

20 October 2020**2020 Annual General Meeting
CHAIRMAN'S SPEECH**

Good afternoon Ladies and Gentlemen, my name is Chris Knoblanche and I am the Chairman of the iSelect Board. On behalf of all the Directors, I am pleased to welcome you to the 2020 Annual General Meeting of iSelect Limited. Thank you all for joining us this afternoon. This is the first time we have run a virtual AGM and I thank you all for your understanding and patience as we adjust to this new online format.

I have been told we have a quorum and I therefore declare the meeting open. A Notice of Meeting was distributed earlier setting out the business and resolutions to be considered at this meeting and I will take the Notice as read.

(Introductions)

I would like to start by introducing your Board of Directors who are also here on the call: Independent Non-Executive Directors, Melanie Wilson, Shaun Bonnet, Bridget Fair and Geoff Stalley, along with our CEO & Executive Director Brodie Arnhold.

Also joining us today on our call are our Executive Leadership team, all of whom have now been with iSelect for some time. I'd like to take this opportunity to introduce you to two senior leaders who formally joined the Executive Leadership team this year: Michael White, our Executive of Sales and Operations who has been with the business since 2016 and Sonya Oakley, our Executive of People and Culture who joined iSelect early last year.

Making up our Executive Leadership team are Vicki Pafumi, Chief Financial Officer, Slade Sherman, Chief Experience Officer and Warren Hebard who is currently Chief Marketing and Commercial Officer, having added Commercial to his remit earlier this year.

As you may be aware, just last week we announced that Warren would be taking over from Brodie as CEO from 1 November. Brodie will remain on the Board and will continue to mentor Warren to ensure a smooth transition.

Firstly, on behalf of the Board, I would like to thank Brodie for his hard work and commitment through what has been a challenging period for the Company. Brodie, with the support of his Executive leadership team, has guided the company through these challenges and a number of legacy issues. With the last of these legacy issues now resolved, the Board believes that the time is now right for Brodie to complete a handover to a permanent CEO.

Also on behalf of the Board, I would like to congratulate Warren on his appointment and look forward to working closely with him as we remain focussed on improving our value offering to customers and returning the business to growth in the future.

Also participating in today's call representing iSelect's auditors, is Tim Coyne from Ernst & Young, and, from Computershare, our returning officer David Squires.

Before handing to Brodie to run through a presentation about the business, I would like to make some brief comments as Chairman.

(FY20 Commentary & Performance)

FY20 was undoubtedly challenging for iSelect, as it was for so many other businesses. However, in response to both expected and unexpected challenges, a mammoth amount of work has been undertaken to quickly adapt our business model to the rapidly evolving COVID landscape and position the business strongly for future success. I am extremely proud of what we have achieved over the past year and believe we have secured a strong result given the challenging external circumstances.

Looking back over FY20, the year began with regulatory change in the energy market in H1FY20 and concluded with the unexpected shock of COVID-19 severely disrupting market demand during our key trading period for Health in H2FY20.

While anticipated, the Energy regulatory changes introduced on 1 July 2019 had a considerable impact on retailers, products and RPS, as well as significantly impacting cross-serve. Unfortunately this, along with COVID-19, impacted the valuation of our Energy Watch business and we have incurred \$9 million of impairment charges in relation to Energy Watch. Pleasingly the operational issues within our Energy business have now been overcome and for our iSelect-branded Energy business, conversion rates are now approaching FY19 levels.

In Health, we saw strong performance and YoY growth until mid-March when our leads and revenue were dramatically impacted by the unexpected shock of COVID-19. The onset of COVID-19 in Australia led to the cancellation of the health insurance premium rise, traditionally a peak period for iSelect. This, along with the suspension of elective surgeries, severely impacted demand and ultimately led to a decline in Health revenue for the remainder of FY20. Health insurance demand continues to recover in FY21.

COVID-19 also had a significant operational impact on the business, including implementation of the technology requirements to rapidly shift all staff to working remotely without adversely impacting productivity or customer experience. We are now fully set up to provide flexible working options ongoing, which opens up future opportunities to attract talented staff from beyond our geographical location.

Within this challenging context, iSelect has achieved an underlying EBITDA result of \$13.7 million for FY20, inclusive of \$3.7 million of Job Keeper subsidies. Pleasingly, despite regulatory change and the ongoing COVID-19 headwinds, the Energy market has returned and our H2FY20 operational performance was sound. I believe the fact we were able to finish FY20 strongly is something to be very proud given the circumstances. Our Q1 results have been positive and I am confident this will continue throughout FY21.

(Strategic Review)

While COVID-19 has undoubtedly presented the business with many challenges, it has also provided a unique opportunity for change and improvement. In response to the challenges of FY20 and uncertain macro-economic outlook, the Board conducted a strategic review to reposition the business for improved profitability in FY21 and beyond.

This strategic review resulted in significant changes and led to the introduction of our 'Future Operating Model'. In response to COVID-19, we introduced fixed base cost reductions and have scaled-back our call centre capacity to better align with expected demand and increase operational efficiency. This leaner model will enable greater emphasis on marketing ROI, profitability and cash flow in the short to medium term and more streamlined technology investment. This model change will also allow us to build a strong platform for a return to growth in the future.

As part of our Future Operating Model, we have outsourced fulfillment of customer orders within Life and Home Loans to new partners. These exciting new white label partnerships with Lifebroker and Lendi pave the way for future B2B partnership opportunities, including the likely expansion into new verticals.

(iMoney exit)

We are pleased to have finalized the sale of iMoney in early August, to one of the founders of the iMoney business, for a nominal value. iSelect has no further obligations or liabilities in respect of iMoney following the sale.

Despite iMoney's potential, it had become clear that the capital investment needed to continue to support that business was no longer aligned with iSelect's strategy, especially in light of operational and other impacts of COVID-19 on the Asian market.

(Corporate Activity)

During July, iSelect was in confidential and incomplete discussions with Innovation Holdings Australia Pty Ltd ("IHA"), a 28.7% shareholder in iSelect. This resulted in IHA proposing an off-market takeover offer to acquire the remaining shares in iSelect. However in August, IHA notified iSelect that it would not be proceeding because the parties could not agree on various terms, including the terms of a material adverse change condition (and any impact of COVID-19 on that condition).

(ACCC)

Pleasingly earlier this month we reached a settlement agreement with the Australian Competition and Consumer Commission (ACCC) in relation to certain statements and disclosures previously made on its energy comparison service which were the subject of proceedings in the Federal Court. Importantly, the Federal Court acknowledged that there was no evidence that iSelect intended to mislead consumers or deliberately contravene the law, and they also acknowledged the prompt corrective action taken as well as our ongoing cooperation.

We were also very pleased that several additional claims made by the ACCC were dismissed, including incorrect assumptions regarding the scope of our comparison service, our relationships with partners and the comprehensiveness of the Government's Energy Made Easy website.

I, along with the Board, echo Brodie's sentiments in welcoming the agreement. The conclusion of this matter allows us to put it, along with a number of other legacy issues, firmly behind us, move forward and focus on growing our business.

(Capital Management)

During FY20 iSelect's investment in technology continued, with a further \$8.7 million invested in our Australian business, in line with our strategy of prioritising partners, customers and data. FY20 is expected to be the peak in our capital investment, with substantially lower capital expenditure planned from FY21 onwards.

As at June 30 2020, our Group Cash Balance was \$11.3 million. Following several years of working capital increases, due to trail revenue, we expect a working capital reduction from H2FY21. Importantly, our trail commission asset continues to perform in line with expectation. In addition, the strategic decisions taken in our Life business and our exit from iMoney will further strengthen our cash flow going forward.

The Board remains focused on conserving cash for business reinvestment as well as expected market consolidation and has determined to not declare a final dividend for FY20. However, with the stronger cash flows expected in FY21 and beyond, the Board will reconsider capital management options in the future.

(FY21 Outlook)

Before I finish my commentary on iSelect’s financial results, I would like to touch on the year ahead, with Brodie to provide more detail in his presentation shortly.

As begin FY21 in the shadow of COVID-19, many Australian households are under increased financial pressure. This uncertain economic environment puts iSelect in a unique position to help Australians and we believe our vision ‘To save customers time, effort and money’ is more relevant than ever. We will continue to adapt our model to the changing external environment while always remaining focused on improving our service and value offering to our customers.

(Summing up)

I would like to finish by saying how extremely proud I am of how quickly the business has adapted to the constantly changing COVID-19 environment. Since March, we have adjusted our operations, resized our cost base and exited iMoney which will improve profitability and cash flow into FY21. We have taken the challenges presented by COVID-19 as an opportunity to adjust our operating model, particularly in Life Insurance and Home Loans, and reduced our fixed cost base. We have also taken a conservative position by impairing our Energy Watch business.

I’d also like to acknowledge the incredible effort of iSelect’s staff. iSelect’s team members quickly adapted to a ‘Work-from-home’ (WFH) environment in March and have been working remotely ever since, with iSelect’s Melbourne office still closed due to the ongoing COVID-19 restrictions in Victoria. In what has been an extremely challenging year for our staff both professionally and personally, they have never wavered in their commitment to our customers. The Board and Executive Team could not be more grateful for the incredible effort all staff have made during this difficult time in Victoria.

Before I hand over to Brodie, I would like to take this opportunity to thank him, our experienced executive leadership and our senior management team, for their contribution and dedication to the Company during what has been an extremely challenging year. I would also like to thank my fellow Directors for their efforts over the past year, and to you our shareholders for your continued support.

Authorised for release by the Board of Directors of iSelect Limited

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About iSelect

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

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