Assets	1,749	154
Non-Current Assets	124,963	123,740
Total Assets	126,712	123,894
Liabilities		
Current Liabilities	45,772	58,113
Non-Current Liabilities	11,033	-
Total Liabilities	56,805	58,113
Net Assets	**69,907**	**65,781**
Equity		
Contributed Equity	115,981	111,425
Reserves	6,296	5,717
Accumulated Losses	(52,370)	(51,361)
Total Equity	**69,937**	**65,781**
Financial Performance		
Loss of the parent entity	(1,009)	(1,019)
Total comprehensive income of the parent entity	**(1,009)**	**(1,019)**

There are no contractual or contingent liabilities of the parent as at reporting date (2021: $nil). iSelect Limited has issued bank guarantees and letters of credit to third parties for various operational purposes. It is not expected these guarantees will be called on.

6.2 Subsidiaries

The consolidated financial statements include the financial statements of iSelect Limited as the ultimate parent, and the subsidiaries listed below:

		2022	2021
iSelect Health Pty Ltd[1]	Australia	100%	100%
iSelect Life Pty Ltd	Australia	100%	100%
iSelect General Pty Ltd	Australia	100%	100%
iSelect Media Pty Ltd[1]	Australia	100%	100%
iSelect Mortgages Pty Ltd[1]	Australia	100%	100%
iSelect Services Pty Ltd[1]	Australia	100%	100%
Tyrian Pty Ltd[1]	Australia	100%	100%
General Brokerage Services Pty Ltd[1]	Australia	100%	100%
Energy Watch Trading Pty Ltd[1]	Australia	100%	100%
Procure Power Pty Ltd[1]	Australia	100%	100%
Energy Watch Services Pty Ltd[1]	Australia	100%	100%
iSelect International Pty Ltd[1]	Australia	100%	100%

1 A Deed of Cross Guarantee has been entered into by iSelect Limited and these entities. Refer to note 6.5.

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6.3 Investment in associates

This note provides details of our investment in associates and their impairment assessment. An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate are accounted for using the equity method.

Acquisition of CIMET Holdings Pty Ltd

On 15 March 2022, iSelect completed the acquisition of a 49% share in CIMET Holdings Pty Ltd. CIMET Holdings is the holding company of the CIMET Group which includes its subsidiaries, CIMET Sales Pty Ltd and Bulk Bargains Pty Ltd. CIMET is a "B2B" comparison and technology platform business currently operating in the energy, broadband and mobile verticals. CIMET is a private entity located in Sydney that is not listed on any public exchange. The acquisition will provide the Group with access to a new B2B revenue model, provide synergy to the existing business as well as a future technology platform opportunity. The consideration involved is as follows:

- 20,576,629 ordinary shares in iSelect which are subject to escrow for 24 months from completion at an issue price of $0.200 per share;
- $14,000,000 cash;
- $2,240,000 deferred consideration due 12 months post completion; and
- $3,600,000 performance based earn-out payable subject to confirmation by CIMET of the achievement of defined volume targets during the earn-out period. A total of $2,200,000 has been recognised as part of the initial cost of the investment.

In addition, iSelect also acquired 49% share in VConnex Private Limited (VConnex), a company located in India which exclusively provides technology and other services to the CIMET group of companies, for $12,599 in cash.

The carrying value of the investments in associates are as follows:

	JUN 2022 $'000
Investment in associates – CIMET	22,565
Investment in associates – Vconnex	13
	22,578
Share of loss from associates	(119)
Carrying value at 30 June	**22,459**

The following table illustrates the summaries financial information of CIMET group:

	JUN 2022 $'000	15 MAR 2022 $'000
Current assets	16,132	14,561
Non-current assets	1,272	322
Current liabilities	(5,141)	(2,614)
Non-current liabilities	(301)	(66)
Equity	**11,962**	**12,203**

	15 MARCH TO JUN 2022 $'000
Revenue from customer	4,706
Cost of sales	(4,035)
Administrative expenses	(1,149)
Finance costs	(1)
Loss before tax	**(479)**
Income tax benefit	238
Loss for the year	(241)
Total comprehensive income for the year	**(241)**
Group's share of loss for the year[1]	**(119)**

1 Included results from Vconnex, a non-trading company which is not material and therefore considered part of the associate.

The CIMET group also incurred $1,569,000 transaction costs in relation to the acquisition which were recognised in equity.

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6.3 Investment in associates (con'd)

Recognition and measurement

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associates, are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Key estimates – impairment loss

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate in accordance with the requirements in AASB128 Investments in Associates. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of loss of an associate' in the consolidated statement of profit or loss and other comprehensive income.

6.4 Changes in group structure

Discontinued operations

In May 2020, the Group commenced negotiation with an independent third party to sell the Group's 88.8% interest in the iMoney Group. The sale of iMoney was completed on 14 August 2020. The Group has a net cash inflow of $842,000 prior to disposal with a net loss on disposal of $491,000 due to majority of the group's assets being fully impaired in prior year. The group also recorded a loss of $2,433,000 from derecognition of iMoney's non-controlling interest through profit and loss. At 30 June 2020, iMoney was classified as a disposal group held for sale and as a discontinued operation. The business of iMoney represented the entirety of the Group's operations in Asia. With iMoney being classified as a discontinued operations, its operating results are no longer presented in the segment note. The results of iMoney for the prior period are presented following:

	CONSOLIDATED
	JUNE 2021 $'000
Revenue	89
Expenses	(635)
Operating income	(546)
Net finance cost	(34)
Derecognition of non-controlling interest	(2,433)
Impairment of property, plant and equipment and other intangible assets	-
Loss before tax from discontinued operations	(3,013)
Tax expense related to current pre-tax loss	-
Post-tax loss of discontinued operations	**(3,013)**

The net cash flows generated from the sale of iMoney Group are, as follows:

	$'000
Cash received from sale of discontinued operations	-
Cash disposed as a part of discontinued operations	(1,576)
Net cash flow on date of disposal	**(1,576)**

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6.4 Changes in group structure (con'd)

Discontinued operations (con'd)

Carrying amounts of assets and liabilities disposed:

	CONSOLIDATED
	AUG 2020 $'000
Assets	
Cash and cash equivalent	1,576
Trade and other receivables	505
Other assets	323
Assets held for sale	**2,404**

	CONSOLIDATED
	AUG 2020 $'000
Liabilities	
Trade and other payables	1,705
Lease liabilities	-
Other	208
Liabilities directly associated with the assets	**1,913**

The net cash flows incurred by iMoney are as follows:

	2021 $'000
Operating	(126)
Financing	(34)
Investing	1,002
Net cash inflow	**842**

Earnings/loss per share

	CENTS
Basic / diluted loss for the period from discontinued operations	1.4

6.5 Deed of cross guarantee

Pursuant to the iSelect Deed of Cross Guarantee ("the Deed") and in accordance with ASIC Corporations (Wholly-owned companies) Instrument 2016/785 (previously 98/1418), the subsidiaries identified with a '1' in note 6.2 are relieved from the requirements of the Corporations Act 2001 relating to the preparation, audit and lodgment of their financial reports.

iSelect Limited and the subsidiaries identified with a '1' in note 6.2 together are referred to as the "Closed Group". The Closed Group, with the exception of General Brokerage Services Pty Ltd, Energy Watch Trading Pty Ltd, Procure Power Pty Ltd, Energy Watch Services Pty Ltd and iSelect International Pty Ltd entered into the Deed on 26 June 2013.

General Brokerage Services Pty Ltd, Energy Watch Trading Pty Ltd, Procure Power Pty Ltd and Energy Watch Services Pty Ltd entered into the Deed on 1 July 2014, the date they were acquired as part of the Energy Watch Group acquisition. iSelect International Pty Ltd entered the Deed on 8 September 2014. The effect of the Deed is that iSelect Limited guarantees to each creditor payment in full of any debt in the event of winding up any of the entities in the Closed Group.

The consolidated income statement of the entities that are members of the Closed Group is as follows:

	CONSOLIDATED	
	2022 $'000	2021 $'000
Consolidated income statement		
Loss from continuing operations before income tax	(29,704)	(14,849)
Income tax benefit	8,396	1,993
Net loss for the year	**(21,308)**	**(12,856)**
Retained earnings at the beginning of the period	(95,492)	(50,406)
Transferred in from divested subsidiary	-	(30,045)
Net loss for the year	(21,308)	(12,856)
Dividends paid	-	(2,185)
Retained earnings at the end of the year	**(116,800)**	**(95,492)**

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6.5 Deed of cross guarantee (con'd)

The consolidated balance sheet of the entities that are members of the Closed Group is as follows:

	CONSOLIDATED	
	2022 $'000	2021 $'000
Assets		
Current assets		
Cash and cash equivalents	6,442	1,524
Trade receivables and contract assets	9,389	13,725
Trail commission asset	25,846	27,521
Other assets	4,408	3,857
Total current assets	**46,085**	**46,627**
Non-current assets		
Investments in subsidiaries	14,880	14,880
Investment in associate	22,459	-
Trail commission asset	53,128	58,040
Property, plant and equipment	2,068	4,540
Intangible assets	370	14,772
Total non-current assets	**92,905**	**92,232**
Total assets	**138,990**	**138,859**
Liabilities		
Current liabilities		
Trade and other payables	100,553	89,556
Borrowings	2,373	-
Lease liabilities	1,443	2,747
Provisions	4,685	5,559
Total current liabilities	**109,054**	**97,862**
Non-current liabilities		
Borrowings	11,033	-
Provisions	256	395
Lease liabilities	-	1,443
Net deferred tax liabilities	13,170	17,509
Total non-current liabilities	**24,459**	**19,347**
Total liabilities	**133,513**	**117,209**
Net Assets	**5,477**	**21,650**
Equity		
Contributed equity	115,981	111,425
Reserves	6,296	5,717
Retained earnings	(116,800)	(95,492)
	5,477	**21,650**

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Section 7: Other information

This section provides other information and disclosures not included in the other sections, for example our external auditor's remuneration, commitments and contingencies and significant events occurring after the reporting date.

7.1 Other accounting policies

Standards issued but not yet effective

AASB 2020-1 & AASB 2020-6 - Amendments to AASB 101: Classification of Liabilities as Current or Non-current

In January 2020, the AASB issued amendments to paragraphs 69 to 76 of AASB 101 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Property, Plant and Equipment: Proceeds before intended Use – Amendments to AASB 116

In June 2020, the AASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

Definition of Accounting Estimates - Amendments to AASB 108

In March 2021, the AASB issued amendments to AASB 108, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Group. The Group has elected not to early adopt this amendment.

Disclosure of Accounting Policies - Amendments to AASB 101 and AASB Practice Statement 2

In March 2021, the AASB issued amendments to AASB 101 and AASB Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to AASB 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

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7.2 Related party transactions

Transactions and their terms and conditions with other related parties

Arnhold Investments Pty Ltd

All remuneration for Mr Brodie Arnhold including all related fees for his positions of Non-Executive Director and Non-Executive Chairman was paid to Arnhold Investments Pty Ltd. Mr Arnhold is the Director and Company Secretary of Arnhold Investments Pty Ltd.

Prezzee Pty Ltd

During the year, the Group paid Prezzee Pty Ltd $87,405 (2021: $112,043) in relation to digital gift cards for customer and staff incentives. Prezzee Pty Ltd is considered to be a related party of the Group due to Precision Group's (under significant influence of Mr Shaun Bonett, an Non-Executive Director of the Group) investment in Prezzee Pty Ltd, and noting that Mr Bonett is Chairman and a Non-Executive Director of Prezze Pty Ltd. The amount payable to Prezzee Pty Ltd as at 30 June 2022 was $3,455 (2021: $9,020).

7.3 Auditor's remuneration

The external auditor of the Group is BDO Audit Pty Ltd. In addition to the audit and review of our financial reports, BDO provides other services throughout the year. This note shows the total fees to external auditors split between audit, audit related and non-audit related services.

	CONSOLIDATED	
	2022 $	2021 $
Audit services		
Group statutory audit	245,000	245,000
Total audit services	245,000	245,000
Audit-related services		
AFSL compliance review procedures	20,000	20,000
Total audit-related services	20,000	20,000
Total audit and audit-related services	**265,000**	**265,000**

7.4 Events after the reporting date

On 10 August 2022, the Group announced that it has entered into a Scheme Implementation Agreement ("SIA") with Innovation Holdings Australia ("IHA"). IHA and its associates currently hold 26.0% of the ordinary shares of iSelect. Under the SIA, it is proposed that IHA will acquire all of the shares in iSelect that it does not own by way of a scheme of arrangement ("Scheme").

The implementation of the Scheme is subject to certain conditions precedent which must be satisfied or waived before it can be implemented, but if the Scheme is implemented, iSelect shareholders will receive cash consideration of $0.30 per iSelect share for the transfer to IHA of those iSelect shares under (and on the terms of) the Scheme.

The cash price of $0.30 per iSelect share represents:

- A 87.5% premium to the closing price of iSelect shares on 9 August 2022 of $0.16;
- A 70.6% premium to the one-month volume weighted average price to 9 August 2022 of $0.18; and
- A 87.7% premium to the three-month volume weighted average price to 9 August 2022 of $0.16.

No other matters or circumstances have arisen since the end of the period that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

7.5 Commitments and contingencies

Life insurance policies

On 24 October 2011, iSelect Life Pty Ltd reported to the Australian Securities and Investment Commission a breach in relation to its Australian financial services license relating to life insurance policies sold between April 2009 and March 2011. As a result of this breach, an internal review of all life insurance policies sold during that period was undertaken. The review and remediation work commenced in October 2011. As at 30 June 2022, 100% (30 June 2021: 100%) of the initial 5,095 policies had been reviewed by iSelect with only 367 (30 June 2021: 489 policies in relation to one provider still subject to final remediation.

The amount, if any, of the liability associated with those policies yet to be remediated cannot be reliably determined at this time, and accordingly no amounts have been recorded in the consolidated financial statements for the year ended 30 June 2022 (30 June 2021: nil).

Potential liabilities for the Group, should any obligation be identified, are expected to be covered by insurance maintained by the Group.

Directors' Declaration

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In accordance with a resolution of the Directors of iSelect Limited we state that:

1. In the opinion of the Directors:
   a. the consolidated financial statements and notes that are set out on pages 44 to 86 and the Directors' report, are in accordance with the *Corporations Act 2001*, including:
      i. giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance, for the financial year ended on that date; and
      ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and
      iii. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
2. There are reasonable grounds to believe that the Company and the Group entities identified in note 6.2 will be able to meet any obligations or liabilities;
3. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and the Chief Financial Officer for the financial year ended 30 June 2022;
4. The Directors draw attention to note 1.1 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards; and
5. As at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 6.5 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

On behalf of the Directors

Brodie Arnhold AM
Director

Melbourne,
31 August 2022

Geoff Stalley
Director

Melbourne,
31 August 2022

Independent Auditor's Report

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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of iSelect Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of iSelect Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

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Recognition of trail commission revenue and valuation of associated trail commission asset

Key audit matter	*How the matter was addressed in our audit*
The Group recognises trail commission revenue which records, at the point of sale, the future sales commissions expected to be earned over the contract. The recognition and measurement of trail commission revenue, and the associated trail commission asset, is a key audit matter due to the: • Accounting and economic sophistication necessary to value the trail commission asset and related revenue • Sensitivity of accounting judgements, inputs and estimates on the valuation of the trail commission asset • Complexity of the trail commission contract model *The accounting policy, and details of the key accounting estimates and assumptions, are disclosed in Note 2.2 (Revenue from contracts with customers) and 3.4 (Trail commission asset).*	Our audit procedures included, but were not limited to: • Evaluating and validating Management's processes and controls to recognise revenue • Assessing the revenue recognition policy for compliance with the relevant Accounting Standards • Agreeing a sample of sales to appropriate customer source documentation to agree the revenue had been accurately recorded in accordance with the revenue recognition policy • Evaluating the accuracy of data inputs into the trail commission model • Obtaining and reviewing the independent experts actuarial review, and engaging our actuarial specialist to assist in reviewing the Group's trail commission valuation model including assessing the reasonableness of key assumptions and estimates within the trail commission asset • Performing analytical procedures comparing revenue with our expectations and understanding of the financial performance during the year as well as well as the trail commission asset valuation • Assessing the appropriateness of the relevant disclosures in the financial statements.

Assessing the useful life of development costs

Key audit matter	*How the matter was addressed in our audit*
The Group recognises an intangible asset in relation to capitalised costs associated with the development of iSelect's proprietary technology. Following the acquisition of CIMET Holdings Pty Ltd the Group reassessed the useful lives of its capitalised development. In doing so, it was determined the useful lives no longer reflected the expected future economic benefits of the technology. This is considered a key audit matter due to the significance of this change in estimate to the Group's financial performance and position. *The accounting policy, and details of the key accounting estimates and assumptions, are disclosed in Note 3.2 (Intangible assets).*	Our audit procedures included, but were not limited to: • Engaging our valuation experts to assess Management's evaluation of the future economic benefits expected to be generated by the proprietary technology and the estimated useful life of the development costs • Engaging our IFRS technical experts to review Management's position, including an assessment of whether the accounting policy is in accordance with the relevant Accounting Standards • Assessing the adequacy of disclosures within the financial statements.

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Accounting for investment in CIMET

Key audit matter	*How the matter was addressed in our audit*
The Group acquired a 49% share in CIMET Holdings Pty Ltd and VConnex Private Limited (collectively "CIMET") on 15 March 2022. Accounting for the acquisition is a key audit matter due to the significance of the acquisition to the Group. AASB 10 *Consolidated Financial Statements* outlines the requirements to establish whether control exists. Where control is not obtained AASB 128 *Investments in Associates and Joint Ventures* must be considered to determine whether the investor is in a position to exert significant influence or has joint control. *The accounting policy, and details of the key accounting estimates and assumptions, are disclosed in Note 6.3 (Investment in associates).*	Our audit procedures included, but were not limited to: • Reviewing the sale and purchase agreements to understand the terms and obligations under the contracts • Agreeing the fair value of the consideration paid to acquire the investment to source documentation • Engaging our technical experts to review Management's position paper to confirm the correct accounting treatment has been adopted • Performing procedures in relation the financial position and performance of CIMIT, including agreeing a sample of balances and transactions to source documentation to agree that the opening and closing financial position, and the financial performance for the reporting period, was accurately stated • Reviewing the accounting of the investment at the reporting date • Reviewing Management's assessment for indicators of impairment • Assessing the appropriateness of the relevant disclosures in the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's 2022 Annual Report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

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going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 28 to 42 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of iSelect Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

James Mooney
Director

Melbourne, 31 August 2022

ASX Information

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Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as of 5 August 2022.

Distribution of Shareholdings

SIZE OF HOLDING	TOTAL HOLDERS	UNITS	% UNITS
1 – 1,000	203	71,575	0.03
1,001 – 5,000	263	741,629	0.31
5,001 – 10,000	138	1,130,272	0.47
10,001 – 100,000	275	9,949,750	4.14
100,001 and over	80	228,193,527	95.05
Rounding Total	**959**	**240,086,753**	**100**

Unmarketable Parcels

The number of holders holding parcels of less than $500 was 331 as at 5 August 2022.

	MINIMUM PARCEL SIZE	HOLDERS	UNITS
Minimum $500.00 parcel at $ 0.1950 per unit	2,565	331	299,021

Shares Subject to Voluntary Escrow

As at 5 August 2022, there are no shares subject to voluntary escrow.

Substantial Shareholders as at 5 August 2022

NAME	NUMBER OF ORDINARY SHARES HELD	% OF VOTING RIGHTS
BHL Management Services Limited	62,430,788	26.00
Thorney Investment Group	32,825,266	15.07
Microequities Asset Management	22,819,771	10.43
Renaissance Asset Management	18,199,282	8.35
Ankit Jain as trustee for the Jet Trus	18,518,966	7.71
Forager Funds Management	14,599,191	6.69

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Twenty Largest Shareholders

The twenty largest shareholders of fully paid ordinary shares as at 5 August 2022 were:

NAME	NUMBER OF ORDINARY SHARES HELD	% OF ISSUED CAPITAL
INNOVATION HOLDINGS AUSTRALIA PTY LTD	61,225,950	25.50
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	38,059,105	15.85
UBS NOMINEES PTY LTD	33,086,425	13.78
ANKIT JAIN <JET A/C>	18,518,966	7.71
NATIONAL NOMINEES LIMITED	11,107,451	4.63
INVIA CUSTODIAN PTY LIMITED <PRECISION MNGMT CO PL A/C>	7,500,000	3.12
CITICORP NOMINEES PTY LIMITED	5,709,115	2.38
SANDHURST TRUSTEES LTD <COLLINS ST VALUE FUND A/C>	5,516,709	2.30
DISSA INVESTMENTS PTY LTD	4,308,066	1.79
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,884,631	1.62
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	3,403,805	1.42
BELLITE PTY LTD <MEYER FAMILY BTML A/C>	2,852,874	1.19
TIMOTHY SHEPHERD + ELIZABETH SHEPHERD <MONTROSE FAMILY A/C>	2,057,663	0.86
GEORGE TAUBER MANAGEMENT PTY LTD	2,000,000	0.83
BELLITE PTY LTD <MEYER FAMILY A/C>	1,940,254	0.81
SZEKELY SMSF PTY LTD <SZEKELY SUPER FUND A/C>	1,724,053	0.72
NEWS LIFE MEDIA PTY LTD	1,648,731	0.69
URBAN LAND NOMINEES PTY LTD	1,333,654	0.56
INNOVATION HOLDINGS AUSTRALIA PTY LTD	1,204,838	0.50
AUSTRALIAN EXECUTOR TRUSTEES LIMITED <NO 1 ACCOUNT>	1,189,843	0.50

The percentage holding of the 20 largest shareholders of iSelect Ltd fully-paid ordinary shares was 86.75%.

Reported vs Underlying Results

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	REPORTED	ADJUSTMENTS				UNDERLYING
	FY22 $'000	LEGACY TRAIL BOOK SALE	CAPITALISED SOFTWARE DEVELOPMENT COST	CIMET - TRANSACTION COST	CIMET - PERFORMANCE	FY22 $'000
EBITDA	**5,034**	**1,556**	**1,185**	**2,100**	**-**	**9,874**
Share of loss in associates	(119)	-	-	-	119	-
Depreciation and amortisation	(20,605)	-	10,788	-	-	(9,816)
EBIT	**(15,690)**	**1,556**	**11,973**	**2,100**	**119**	**58**
Net finance income	(460)	-	-	-	-	(460)
Profit/(loss) before income tax expense	**(16,150)**	**1,556**	**11,973**	**2,100**	**119**	**(402)**
Income tax expense	4,331	1,380	(3,527)	-	-	2,184
Profit for the period	**(11,819)**	**2,936**	**8,446**	**2,100**	**119**	**1,782**
EPS	**(5.2)**	1.3	3.8	0.9	0.1	**0.8**

Corporate Directory

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ABN 48 124 302 932

Directors

Brodie Arnhold
Non-Executive Chairman

Shaun Bonett
Non-Executive Director

Bridget Fair
Non-Executive Director

Melissa Reynolds
Non-Executive Director (appointed 1 March 2022)

Geoff Stalley
Non-Executive Director

Chief Executive Officer

Warren Hebard

Company Secretary

Mark Licciardo

Registered Office

294 Bay Road
Cheltenham Victoria 3192 Australia
Phone: +61 3 9276 8000

Principal Place Of Business

294 Bay Road
Cheltenham Victoria 3192 Australia
Phone: +61 3 9276 8000

Share Register

Computershare Investor Services Pty Ltd
Yarra Falls
452 Johnston Street
Abbotsford Victoria 3067 Australia

iSelect Limited shares are listed on the Australian Securities Exchange (ASX: ISU)

Solicitors

Mills Oakley
Level 6, 530 Collins Street
Melbourne Victoria 3000 Australia

Bankers

Commonwealth Bank of Australia
Level 20, Tower 1
727 Collins Street
Docklands Victoria 3008 Australia

Auditors

BDO Audit Pty Ltd
Level 18, Tower 4
727 Collins Street
Docklands Victoria 3008 Australia

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