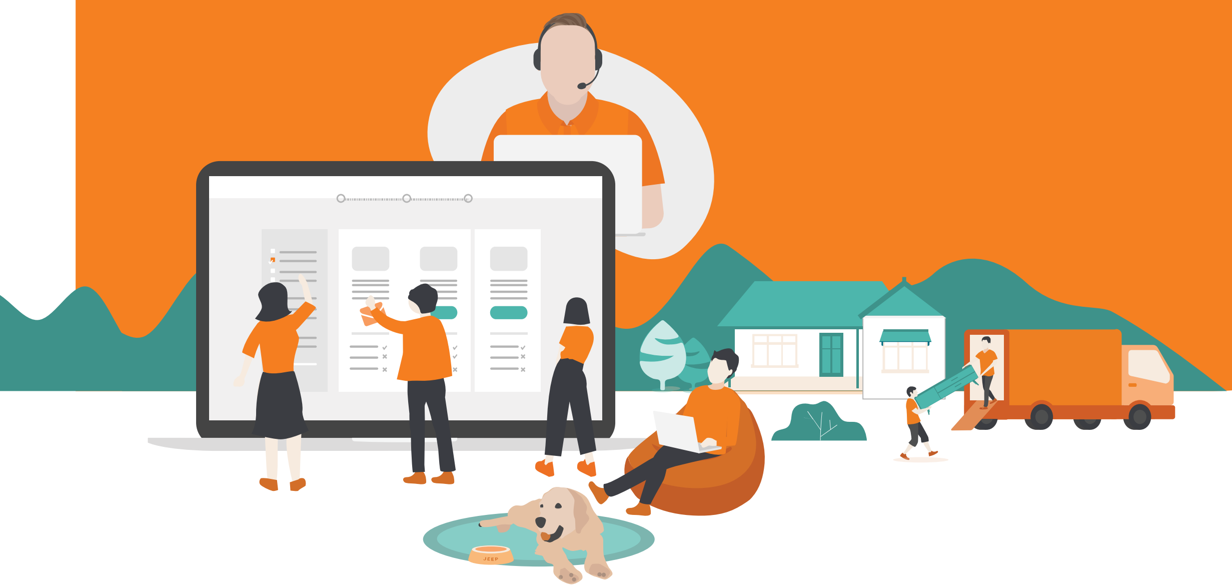
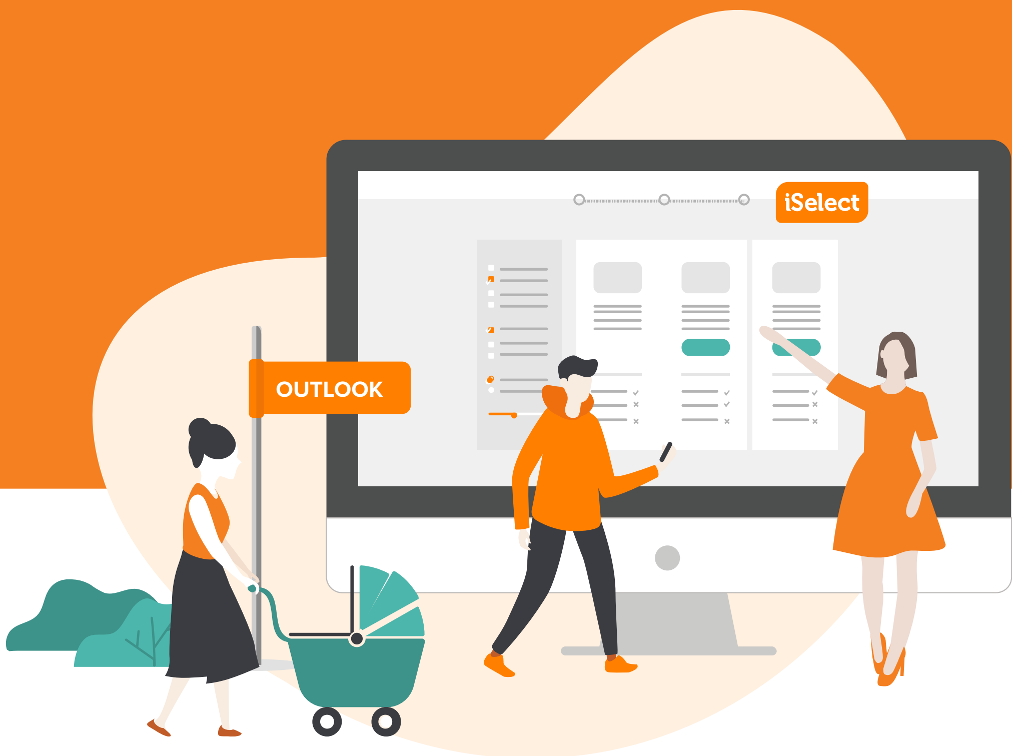
Annual Report 2021



iSelect

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



Inside this report

IMPORTANT NOTICE AND DISCLAIMER

All references to FY18, FY19, FY20 and FY21 appearing in this Annual Report are to the financial years ended 30 June 2018, 30 June 2019, 30 June 2020 and 30 June 2021 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/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 the Company'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 and are 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 and management. This may cause actual results to differ materially from those expressed in the forward-looking statements contained in this Annual Report.

The Group cannot and does not give any assurance 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. 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.

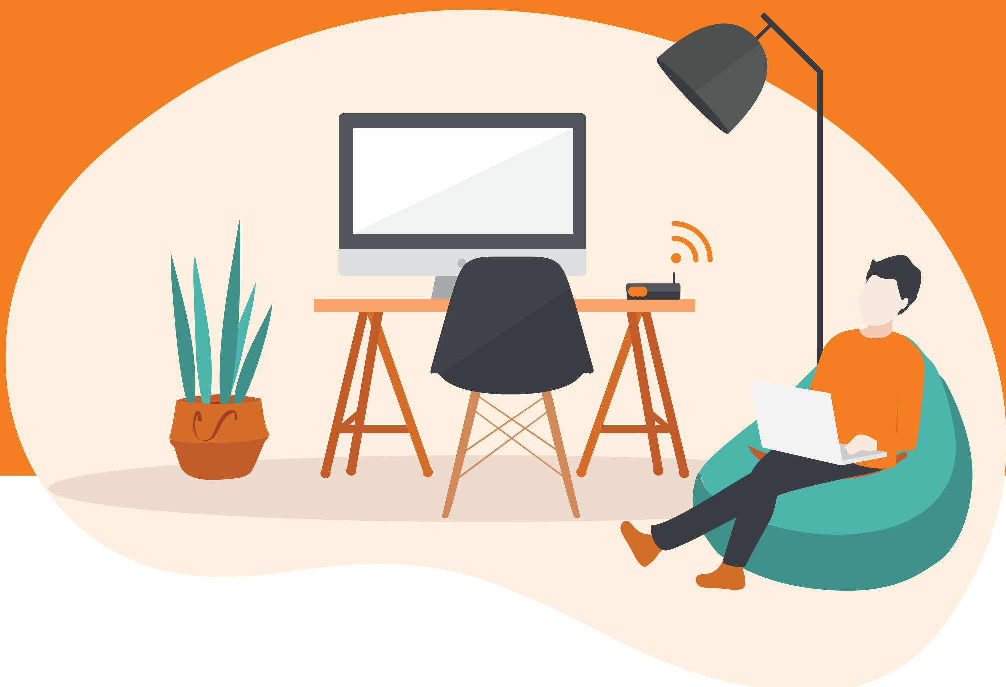
Any references to "Group" in this Annual Report refer to iSelect Limited and its controlled entities.

ABN: 48 124 302 932

About iSelect

“ Amazing service, clear, precise and amazing attitude. Loved every minute, made me feel like I was talking to a friend.”

Broadband: Bailey, North Tamworth NSW



At iSelect we're passionate about helping Australians save time, effort and money by making it easy to compare from our marketplace of leading brands at no cost to them.

We make it simple for millions of Australians to not only reduce their household bills, but also find products that are a great fit for their life stage through our thorough needs analysis. We might be best known for health insurance, but that's far from all we do. We help Aussies compare a wide range of household products and services across insurance, utilities and finance. And we're always looking to expand into new verticals so we can help more Aussies, more often.

iSelect is so much more than an online comparison website. The majority of our customers complete their purchase with the assistance of our 300+ Australian-based talented team members. Our consultants strive to truly understand customers' needs and help them to choose the most suitable product from those available from our range of providers. And we often save our customers hassle by helping them to complete their purchase.

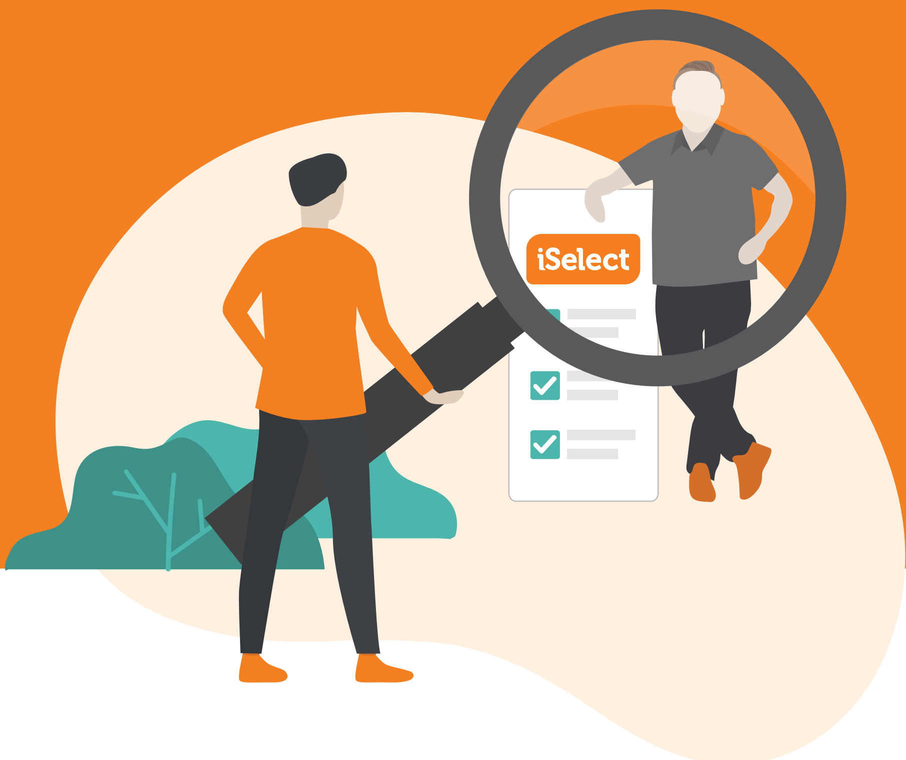
We have been around for more than 20 years and as our industries evolve, customer behaviour changes and new opportunities arise, the future for comparison services is incredibly exciting. We're proud to be ASX-listed and, unlike some other comparison sites, we are not privately owned by an insurance company. As well as our flagship iSelect brand, the iSelect Group also own energy comparison service, Energy Watch.

iselect.com.au

2021 CEO and Chairman's letter

“ Helpful, knowledgeable, friendly staff. I had been looking into health funds, thinking that my fund was not such good value for money. I have changed funds now, pay less and receive more ”

Health: Karen, Acacia Hills, TAS



Dear Shareholders,

On behalf of the Board of Directors of iSelect Limited, we present to you iSelect's 2021 Annual Report. Our performance in the year ended 30 June 2021 (FY21) highlights the resilience of the iSelect business, with the backdrop of the COVID-19 pandemic posing an ongoing operational challenge as it has done, and continues to do, for many businesses. The recurring lockdowns due to COVID-19 continue to place many Australians under sustained financial pressure, making our purpose of helping Australians save time, effort and money, more relevant than ever. Despite fluctuations in consumer demand at various stages throughout FY21, our prioritisation of profit and cash flow combined with the operating model changes made in Q4FY20, delivered an Underlying EBITDA result of $20.8 million for FY21, inclusive of $3.4 million of JobKeeper. Our operating cash flows remained solid with trail cash collections performing slightly ahead of expectation. Operationally, the business recorded strong results across key performance measures with conversion, cross-serve and marketing ROI all improving and growth in iSelect Account holders continued, a position which we believe provides a solid platform for business growth as we turn our focus to FY22.

LEADERSHIP CHANGES

As announced at our Annual General Meeting in October 2020, the Board appointed Warren Hebard as permanent CEO, effective 1 November 2020. Warren joined iSelect in 2018, having previously served as Executive - Marketing and Commercial.

The Board announced the appointment of Brodie Arnhold as Chairman, effective 1 March 2021. Brodie first joined the Board in 2014, before serving as interim CEO between April 2018 and October 2020. Upon finishing as CEO, Brodie returned to the Board and has played an instrumental role in assisting with the CEO transition. Former Chairman Chris Knoblanche stepped down from the Board on 28 February 2021. We would like to thank Chris for his hard work, commitment and invaluable stability during his more than five years as Chairman.

OPERATIONAL PERFORMANCE

The global pandemic and associated lockdown restrictions have seen fluctuations in consumer demand persist through FY21. This, combined with the operating model changes and prioritisation of cash flows and profit during this uncertain period, resulted in a reduction in leads. The lead declines were most significantly felt in our Energy, Telco and Car Insurance verticals, where declines of 40-50% were recorded, whilst Travel Insurance was down 99%. In Health Insurance in H1, we saw a 21% decline in leads when elective surgery and some extras services were suspended, however recovery was seen in H2, and the Health leads finished 13% down for the full year.

Throughout FY21, our key operating performance metric of conversion remained strong across the board, with the Energy and Telco segment improving on prior year levels as the Energy market normalised following the regulatory changes introduced in FY20. We expect these levels of performance will provide us with a strong foundation and position the business on a path back to growth.

Despite lead challenges, our General Insurance business delivered a strong result in FY21, with a focus on operational performance delivering improved conversion. We saw growth in Home and Contents Insurance and a continued shift toward our online sales channel. The transition to a lower-risk lead referral model for Life Insurance is now complete. We also note the performance of the legacy Life Insurance trail book remained strong, with our retention initiatives continuing to deliver.

ACCC SETTLEMENT

In October 2020, we reached a settlement agreement with the Australian Competition and Consumer Commission (ACCC) in relation to certain representations and disclosures previously made by our 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 and acknowledged the corrective action taken by iSelect after it was notified of the ACCC's concerns. We were also very pleased that several additional claims made by the ACCC were dismissed. The Federal

Court ordered iSelect to pay a penalty of $8.5 million which is recognised in full in the FY21 results. On a cash-only basis, the penalty is to be paid in instalments, the first payment of $1.9 million paid in H1FY21 and the remainder spread over the coming three years.

SCALING OF LEAD SOURCES VIA INNOVATIVE NEW PARTNERSHIPS

iSelect will continue to look for ways to realise value through partnerships, signing two innovative agreements in FY21 with NewsCorp and Seven Affiliate Sales to promote both the iSelect and Energy Watch brands to the Australian market. Launching in January 2021, the NewsCorp partnership has diversified our digital marketing strategy and focuses on making iSelect synonymous with household budgets via tailored content creation and strategic digital advertising. The partnership continues to build, albeit a little slower than originally forecast, as learnings are applied and additional integrated, dynamic digital assets are rolled out.

In June 2021, we announced a partnership between Energy Watch and Seven Affiliate Sales, a division of Prime Media Group. The media partnership utilises the trusted voice of regional 7 to take to market a new TV campaign for Energy Watch. Similar in nature to the NewsCorp partnership, the agreement focuses on payment for lead generation and sees Seven Affiliates strategically place media based on shared insights to maximise return for both parties. Although in its infancy, the early signs are encouraging.

INCREASING OUR PRODUCT OFFERING

In January 2021, iSelect added the new vertical of Business Loans comparison, complementing our other small-medium business offerings. In addition, new verticals of Credit Cards, Personal Loans and Car Loans have recently been launched in August 2021. We look forward to developing these in FY22 as well as continuing to explore further new vertical opportunities.

In addition to new verticals, a key focus in FY21 has been to expand the breadth and depth of our product range for customers within our traditional verticals. In June 2021, iSelect welcomed Bupa (Health Insurance) and Aussie Broadband (Telco) to our range of providers. It is the first time that the Bupa brand has joined iSelect's range of health insurance providers, with iSelect now representing brands from Australia's nine major health insurers. From a Telco perspective, with the addition of Aussie Broadband, iSelect now represents seven brands in the home internet vertical.

GROWTH OF iSELECT CUSTOMER ACCOUNT HOLDERS

iSelect Customer Account holders continue to scale and we now have 1.1 million account holders, which is a growth rate of 108% (H2 vs H1). Our Customer Account is a key pillar in our transition from a transaction-based to a relationship-based business where metrics of 'Verticals per customer', Net Promoter Score (NPS) and Customer Lifetime Value will become an increasing focus.

LONG TERM STRATEGY: i26

During H2, the Board and newly formed management team have developed and documented iSelect's long term strategy, i26. Central to the first phase of i26 is the Consumer Data Right (CDR) legislation, which was passed in 2019. The CDR's objective is to empower consumers by arming them with more information to enable a more informed spending decision making. The CDR has already been implemented for Banking ('Open Banking') with the Energy sector ('Open Energy') to come next. Open Energy's first phase will incorporate the major retailers ('Tranche 1') and is currently scheduled for October 2022, with the second phase covering the remaining retailers ('Tranche 2') scheduled for October 2023. Following this, the Telecommunications and Insurance sectors are expected to follow in subsequent years.

Open Energy will improve consumers' ability to compare and switch between products and services, and increase competition between service providers, leading not only to better prices for customers, but also to more innovative products and services. For iSelect, this represents a significant opportunity to deliver a simplified and seamless user journey, and to continue building relationships with our customers by providing continuous comparisons and one central location. The first phase of i26 will leverage recent investments in Data and our Customer Account to bring an Open Energy proposition to our customers in Q2 FY23.

Looking further ahead, we believe the CDR will enable iSelect to offer customers a personalised 'Always On' comparison service in several verticals, with the prospect of recurring revenue models such as those seen in the UK comparison market. We believe this will enable iSelect to increasingly digitise its revenue, decreasing the current reliance on our sales centre and improve marketing ROI. We will continue to update our shareholders on our progress of i26.

SPECIAL DIVIDEND AND DIVIDEND PROGRAM

In FY21Q4 we were pleased to announce a special dividend and dividend program. The Board determined to pay a special dividend of $0.01 per share on 22nd June 2021. The dividend did not relate to a specific period and was unfranked. We will continue a regular dividend program during FY22, at an initial level of $0.01 per share, to be paid every half year ($0.02 per share, annually). The first dividend payment in this program will be made in March 2022.

LOOKING AHEAD

To conclude, the results in FY21 highlight iSelect's resilience and strength as a business. Looking ahead, COVID-19 continues to cause market volatility and we anticipate this will impact performance in the first half of FY22. We also note that we expect Health Insurance premium increase timings to return to normal and that we do not anticipate receiving JobKeeper or similar stimulus in FY22. With competition increasing in our space, our focus in FY22 will be on executing operationally within our core businesses whilst progressing our i26 strategy. Our first phase of i26 will be leveraging our Energy expertise and Customer Account base in preparing for Open Energy, building out our new verticals and continuing to invest in our marketing partnerships and brand.

We would like to close by thanking you, our shareholders, for your ongoing support through FY21. Despite the uncertain economic environment, we believe we have the right model, strategy and team in place to deliver in FY22 and beyond.

Yours sincerely,

Warren Hebard

CEO

Brodie Arnhold

Brodie Arnhold

Chairman

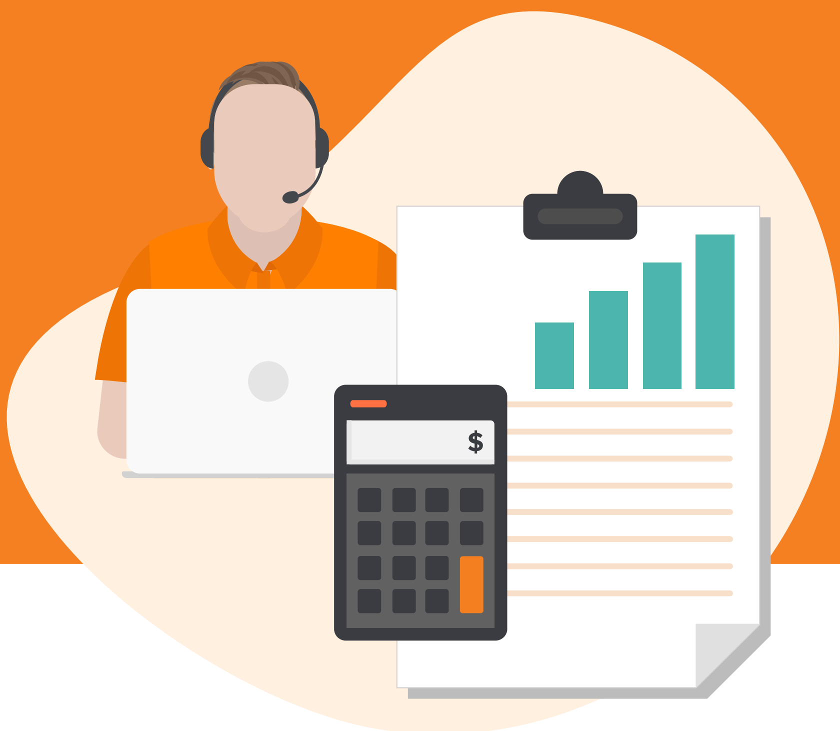
> "I don't have to do the work. Somebody answers the phone, sorts everything out, calls me back - wonderful"

Energy: Marion, Surfers Paradise QLD

2021 Operational Headlines

“They reduced my electricity and my car insurance and saved me a lot of money. I wish I did it earlier”

Energy: Gayle, NSW



OPERATIONAL UPDATE

FY21 proved to be a challenging year amid the continued impact of COVID-19 and recurring restrictions. Despite the challenging external conditions, it was also a year where we placed significant focus on the optimisation of our operating model and our ability to provide customers provide customers with more choice along with more providers and products.

Market demand conditions affected our lead volumes across most of our segments, with the largest decreases experienced in our Energy and Telco and General Insurance verticals. We also saw declines in Health Insurance through H1, which pleasingly recovered through H2. The reduction of lead volumes, however, did have an impact on our sales volumes, despite tangible improvements in our conversion metrics.

Despite demand headwinds, our business proved its resilience and delivered Underlying EBITDA (including JobKeeper) growth of 52%. This was testament to the successful execution of operational changes implemented at the end of FY20, and our strong focus on cash flow and profitability. Pleasingly, the stabilisation of the Energy market after the FY20 regulatory changes was reflected in operational improvements in our Energy and Telco segment through FY21. Overall, our strong EBITDA result was supported by improvements in conversion, cross-serve and marketing ROI.

We now have 1.1 million customer account holders. In addition, our Net Promoter Score improved by 8%, demonstrating the value that we are delivering to Australians and our continued focus to help them save time, effort and money.

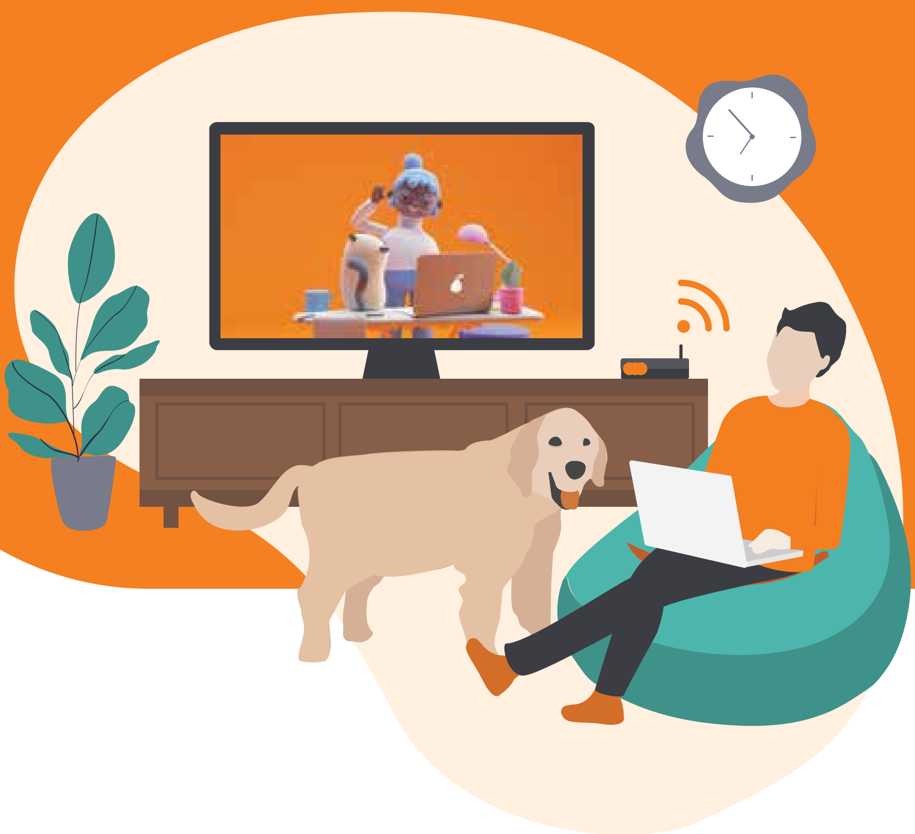
2021 RESULTS

Metric	Result	Change
REVENUE ($m)	111.0	-10%
EBITDA ($m)	20.8	52%
LEADS (m)	2.1	-35%
CONVERSION	10.4%	1.5PP
SALES UNITS (k)	208	-30%
MARKETING ROI	3.29	+6%
CUSTOMER ACCOUNTS	1.1m	+108% V H1
NPS	56	+8%

Brand and Marketing

“They were very friendly, patient and helpful. I am moving homes and it really was great to have them do all the comparisons for me to find the best deals”

Broadband: Suzanne, Peterborough SA



In FY21 we maintained our brand presence and continued to diversify our lead sources, building out the partnership with NewsCorp and establishing a new media partnership with Seven Affiliate Sales.

We continued to uphold our strength in brand with a strategically booked TVC schedule utilising a series of animated and COVID-19 relevant TVC's including the pitfalls of working from home. Our press office supported all business verticals, with successful outreach including sharing of proprietary research findings across TV, radio, press and online. Additionally, our company spokespeople featured regularly on Sunrise and metro news programs during key health and energy campaign periods, encouraging Aussies to compare household bills with iSelect. Our digital marketing partnership with NewsCorp is continuing to evolve. Launched in January 2021, the unique partnership, tailored to our business model, goes beyond the realm of traditional media buying and focuses on content creation and digital advertising in return for revenue share of converted sales.

In June 2021 we launched a new partnership between Energy Watch and Seven Affiliate Sales, a division of Prime Media Group and trusted voice in regional Australia. Once again stretching the boundaries of traditional media relationships, the partnership sees Seven Affiliates receive payment for incremental lead generation in return for an allocation of media for TV campaigns across the Prime TV network. Although still in its early days, initial data is positive.

Looking forward in FY22, an all-new brand campaign will be launched in H2. The team will continue to evolve our existing partnerships and also look to on-board more new lead generation partners.

Investment will continue at scale in SEO and Content. The expansion of marketing automation to promote seamless interactions with the brand will continue to be a focus along with the optimisation of performance marketing initiatives based on ROI. Marketing will also support the rollout of new vertical launches as we aim to help more Australians save on their household expenses.

Our Partners

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. 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 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.

> “You took care of everything in one phone call! Love talking to real people!!!!”

Car: Paola, South Melbourne, VIC

Insurance

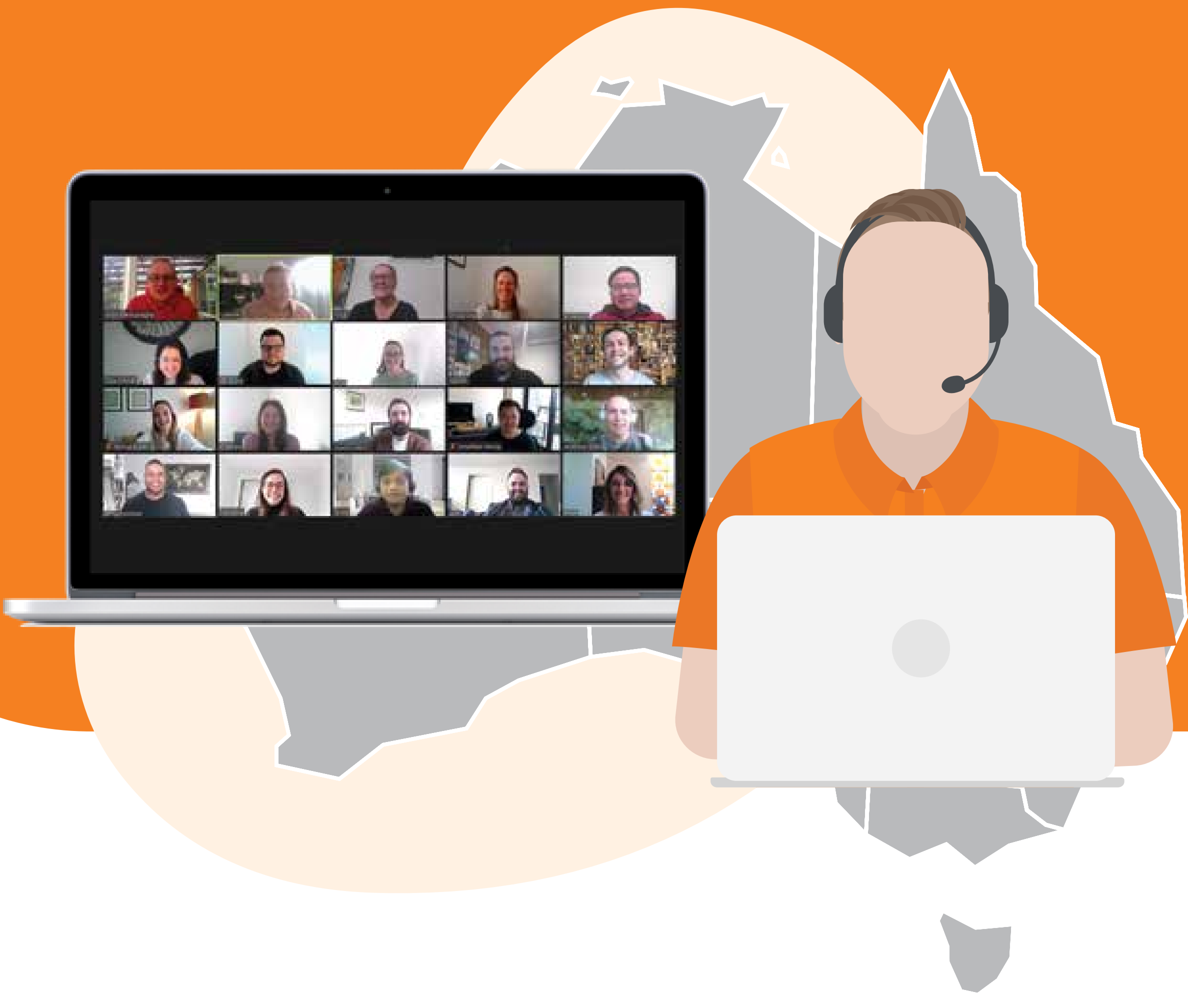
Utilities

White Label and Click Out

Our People

“Excellent customer service. I have a hearing impediment, and felt heard and respected. Very kind people”

Car: Robert, Crestmead QLD



Throughout FY21 we have remained adaptable to the ever-changing circumstances associated with the COVID-19 pandemic. Our people continue to show enormous resilience, prioritising the needs of our customers so that we can continue to support Australians in their efforts to reduce their living expenses.

The way we live and work has changed, as well as the needs of our customers. Our team's expertise has adapted to navigate how to achieve the best services to suit these evolving circumstances.

EXPANDING HOW AND WHERE WE WORK

Our people told us that the flexibility to work where they wanted helped them stay productive and balance their work and life demands. We listened, and as a result we continue to offer flexibility to our team and are pleased that this has also allowed us to expand our employment offerings into regional Victoria and other states. Broadening the talent pool has enabled us to hire exceptional talent wherever they are located around Australia. It has also expanded our knowledge of any unique customer needs across a variety of locations. Both of these are critical elements of delivering the expertise our customers have come to know and expect from us.

SUPPORTING EMPLOYEES TO DEVELOP THEIR CAREERS

Extended lockdowns in Victoria challenged us to think differently about how we provide professional development and training in FY21. All of our induction and product training moved online at the start of FY21 and we have had a strong focus on ensuring that we receive real-time feedback on our new hire experience so that we can adapt our approach throughout the program. We have also significantly expanded the content available through our Academy, giving our people the opportunity to develop skills relevant for today but also for the future.

Our Emerging Leader program, introduced in FY20, has resulted in a number of the participants taking up their first front-line leadership position during the course of the year which is an incredibly pleasing result. We have also introduced a new framework centred on driving values-based leadership with our first workshops held in May 2021.

OUR COMMUNITY

Our employees are passionate about supporting the community and once again have found fun and creative ways of raising money and awareness in support of their chosen charities. To leverage this passion even further we have established an employee committee focused on how we drive our CSR strategy and look forward to achieving even more in FY22.

CONNECTION AND WELLBEING

Being predominantly based in Victoria, during this year we have had less than three months where we could operate in a 'COVID normal' environment. Enabling our employees to maintain their sense of belonging and our unique culture without the opportunity to be together in person has challenged us to continually think about how we can maintain connection in a predominantly online environment. As a business we have held virtual events to support the social connections necessary for individuals and the business to thrive, but it is the work and creativity of our individual people leaders working with their teams that has enabled us to keep people engaged and healthy.

Board Members

Brodie Arnhold

Chairman and Non-Executive Director

Brodie was appointed Chairman in March 2021, having first joined iSelect Board as an Independent Non-Executive Director in September 2014. Brodie also spent two years as interim 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) (since 2013) Endota Spa Pty Ltd, Industry Beans Pty Ltd, Hungry Hungry Pty Ltd and Prism Pty Ltd, and is a Non-Executive Director of Bailador Technology Investments Limited (ASX: BTI) (since 2019).

Previously, Brodie was the CEO of Melbourne Racing Club (2013 to 2017) and prior to that worked for Investec Bank from 2010 to 2013 where he was responsible for building a high-net-worth private client business.

He also worked for Westpac where he grew the institutional bank's presence in Victoria, South Australia and Western Australia, and from 2006 to 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, Nomura and Goldman Sachs.

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 March 2007. 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, 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 Prince's Trust, a Director of the Chinese Language and Culture Education Foundation of Australia, and founder of his own charity, the Heartfelt Foundation.

Bridget Fair

Independent Non-Executive Director

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

Bridget was appointed to the iSelect Board in September 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 Chairman of Screenrights and has been on the Boards of OzTAM and Freeview.

She is a Board member of the Judith Neilson Institute for Journalism and Ideas. Bridget is also a Graduate of the Australian Institute of Company Directors.

Melanie Wilson

Independent Non-Executive Director

Chair of the Audit and Risk Management Committee, and a Member of the Remuneration and Nominations Committees

Melanie was appointed to the iSelect Board in March 2016 and brings extensive experience in online business and digital marketing. In her former role as Head of Online for BIG W she managed Australia's largest general merchandise e-commerce website.

Melanie has over 12 years' experience in senior management roles across Australian and global retail brands including Limited Brands (Victoria's Secret, Bath & Bodyworks), Starwood Hotels and Woolworths. She also held corporate finance and strategy roles with leading investment banks and management consulting firms including Goldman Sachs and Bain & Company.

Melanie is currently a Non-executive Director of JB HiFi Limited (ASX: JBH) (since 2020), EML Payments (ASX: EML) (since 2018) and Baby Bunting Group Ltd (ASX: BBN) (since 2016). She was previously a Non-Executive Director of Shaver Shop Group Limited (ASX: SSG) (2016 to 2020).

Melanie holds a Master in Business Administration (MBA) degree from the Harvard Business School and a Bachelor of Commerce (Honors) degree from the University of Queensland.

Geoff Stalley

Independent Non-Executive Director

Member of the Audit and Risk Management Committee

Geoff was appointed to the iSelect Board in December 2018 and is an entrepreneurial senior executive with more than 25 years' consistent success in starting, building, growing and improving the performance of businesses.

Geoff joined Booktopia (ASX: BKG) in 2020 as the Chief Financial Officer to lead the IPO and establish the business as a listed entity on the ASX. He was previously the Chief Growth Officer for Serco Asia Pacific, a global public sector services business. Geoff has a long career working for major professional services firms (AT Kearney, Andersen, EY and Deloitte) for global and Australian clients on projects spanning corporate innovation, new business growth, complex transformations and merger integration.

Geoff is also the Chair of Uplifting Australia, a not-for-profit organisation focused on the emotional wellbeing of children; Chair of the Advisory Board for a consulting business Exent; and a mentor to a number of start-ups at Stone & Chalk.

Geoff is a Graduate of the Australian Institute of Company Directors, holds a Master of Economics (Macq), a Bachelor of Business (UTS), and is a member of Chartered Accountants in Australia and New Zealand (CA ANZ) and CPA.

Leadership Team

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 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.

Sonya Oakley

Executive – People & Culture

Sonya joined iSelect in April 2019 and is responsible for the Company's Human Resources, Safety & Wellbeing functions. A highly astute, pragmatic and authentic leader in People & Culture, Sonya has an extensive understanding of strategic and operational best practice human resources.

Sonya brings a great depth of relevant HR leadership experience to iSelect through senior HR roles within mid-large businesses. Sonya joined iSelect from Telstra, where she was General Manager HR for IT & Digital Solutions and previously held the role of Global Head of Talent Acquisition and Career Services. Prior to joining Telstra, Sonya was the Director of Human Resources ANZ at Delaware North and spent over a decade with the Coles Group in a variety of specialist senior positions.

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

Michael White

Executive – Sales & Operations

Michael joined iSelect in February 2016 as Head of Commercial – Health, then taking on the role of Group Executive – Health & General Insurance in April 2017 and into his current role of Executive – Sales & Operations in June 2020.

A commercial and results-orientated executive, Michael's experience spans all major retail sectors including grocery, discount and department stores. 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), Manassen Foods (Bright Foods), Hallmark, FIJI Water, Valcorp Fine Foods and Heinz.

Michael holds both a Bachelor of Business and Masters of Entrepreneurship & Innovation from Swinburne University of Technology and has attended Harvard Business School Executive Education programs in 2020.

Leadership Team

Andrew Charenko

Executive – Technology
Appointed July 2021

Andrew joined iSelect in January 2021 as Head of Technology and was later welcomed into the iSelect Executive team in July 2021.

Andrew brings over 17 years' experience scaling businesses through strategic technology change, the creation of forward-focused digital roadmaps and the development of high performance, multi-skilled teams built to deliver at pace.

Previous to his role at iSelect, Andrew has held various senior leadership positions, covering Architecture, Security, Engineering and Infrastructure, at carsales.com, Sportsbet and BetEasy.

Paul Coco

Executive – Marketing
Appointed July 2021

Paul joined iSelect in March 2017 as Digital Performance Lead, before moving into the role of Head of Digital Marketing in 2020 and was 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 strategy having previously worked across various Finance, Real Estate, Retail, Hospitality, Health Insurance and Government sectors. Paul started his career at Dentsu Aegis, a multinational media and digital marketing communication company where he specialised in performance marketing. He developed over his time there to move on to lead multiple highly-skilled digital performance teams and become responsible for product growth and delivering on large scale business opportunities and pitches as an agency Business Director.

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

Justin Logan

Acting Executive – Commercial
Appointed July 2021

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.

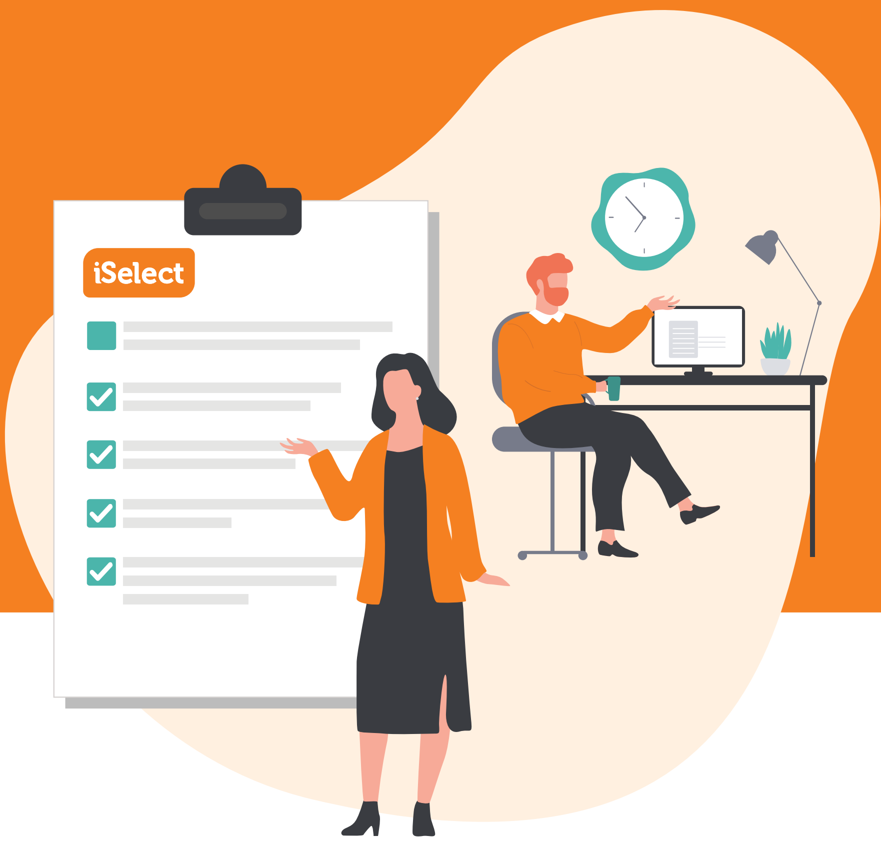
“Chris was great, very knowledgeable and gave great recommendations. He was understanding of my situation and answered all the questions I had in ways that really made sense and helped me with my decisions”

Broadband: Julia, Box Hill VIC

Corporate Governance Statement

“Excellent and personalised service. I am now saving $50 a month and getting much better health coverage”

Health: Maria, Northmead, NSW



This Corporate Governance Statement (Statement) explains how the Board of iSelect Limited (Board) oversees the management of iSelect Limited's (iSelect or Company) business. The Board is responsible for the overall corporate governance of iSelect, including establishing and monitoring key performance goals. The Board monitors the operational and financial position and performance of iSelect and oversees its business strategy including approving the strategic goals of iSelect and considering and approving an annual operating plan, including a budget.

As at the date of this report, the Board is comprised of a majority of Independent Non-Executive Directors as follows:

DIRECTORS	POSITION	APPOINTED	PERIOD IN OFFICE	INDEPENDENT
Brodie Arnhold	Non-Executive Chairman	25 September 2014	6 years, 11 months	No*
Shaun Bonett	Non-Executive Director	7 March 2007	14 years, 5 months	Yes
Bridget Fair	Non-Executive Director	30 September 2013	7 years, 10 months	Yes
Melanie Wilson	Non-Executive Director	31 March 2016	5 years, 4 months	Yes
Geoff Stalley	Non-Executive Director	1 December 2018	2 years, 8 months	Yes

* Denoted as "not independent" in conformity with the formal temporal criterion in ASX guidance in the 4th edition Corporate Governance Principles and Recommendations, because in addition to his directorship, Mr Arnold has held other Company roles in the past 3 years, principally as interim CEO in the period April 2018 to October 2020.

The Board is committed to maximising iSelect's performance, generating appropriate levels of shareholder value and financial return, and sustaining the growth and success of iSelect. In conducting iSelect's business with these objectives, the Board seeks to ensure that iSelect is properly managed to protect and enhance shareholder interests, and that iSelect, its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing iSelect, including adopting relevant internal controls, risk management processes and corporate governance policies and practices, which it believes are appropriate for iSelect's business and which are designed to promote the responsible management and conduct of iSelect.

The ASX Corporate Governance Council has developed and released its 4th edition ASX Corporate Governance Principles and Recommendations (ASX Recommendations) for Australian listed entities in order to promote investor confidence and to assist companies in meeting stakeholder expectations. The recommendations are not prescriptions, but guidelines. However, under the ASX Listing Rules, iSelect is required to provide a statement in its Annual Report disclosing the extent to which it has followed the ASX Recommendations in the reporting period. Where iSelect does not follow an ASX Recommendation, it must identify the ASX Recommendation that has not been followed and give reasons for not following it.

An overview of iSelect's main corporate governance practices is set out below.

Details of iSelect's key policies and charters for the Board and each of its committees are available in the Our Company/ Governance section of the Company's website at www.iselect.com.au.

This Statement is current as at 24 August 2021 and has been approved by the Board.

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

A listed entity should clearly delineate the respective roles and responsibilities of its Board and management and regularly review their performance.

Recommendation 1.1

A listed entity should have and disclose a Board Charter setting out:

(a) The respective roles and responsibilities of its Board and management; and

(b) Those matters expressly reserved to the Board and those delegated to management.

The Board has adopted a formal Charter that details the functions and responsibilities of the Board. The Board Charter also establishes the functions reserved to the Board and those powers delegated to management. The Board delegates to the Chief Executive Officer (CEO) the authority and power to manage iSelect and its businesses within the levels of authority specified.

The CEO's role includes the day-to-day management of iSelect's operations including effective leadership of the management team in addition to the development of strategic objectives for the business.

The number of Board and Board Committee meetings held during the year along with the attendance by Directors is set out in the Directors' Report.

The Board is appointed by shareholders who hold them accountable for the Company's governance, performance, strategies and policies. To assist with the efficient and effective discharging of its responsibilities, the Board Charter allows the Board to delegate powers and responsibilities to committees established by the Board.

The Board strives to build sustainable value for shareholders whilst protecting the assets and reputation of iSelect. The Board's responsibilities include but are not limited to:

- approving iSelect's strategies, budgets, plans and policies;
- assessing performance against strategies implemented by management;
- reviewing operating information to understand the state of health of the Company;
- approval of proposed acquisitions, divestments and significant capital expenditure;
- approval of capital management including approving the issue or allotment of equity, borrowings, dividend policy and other financing proposals;
- ensuring that iSelect operates an appropriate corporate governance structure and compliance systems;
- approving iSelect's risk management strategy and frameworks, and monitoring their effectiveness;
- approval and monitoring of the annual and half year financial reports; and
- appointment and removal of the CEO.

The Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. The Board has established an Audit and Risk Management Committee, a Nominations Committee and a Remuneration Committee. Other committees may be established by the Board as and when required. Membership of Board committees will be based on the needs of iSelect, relevant legislative and other requirements and the skills and experience of individual Directors.

The Board Charter provides that, with guidance from the Nominations Committee and, where necessary, external consultants, the Board shall identify candidates with appropriate skills, experience, expertise and diversity in order to discharge its mandate effectively and to maintain the necessary mix of expertise on the Board.

Directors may obtain independent professional advice at iSelect's expense on matters arising in the course of their Board and committee duties, after obtaining the Chair's approval.

A copy of the Board Charter is available in the Our Company/ Governance section of the Company's website at www.iselect.com.au

Recommendation 1.2

A listed entity should:

(a) undertake appropriate checks before appointing a Director or Senior Executive or putting someone forward for election as a Director; and

(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.

The Board is committed to ensuring appropriate checks are conducted before appointing a person, or putting forward a candidate for election to shareholders, as a Director. The types of verifications the Company typically undertakes include checks as to the proposed Director's character, experience, education, criminal and bankruptcy history.

All information relevant to a decision to elect or re-elect a Director will be provided to shareholders before a resolution is put forward to shareholders at the General Meeting. This information will include details of any other material directorships and biographical details, including relevant qualifications and experience.

Recommendation 1.3

A listed entity should have a written agreement with each Director and Senior Executive setting out the terms of their appointment.

Non-Executive Directors are appointed pursuant to formal letters of appointment setting out the key terms and conditions of the appointment including details regarding Directors' remuneration, role and responsibilities, confidentiality of information, disclosure of interests, matters affecting independence and entering into deeds of indemnity and access. Each Senior Executive also has a written employment contract which sets out the terms of their employment.

Recommendation 1.4

The Company Secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

The Board is responsible for appointing and removing the Company Secretary and the Company Secretary shall be accountable to the Board, through the Chair, on all corporate governance matters. All Directors shall have direct access to the Company Secretary.

Recommendation 1.5

A listed entity should:

(a) have and disclose a Diversity Policy;

(b) through its Board or a Committee of the Board set measurable objectives for achieving gender diversity in the composition of its Board, Senior Executives and workforce generally;

(c) disclose in relation to each reporting period:

  (i) the measurable objectives set for that period to achieve gender diversity;

  (ii) the entity's progress towards achieving those objectives; and

  (iii) either:

    (a) the respective proposition of men and women on the Board, in Senior Executive positions and across the whole workforce (including how the entity has defined 'Senior Executive' for these purposes); or

    (b) if the entity is a 'relevant employer' under the Workplace Gender Equality Act, the entity's most recent 'Gender Equality Indicators', as defined in and published under that Act.'

If the entity was part of the S&P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its Board should be to have not less than 30% of its Directors of each gender within a specified period.

The workforce of iSelect is made up of individuals with diverse skills, backgrounds, perspectives and experiences and this diversity is recognised, valued and respected by the Company. In recognition of the Company's workforce, the Company has established a 'Diversity and Inclusion Policy' and also formed the iSelect Diversity Council. The iSelect Diversity Council is committed to its goal of fostering an inclusive and equitable work environment for all of its people. The iSelect Diversity Council is charged with ensuring that iSelect and all of its Directors, employees and contractors comply with the Diversity and Inclusion Policy.

The Diversity and Inclusion Policy is publicly available in the Our Company/Governance section of the Company's website at www.iselect.com.au

Measurable objectives for achieving gender diversity set

The Diversity and Inclusion Policy includes requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them. The objectives for the year ended 30 June 2021 and the progress towards achieving them are outlined below:

OBJECTIVES	KEY PERFORMANCE INDICATOR	ACTIONS	STATUS
Recruitment & Talent Development	Increased female representation in applicant pool and hires.	Removal of CVs for consultant hiring and focus on job simulation screening tool.	Complete
Gender Representation	Increased female representation in target areas.	Flexible working arrangements and interstate hiring implemented and have positively impacted our female representation in our highest volume hiring. Introduction of monthly networking event focused on career development and work life balance.	Complete
Increase Diversity and Inclusion Awareness	Increase Mental Health & Disability Support by improving employee and manager awareness.	Series of events to destigmatise mental health. Unconscious bias awareness sessions.	Complete

Gender Equality Indicators

The proportion of men and women on the Board, in Senior Executive positions and across the entire workforce as at 30 June 2021 was as follows:

CATEGORY	FEMALE %	MALE %
Entire Workforce	37%	63%
Senior Executives (including CEO & Executive Team)	33%	67%
Board	40%	60%

iSelect remains committed to gender diversity on its Board and at all tiers of the Company.

Recommendation 1.6

A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and

(b) disclose for each reporting period whether performance evaluation has been undertaken in accordance with that process during or in respect of that period.

The Company's Board Charter details a process for the review of Board, committee and individual Directors' performance.

During the year ended 30 June 2021, an informal Board review was conducted to ensure that it is working effectively and efficiently in fulfilling its functions.

The Chair of the Board also held discussions with individual Directors as to their performance.

Recommendation 1.7

A listed entity should:

(a) have and disclose a process for evaluating the performance of its Senior Executives at least once every reporting period;

(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

The Company's Board Charter details a process for the review of the performance of the CEO.

The performance of the Company's Senior Executives, including the CEO, is reviewed regularly to ensure that Senior Executive members continue to perform effectively in their roles. Performance is measured against the goals and Company performance set at the beginning of the financial year and reviewed throughout the year. A performance evaluation for Senior Executives has occurred during the year in accordance with this process.

PRINCIPLE 2 – STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

The Board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.

Recommendation 2.1

The Board of a listed entity should:

(a) have a Nomination Committee which:

  (i) has at least three members, a majority of whom are independent; and

  (ii) is chaired by an Independent Director. And disclose:

  (iii) the Charter of the Committee;

  (iv) the members of the Committee; and

  (v) as at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings.

The Board has an established Nominations Committee which consists of a majority of Independent Directors, is chaired by an Independent Director and has at least three members.

The committee currently comprises Shaun Bonett (Chair), Bridget Fair and Melanie Wilson.

The Nominations Committee meets as often as is required by the Nominations Committee Charter or other policies approved by the Board to govern the operation of the Nominations Committee. The number of Nominations Committee meetings held during the year is set out in the Directors' Report.

Following each meeting, the Nominations Committee reports to the Board on any matter that should be brought to the Board's attention and on any recommendation of the Nominations Committee that requires Board approval.

Further details for the procedure for the selection of new Directors to the Board, the re-election of incumbent Directors and the Board's policy for the nomination of Directors are contained within the Company's 'Nominations Committee Charter' and 'Board Charter'.

A copy of the Company's 'Nominations Committee Charter' is publicly available in the Our Company/Governance section of the Company's website at www.iselect.com.au.

Recommendation 2.2

A listed entity should have and disclose a Board skills matrix setting out the mix of skills that the Board currently has or is looking to achieve in its membership.

The Nominations Committee is responsible for reviewing and making recommendations in relation to the composition and performance of the Board and its committees and ensuring that adequate succession plans are in place (including for the recruitment and appointment of Directors and senior management). Independent advice will be sought where appropriate.

The criteria to assess nominations of new Directors are reviewed annually and the Nominations Committee regularly compares the skill base of existing Directors with that required for the future strategy of iSelect to enable identification of attributes required in new Directors. In searching for and selecting new Directors for the Board, the Committee assesses certain criteria to make recommendations to the Board. The criteria which will be assessed include the candidate's background, experience, professional skills, personal qualities, gender, capability to devote the necessary time and commitment to the role, potential conflicts of interest, independence and whether their skills and experience will complement the existing Board.

The Board's objective is to have an appropriate mix of expertise and experience on the Board and its committees so that it can effectively discharge its corporate governance and oversight responsibilities. This mix and depth of experience is described in the Board skills matrix as follows:

SKILLS AND EXPERIENCE	EXPLANATION	NUMBER OF DIRECTORS
Accounting and Financial Reporting	Accounting qualifications and/or experience assists the Board with the provision of financial expertise in overseeing the integrity of financial reporting.	3
Legal and Compliance	Legal qualifications and/or experience assists the Board in meeting its legal and compliance obligations.	2
Strategy	Experience in strategy assists the Board in developing and sustaining appropriate strategies to ensure continued growth for the Company.	5
Corporate Governance	Experience in the development of policies and frameworks supports proper corporate governance including the monitoring of material risks.	4
Remuneration and Human Resource Management	Expertise in remuneration and human resource management assists with the Board's role in overseeing talent management and development, including succession planning.	3
Government Relations	Experience in working with government, government organisations and regulators assists the Company to operate effectively and compliantly in regulated industries.	2
CEO and Board Experience	Performing in a CEO or Senior Executive role assists with the development of appropriate business strategies and operating plans.	5
Industry Experience	Experience in a senior position within industry assists the Board with understanding and improving the Company's processes and strategies.	5
Audit and Risk Management	Experience in audit and risk management assists the Board by providing an understanding of financial management and developing appropriate processes and strategies to deal with risk.	4

To the extent that any skills or experience are not directly represented on the Board, they are augmented through senior management and external advisors. Full details of each Directors' relevant skills and experience are set out on page 16 and 17 of this report.

Recommendation 2.3

A listed entity should disclose:

(a) the names of the Directors considered by the Board to be Independent Directors;

(b) if a Director has an interest, position or relationship that might raise issues about the independence of a Director but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position or relationship in question and an explanation of why the Board is of that opinion; and

(c) the length of service of each Director.

The Board considers an Independent Director to be a Non-Executive Director who is not a member of iSelect's management and who is free of any business or other relationship that could materially interfere with or reasonably be perceived to interfere with the independent exercise of their judgement. The Board will consider the materiality of any given relationship on a case-by-case basis and has adopted guidelines to assist in this regard. The Board reviews the independence of each Director in light of interests disclosed to the Board from time to time.

The iSelect Board Charter sets out guidelines and thresholds of materiality for the purpose of determining independence of Directors in accordance with the ASX Recommendations and has adopted a definition of independence that is based on that set out in the ASX Recommendations.

The Board considers thresholds of materiality for the purpose of determining 'independence' on a case- by-case basis, having regard to both quantitative and qualitative principles.

Without limiting the Board's discretion in this regard, the Board has adopted the following guidelines:

- The Board will determine the appropriate base to apply (e.g. revenue, equity or expenses), in the context of each situation;
- In general, the Board will consider an affiliation with a business that accounts for less than 5% of the relevant base to be immaterial for the purpose of determining independence. However, where this threshold is exceeded, the materiality of the particular circumstance with respect to the independence of the particular Director should be reviewed by the Board; and
- Overriding the quantitative assessment is the qualitative assessment. Specifically, the Board will consider whether there are any factors or considerations which may mean that the Director's interest, business or relationship could, or could be, reasonably perceived to materially interfere with the Director's ability to act in the best interests of iSelect.

The Board considers that other than Brodie Arnhold who served as the Company's CEO during April 2018 and October 2020, all other Non-Executive Directors (being Shaun Bonett, Bridget Fair, Geoff Stalley and Melanie Wilson) are free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of the Director's judgement and is able to fulfil the role of Independent Director for the purpose of the ASX Recommendations.

Brodie Arnhold is denoted as "not independent" in conformity with the formal temporal criterion as set out in the 4th Edition ASX Corporate Governance Principles and Recommendations (ASX Recommendations), because in addition to his directorship, Brodie has held other Company roles in the past 3 years, principally as interim CEO in the period April 2018 – October 2020. Aside from the Company roles (and related performance incentives associated with his interim CEO role, the terms of which have been disclosed), the Board is satisfied that Brodie fulfils the other ASX enunciated criteria for genuine independence as set out in sections 2.3 and 2.5 of the ASX Recommendations.

One of the five Directors of the Company (Shaun Bonett) has served for a term of more than ten years. The Company considers that Shaun Bonett's sustained knowledge of the Company enables him to continue to make a strong contribution as an Independent Director of iSelect.

Recommendation 2.4

The majority of the Board of a listed entity should be Independent Directors.

The Board consists of a majority of Independent Directors.

Recommendation 2.5

The Chair of the Board of a listed entity should be an Independent Director, and in particular, should not be the same person as the CEO of the entity.

The Board recognises the ASX Recommendation that the Chair should be an Independent Director. However, as noted, following the retirement of Independent Non-executive Chair, Christopher Knoblanche on 28 February 2021, Brodie Arnhold was appointed as Non-Executive Chair (effective 1 March 2021). Although not considered an Independent Director for the reasons highlighted in Recommendation 2.3, the Board believes that an independent Chair is not necessary as Brodie Arnhold's experience and industry knowledge makes him the most appropriate person to lead the Board at this time and aside from the Company roles (and related performance incentives associated with his interim CEO role, the terms of which have been disclosed), the Board is satisfied that Brodie fulfils the other ASX enunciated criteria for genuine independence as set out in sections 2.3 and 2.5 of the ASX Recommendations.

The role of Chair and CEO were not exercised by the same individual at any time during the year ended 30 June 2021.

Recommendation 2.6

A listed entity should have a program for inducting new Directors and for periodically reviewing whether there is a need for existing Directors to undertake professional development to maintain the skills and knowledge needed to perform their role as Directors effectively.

The Board recognises the importance of having a program for inducting new Directors and providing appropriate professional development opportunities for Directors to maintain the skills to perform their role as Directors effectively.

The induction program for new Directors includes briefings by the CEO and other members of senior management about iSelect. The briefings will provide details on iSelect's structure, people, policies, culture, business strategies and performance. The induction program also includes site visits to review operations and understand the industries in which iSelect operates.

The Company operates a program of professional development for Directors including regular written updates on key developments within corporate governance and ad-hoc seminars on relevant topics including corporate governance and accounting. Formal professional development opportunities for Directors are considered by the Chair on a case-by-case basis.

PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

A listed entity should instill and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.

Recommendation 3.1

A listed should articulate and disclose its values.

The Board recognises that it has a responsibility for setting the ethical tone and standards of the Company and iSelect's Senior Executives recognise that they have a responsibility to implement practices that are consistent with those standards. The reputation of the Company is one of its most valuable assets and the Board acknowledge the importance of protecting this asset by acting ethically and responsibly.

Recommendation 3.2

A listed entity should:

(a) have and disclose a code of conduct for its Directors, Senior Executives and employees; and

(b) ensure that the Board or a committee of the Board is informed of any material breaches of the code.

The Company has developed a 'Code of Conduct' Policy, which has been fully endorsed by the Board and applies to all Directors and employees. The Code of Conduct is designed to identify and encourage:

- the practices necessary to maintain confidence in the Company's integrity;
- the practices necessary to take into account the Company's legal obligations; and
- the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

A copy of the Company's 'Code of Conduct' is publicly available in the Our Company/Governance section of the Company's website at www.iselect.com.au.

Recommendation 3.3

A listed entity should:

(a) have and disclose a whistleblower policy; and

(b) ensure that the Board or a committee of the Board is informed of any material incidents reported under that policy.

The Board has developed a Whistleblower Policy, which applies to Directors, Senior Executives and employees.

Any material breaches of the Policy are to be reported to the Audit and Risk Management Committee immediately.

A copy of the Company's Whistleblower Policy is publicly available in the Our Company/Governance section of the Company's website at www.iselect.com.au.

Recommendation 3.4

A listed entity should:

(a) have and disclose an anti-bribery and corruption policy; and

(b) ensure that the Board or a committee of the Board is informed of any material breaches of that policy.

The Company has developed a 'Anti-bribery and Corruption Policy' which applies to Directors, Officers and all employees whether permanent or contracted or any other person directly or indirectly linked to iSelect. All reportable gifts and benefits are reviewed and reported to the Board on a quarterly basis.

Breaches of, or suspicious conduct are to be reported through the relevant channels, such as the General Counsel or Whistleblower hotline.

A copy of the 'Anti-bribery and Corruption Policy' is publicly available in the Our Company/Governance section of the Company's website at www.iselect.com.au.

PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS

A listed entity should have appropriate processes to verify the integrity of its corporate reports.

Recommendation 4.1

The Board of a listed entity should:

(a) have an Audit Committee which:

(i) has at least three members, all of whom are Non-Executive Directors and a majority of whom are Independent Directors; and

(ii) is chaired by an Independent Director, who is not the Chair of the Board.

and disclose:

(iii) the Charter of the Committee;

(iv) the relevant qualifications and experience of the members of the Committee; and

(v) in relation to each reporting period, the number of times the Committee met throughout the period and the individual attendance of the members at those meetings.

The Board has established an Audit and Risk Management Committee to assist in the discharge of its responsibilities. The role of the Audit and Risk Management Committee is to assist the Board in fulfilling its responsibilities for corporate governance and overseeing iSelect's internal control structure and risk management systems. The Audit and Risk Management Committee also confirms the quality and reliability of the financial information prepared by iSelect, works with the external auditor on behalf of the Board and reviews non-audit services provided by the external auditor, to confirm they are consistent with maintaining external audit independence.

The Audit and Risk Management Committee provides advice to the Board and reports on the status and management of the risks to iSelect. The purpose of the Committee's risk management process is to ensure that risks are identified, assessed and appropriately managed.

The Board has adopted a policy regarding the services that iSelect may obtain from its external auditor. It is the policy of iSelect that the external auditor:

- Must be independent of iSelect and the Directors and Senior Executives. To ensure this, iSelect requires a formal confirmation of independence from its external auditor on a six-monthly basis; and
- May not provide services to iSelect that are, or are perceived to be, materially in conflict with the role of the external auditor. Non-audit or assurance services that may impair, or appear to impair, the external auditor's judgement or independence are not appropriate. However, the external auditor may be permitted to provide additional services which are not, or are not perceived to be, materially in conflict with the role of the auditor, if the Board or Audit and Risk Management Committee have approved those additional services. Such additional services may include financial audits, tax compliance, advice on accounting standards and due diligence in certain acquisition or sale transactions.

Information on the procedures for the selection and appointment of the external auditor, and for the rotation of external audit engagement partners is contained within the Company's 'Audit and Risk Management Committee Charter'.

The Committee currently comprises Melanie Wilson (Chair), Bridget Fair and Geoff Stalley.

The Board acknowledges the ASX Recommendations that the Audit and Risk Management Committee should be chaired by an Independent Director (who is not Chair of the Board) and in recognition of this, Melanie Wilson currently chairs the Audit and Risk Management Committee.

An Audit and Risk Management Committee Charter has been adopted by the Board and sets out the functions and responsibilities of the Committee.

The Audit and Risk Management Committee meets as often as is required by the Audit and Risk Management Committee Charter. The number of Audit and Risk Management Committee meetings held during the year is set out in the Directors' Report.

The Chair of the Audit and Risk Management Committee invites members of management and representatives of the external auditor to be present at meetings of the Committee and may seek advice from external advisors. The Audit and Risk Management Committee regularly reports to the Board about Committee activities, issues and related recommendations.

A copy of the Company's 'Audit and Risk Management Committee Charter' is publicly available in the Our Company/ Governance section of the Company's website at www.iselect.com.au.

Recommendation 4.2

The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Before approval of the financial statement for the periods ended 31 December 2020 and 30 June 2021, the Board received assurance from the CEO and the CFO that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

This assurance was given by Warren Hebard (the CEO) and by Vicki Pafumi (the CFO) as required.

The Board has also received from the CEO and the CFO written affirmations concerning the Company's financial statements as set out in the Directors' Declaration.

Recommendation 4.3

A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

Any periodic report the Company releases to the market that is not audited or reviewed by an external auditor is reviewed and approved by the Board so that it is satisfied the report in question is materially correct, balanced and provides investors with appropriate information to make an informed investment decision. Following review by the Board the report is formally approved prior to release.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price and value of its securities.

Recommendation 5.1

A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under ASX Listing Rule 3.1.

As a company listed on the ASX, iSelect is required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act 2001. iSelect is required to disclose to the ASX any information, with the exception of certain carve-outs, concerning iSelect which is not generally available and which, if it was made available, a reasonable person would expect to have a material effect on the price or value of iSelect's securities.

The Board aims to ensure that shareholders and stakeholders are informed of all major developments affecting iSelect's state of affairs. As such, iSelect has adopted a 'Disclosure Policy' and 'Shareholder Communication Policy', which together establish procedures to ensure that Directors and senior management are aware of, and fulfil, their obligations in relation to providing timely, full and accurate disclosure of material information to iSelect's stakeholders and comply with iSelect's disclosure obligations under the Corporations Act and ASX Listing Rules. The 'Disclosure Policy' also sets out procedures for communicating with shareholders, the media and the market.

iSelect has formed a Disclosure Committee which meets as frequently as needed to determine, among other things, whether there are matters that require disclosure to the ASX. The Disclosure Committee will make recommendations to the Board on matters which may require disclosure to the market. The members of the Disclosure Committee consist of a Non-Executive Director, CEO, CFO and the General Counsel/ Company Secretary (Chair).

iSelect is committed to observing its disclosure obligations under the ASX Listing Rules and the Corporations Act 2001.

Information is to be communicated to shareholders through the lodgement of all relevant financial and other information with the ASX and with continuous disclosure announcements also made available on iSelect's website, www.iselect.com.au.

A copy of the Company's 'Disclosure Policy' and 'Shareholder Communication Policy' are publicly available in the Our Company/Governance section of the Company's website at www.iselect.com.au.

Recommendation 5.2

A listed entity should ensure that its Board receives copies of all material market announcements promptly after they have been made.

The Board receives confirmation of release from the ASX Market Announcements Office whenever there has been a market release by the Company.

Recommendation 5.3

A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

The Company ensures that all investor presentations are lodged with the ASX ahead of the presentation.

PRINCIPLE 6 – RESPECT THE RIGHTS OF SHAREHOLDERS

A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.

Recommendation 6.1

A listed entity should provide information about itself and its governance to investors via its website.

The Company maintains an investor section of its website, which includes information about itself which is relevant to shareholders and other stakeholders. The "Our Company" section includes a Governance section, which includes detailed information on the Company's governance framework and documents.

Recommendation 6.2

A listed entity should have an investor relations program that facilitates effective two-way communication with investors.

The Board has adopted a 'Shareholder Communication Policy' which is designed to supplement the iSelect 'Disclosure Policy'. The 'Shareholder Communication Policy' aims to promote effective communication with shareholders and other stakeholders.

The policy recognises the following key methods of communication which will be used to provide information to shareholders and other stakeholders:

- releases to the Australian Securities Exchange (ASX) in accordance with continuous disclosure obligations;
- iSelect's website;
- iSelect's annual and half-yearly reports;
- the annual general meeting; and
- email and other electronic means.

In addition to the above-mentioned communication methods, since listing on the ASX in 2013 the Company has maintained an active investor relations program to facilitate effective two-way communication with retail and institutional shareholders and other relevant equity market stakeholders. This program includes face to-face meetings with investors, broker analysts and proxy firms as well as responding to shareholder enquiries as appropriate. The Company utilises public investor webcasts and conference calls for key announcements such as the full year and half year financial results. The Board encourages effective participation at iSelect's General Meetings by providing opportunity for shareholders to ask questions of the Company's Directors and auditors.

iSelect encourages shareholders to receive Company information electronically by registering their email address online with iSelect's shareholder registry. The Company also allows shareholders to communicate electronically with the Company and share registry including providing shareholders the ability to submit proxy voting instructions online.

A copy of the Company's 'Shareholder Communication Policy' is publicly available in the Our Company/Governance section of the Company's website at www.iselect.com.au.

Recommendation 6.3

A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.

The Company encourages full participation by shareholders at General Meetings during which they are invited to raise questions or make comments regarding the operations and performance of the Company.

Recommendation 6.4

A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

All resolutions put to security holders at a meeting of security holders are decided by a poll.

Recommendation 6.5

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

The Company, and its share registry service provider, gives security holders the option to receive communications electronically.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

Recommendation 7.1

The Board of a listed entity should:

(a) have a committee(s) to oversee risk, each of which:

  (i) has at least three members, a majority of whom are Independent Directors; and

  (ii) is chaired by an Independent Director; and disclose

  (iii) the Charter of the Committee;

  (iv) the members of the Committee; and

  (v) as at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings.

As stated in Principle 4, the Board has established an Audit and Risk Management Committee to assist in the discharge of its responsibilities to establish a sound risk management framework and periodically review the effectiveness of that framework. This Committee is structured to ensure it consists of a majority of Independent Directors and it is chaired by an Independent Director.

The Company has also developed a 'Risk Management Framework' which is publicly available in the Our Company/ Governance section of the Company's website at www.iselect.com.au

Recommendation 7.2

The Board or a committee of the Board should:

(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the Board; and

(b) disclose, in relation to each reporting period, whether such a review has taken place.

The Company's 'Board Charter' provides that a function of the Board with the guidance of the Audit and Risk Management Committee is:

- approving policies on and overseeing the management of business, financial and non-financial risks (including foreign exchange and interest rate risks, enterprise risk and risk in relation to occupational health and safety);
- reviewing and monitoring processes and controls to maintain the integrity of accounting and financial records and reporting; and approving financial results and reports for release and dividends to be paid to shareholders.

The Company's 'Audit and Risk Management Charter' also provides that the Committee's specific function with respect to risk management is to review and report to the Board that:

- iSelect's ongoing risk management program effectively identifies all areas of potential risk;
- adequate policies and procedures have been designed and implemented to manage identified risks;
- a regular program of audit is undertaken to test the adequacy of and compliance with prescribed policies regarding high risks; and
- proper remedial action is undertaken to redress areas of weakness.

The Company seeks to take and manage risk in ways that will generate and protect shareholder value and recognises that the management of risk is a continual process and an integral part of the management and corporate governance of the business.

The Company acknowledges that it has an obligation to all stakeholders, including shareholders, customers, employees, contractors and the wider community and that the efficient and effective management of risk is critical to the Company meeting these obligations and achieving its strategic objectives.

The Board, with assistance from the Audit and Risk Management Committee, requires management to design and implement a suitable risk management framework to manage the Company's material business risks. During the year, management reported to the Board as to the effectiveness of the Company's management of its material business risks. The Audit and Risk Management Committee is responsible for evaluating the adequacy and effectiveness of a risk management framework established by management.

The Audit and Risk Management Committee conducted a review of the Company's risk management framework during the year and were satisfied that it continues to be sound having regard to the size and complexity of the Company's operations.

Recommendation 7.3

A listed entity should disclose, if it has an internal audit function, how the function is structured and what role it performs.

The annual internal audit plan is approved by the Audit and Risk Management Committee and the Committee has full access to all functions, records, property and personnel of the Company. The Committee also oversees relevant financial and non-financial risks.

During this past reporting period, the Company has employed the following process for evaluating and continually improving the effectiveness of its risk management and internal control processes:

- the Audit and Risk Management Committee monitors the need for an internal audit function having regard to the size, location and complexity of the Company's operations;
- senior management facilitates the periodic review of financial and non-financial systems and processes and presents to the Committee the objectives and scope, proposed outcomes and any recommendations arising from the review; and
- the Board reviews risk management and internal compliance procedures at Board meetings and any risk matters raised for consideration by senior management.

iSelect may use external service providers to supplement or support the delivery of the Company's internal audit function.

Recommendation 7.4

A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.

iSelect's 'Risk Management Framework' supports its strategy of creating an environment in which risk management underpins consistently good practice – enabling informed decisions that optimise returns within a specified appetite for risk.

iSelect understands that "material exposure" in this context means a real possibility that the risk in question could substantively impact the Company's ability to create or preserve value for shareholders over the short, medium or long term. In this context materiality is linked to the rating attributed to residual risks taking into account the risk mitigation strategies and controls in place, and "Very High" rated risk would be considered material.

At the time of reporting, iSelect has no material exposure to "Very High" rated risks to our economic, environmental and social sustainability profile.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

A listed entity should pay Director remuneration sufficient to attract and retain high quality Directors and design its executive remuneration to attract retain and motivate high quality Senior Executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.

Recommendation 8.1

The Board of listed entity should:

(a) have a Remuneration Committee which:

- (i) has at least three members, a majority of whom are independent Directors; and
- (ii) is chaired by an independent Director; and disclose:
- (iii) The Charter of the Committee;
- (iv) The members of the Committee; and
- (v) As at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendance of the members at those meetings.

The Board has established a Remuneration Committee to assist in the discharge of its responsibilities. The role of the Remuneration Committee is to review and make recommendations to the Board on remuneration packages and polices related to the Directors and Senior Executives. The Remuneration Committee is also charged with ensuring that the remuneration policies and practices are consistent with iSelect's strategic goals and human resources objectives.

The Remuneration Committee meets as often as is required by the Remuneration Committee Charter. The number of Remuneration Committee meetings held during the year is set out in the Directors' Report.

Following each meeting, the Remuneration Committee reports to the Board on any matter that should be brought to the Board's attention and on any recommendation of the Remuneration Committee that requires Board approval.

The Committee currently comprises Shaun Bonett (Chair), Bridget Fair and Melanie Wilson.

The Board acknowledges the ASX Recommendations that the Remuneration Committee should be chaired by an Independent Director and in recognition of this, Shaun Bonett currently chairs the Remuneration Committee.

A copy of the Company's 'Remuneration Committee Charter' is publicly available in the Our Company/Governance section of the Company's website at www.iselect.com.au.

Recommendation 8.2

A listed entity should separately disclose its policies and practices regarding the remuneration of Non-Executive Directors and the remuneration of Executive Directors and other Senior Executives. iSelect clearly distinguishes the structure of Non-Executive Directors' remuneration from that of Executive Directors and Senior Executives.

Non-Executive Director remuneration is fixed and Non-Executive Directors do not participate in any 'at risk' incentive plans. Remuneration paid to Senior Executives in the 2021 financial year includes fixed and variable components.

The remuneration policy for the Board and the remuneration of each Director is set out in both the Remuneration Report, which forms part of the Directors' Report, and in Notes to the Financial Statements.

The Board acknowledges the guidelines, which recommend that Non-Executive Directors should not be provided with retirement benefits other than superannuation. The Company also notes that Brodie Arnhold has a notice period of 3 months, which may constitute a retirement benefit. The Company believes that a notice period for the Chair is appropriate to ensure continuity.

Information on the performance evaluation and structure of remuneration for the Company's Senior Executives can be found in the Remuneration Report, which forms part of the Directors' Report.

Recommendation 8.3

A listed entity, which has an equity based remuneration scheme, should:

(a) Have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme, and

(b) Disclose that policy or a summary of it.

The Company's 'Share Trading Policy' prohibits the Directors and Senior Executives from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

The Company's Long Term Incentive and Performance Right Plan was approved by shareholders at the 2018 Annual General Meeting.

Directors Report

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 2021 and the auditor's report thereon.

DIRECTORS

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

Chris Knoblanche AM
Non-Executive Chairman (resigned 28 February 2021)

Brodie Arnhold
Executive Director and Interim Chief Executive Officer (resigned 31 October 2020)

Non-Executive Director (appointed 1 November 2020, resigned 28 February 2021)

Non-Executive Chairman (appointed 1 March 2021)

Shaun Bonett
Non-Executive Director

Bridget Fair
Non-Executive Director

Melanie Wilson
Non-Executive Director

Geoff Stalley
Non-Executive Director

The above named 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 annual report.

COMPANY SECRETARY

Mark Licciardo

Mark Licciardo is Managing Director of Mertons Corporate Services Pty Ltd which provides company secretarial and corporate governance consulting services to ASX listed and unlisted public and private companies.

As a former Company Secretary of ASX 50 companies, Transurban Group and Australian Foundation Investment Company Limited, his expertise includes working with Boards of Directors in the areas of corporate governance, business management, administration, consulting and company secretarial matters. Mark holds a Bachelor of Business Degree (Accounting) and a Graduate Diploma in Company Secretarial Practice, is a Fellow of the Australian Institute of Company Directors, the Governance Institute of Australia and the Institute of Company Secretaries and Administrators.

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		NOMINATIONS COMMITTEE	
	HELD^	ATTENDED	HELD^	ATTENDED	HELD^	ATTENDED	HELD^	ATTENDED
C. Knoblanche	5	5	-	-	-	-	-	-
B. Arnhold	7	7	-	-	-	-	-	-
S. Bonett	7	6	-	-	1	1	-	-
B. Fair	7	7	4	4	1	1	-	-
M. Wilson	7	7	4	4	1	1	-	-
G Stalley	7	7	4	4	-	-	-	-

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

PRINCIPAL ACTIVITIES

The principal activities during the financial year within the Group were health, life and car insurance policy sales, mortgage brokerage, 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

	2021 $'000	2020 $'000	CHANGE
Continuing Operations			
Operating revenue	110,970	120,425	(8%)
Gross profit	43,542	34,522	26%
EBITDA	11,450	(11,922)	196%
EBIT	976	(20,531)	105%
NPAT	(2,059)	(20,462)	90%
Reported Results (including discontinued operations)[2]			
Operating revenue	111,059	125,270	(11%)
Gross profit	43,578	35,868	21%
EBITDA	8,471	(31,682)	127%
EBIT	(2,003)	(41,039)	95%
NPAT	(5,072)	(43,549)	88%
EPS (cents)	(2.3)	(19.9)	88%
Underlying Results[3]			
Underlying EBITDA	17,399	9,966	75%
Underlying EBIT	6,925	1,357	410%
Underlying NPAT	4,685	509	n.m.
Underlying EPS (cents)	2.1	0.2	n.m.

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, depreciation and amortisation (EBITDA) reflects profits for the year prior to including the effect of net finance costs, income taxes, and depreciation and amortisation. 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 iMoney performance, and material once-off transactions in reference to ACCC's proceedings and the JobKeeper subsidy.

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

3 Refer to the Reported versus Underlying Results reconciliation on page 104. The reconciliation forms part of the Review of Results and Operations.

n.m.: not meaningful

REVIEW OF RESULTS AND OPERATIONS (CON'D)

Summary of financial results (con'd)

Group financial performance and reported results

The Group operates in the online product comparison sector and compares private health insurance, general insurance, broadband, energy and personal financial products. The Group maintains two brands, iSelect (www.iselect.com.au), and Energy Watch (www.energywatch.com.au). It should be noted that iSelect exited its iMoney (www.imoney.my) business in Q1 FY21. 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 referred sale of their products.

Reported Operating Revenue for the year ended 30 June 2021 was $111,059,000, representing a decrease of 11% on the prior comparative period.

The Group delivered Reported Gross Profit of $43,578,000, an increase of 21% on prior year. The increase in gross profit can be summarised as follows:

- Since the onset of COVID-19, consumer demand has fluctuated across all of iSelect's segments impacting leads and revenue.
- The series of changes that were implemented in Q4FY20 in response to COVID-19 were intended to prioritise profit and cash flow and position the business for growth post COVID-19.
- These changes were primarily in our Energy, Telco, Life and General Insurance businesses and have enabled iSelect to realise improved profitability through this uncertain period.
- Strong operational performance: With the return of the Energy market and associated cross-serve business, the strong conversion rates seen across our segments enabled a significant improvement in Gross Profit in FY21.

Reported operating overheads for the year was $35,288,000. The costs and penalities from ACCC proceedings, JobKeeper subsidy, as well as iMoney group performance were excluded from the underlying result. On an underlying basis, operating overheads reduced from last year by 3%, as a result of the Group's continued focus on its fixed cost base.

Reported EBITDA for the year was a profit of $8,471,000. On an underlying basis, EBITDA was a profit $17,399,000, up 75% on prior year.

Reported EBIT was a loss of $2,003,000, with Underlying EBIT of $6,925,000 compared to $1,357,000 in FY20 (a 410% increase).

Reported NPAT was a $5,072,000 loss. Underlying NPAT was a profit of $4,685,000.

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	2021	2020	CHANGE
Leads (000s)	2,128	3,296	(35%)
Conversion ratio[1]	10.4%	8.9%	1.5pp
Average RPS[2] ($)	490	460	7%

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 2021 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 35% to 2,128,000 a result of fluctuations in consumer demand due to COVID-19 and a prioritisation of profit and cash flow during this uncertain period. The Health segment had volume declines of 13%, Energy and

Telecommunications segment had volume declines of 49%, while the Life and General segment had a decline of 47%. The decline in the Energy, Telecommunications and General Insurance verticals was due to both a decline in market demand for these products, and a reduced marketing spend given the scaled back operations team and changes to our operating model.

Conversion Ratio

Conversion improved to 10.4% for the year reflecting an ongoing focus on operational efficiency despite the challenging environment. The Energy & Telecommunications segment experienced an increase of 2.7pp, a reflection of the recovery of the Energy market compared to FY20. Conversion increased by 4.6pp in the Life & General segment.

Revenue Per Sale

RPS has increased by 7%, ending the year at $490. This was driven by a changing mix in contribution from each business, with the Health business increasing its share of revenue within the Group which has a higher average RPS compared to other segments.

Segment Performance

Health

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

FINANCIAL PERFORMANCE	2021 $'000	2020 $'000	CHANGE
Operating revenue	75,072	74,100	1%
Segment EBITDA[1]	11,986	8,230	46%
Margin %	16.0	11.1	4.9pp

KEY OPERATING METRICS	2021	2020	CHANGE %
Leads (000s)	753	866	(13%)
Conversion ratio	9.6%	9.7%	(0.1pp)
Average RPS ($)	1,063	1,003	6%

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

The Health segment showed operating revenue increased slightly by $972,000 (or 1%) to $75,072,000 against prior comparative period. Although COVID-19 did impact demand in H1FY21, a second premium rate increase in H2FY21 did offset this to some extent. Considering the sales and operations teams have worked predominantly remotely in FY21, the conversion performance has been pleasing. The return of the energy market and improvement in our cross-serve business also contributed to the conversion uplift in Health.

EBITDA increased by 46% to $11,986,000. The slight increase in operating revenue was more than offset at the EBITDA level due to efficiencies in marketing spend, conversion and continued focus on cost control.

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	2021	2020	CHANGE
Operating revenue	16,847	18,475	(9%)
Segment EBITDA[1]	8,476	2,539	234%
Margin %	50.3	13.7	36.6pp

KEY OPERATING METRICS	2021	2020	CHANGE %
Leads (000s)	431	815	(47%)
Conversion ratio	13.4%	8.8%	4.6pp
Average RPS ($)	184	273	(33%)

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

Operating revenue for the Life and General segment decreased by $1,628,000 (or 9%), from the last comparative period, impacted by both the changes made to the operating model and fluctuating consumer demand due to COVID-19. In our Travel Insurance business, leads declined by 99% from the last comparative period.

Operational performance remained strong which is reflected in the conversion result. In Car Insurance, online conversion improved 24% from the last comparative period, indicating further opportunity for growth in this channel.

The Life and General segment's RPS for the year decreased by 33% as a result of the adjusted business model in Life Insurance and changing product mix in this segment.

The segment posted an EBITDA profit of $8,476,000 compared with the prior year profit of $2,539,000 (an increase of 234%). The significant year on year EBITDA improvement can be attributed to improved profitability of the Life Insurance model, a focus on operational and marketing ROI and efficiency and well controlled costs.

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	2021 $'000	2020 $'000	CHANGE
Operating revenue	18,625	26,689	(30%)
Segment EBITDA[1]	(903)	(1,633)	45%
Margin %	(4.8)	(6.1)	1.3pp

REVIEW OF RESULTS AND OPERATIONS (CON'D)

Segment Performance (con'd)

Energy and Telecommunications (con'd)

KEY OPERATING METRICS	2021	2020	CHANGE %
Leads (000s)	787	1,537	(49%)
Conversion ratio	11.7%	9.0%	2.7pp
Average RPS ($)	230	224	3%

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 $18,625,000, which was $8,064,000 or 30% lower than previous year.

The segment posted an EBITDA loss of $903,000 compared with the prior year loss of $1,633,000 (a 45% improvement). This result reflects the challenging year in Energy and Telecommunications, where demand fluctuated and the company prioritised profit and cash flow ahead of growth. Encouragingly, the conversion and RPS metrics improved on the previous year, which positions the business well to return to growth in FY22.

Financial position and cash flow

CASH FLOW SUMMARY	2021	2020	CHANGE
Net cash provided from operating activities	9,859	1,850	433%
Net cash used in investing activities	(6,901)	(9,565)	28%
Net cash used in financing activities	(5,217)	(3,286)	(59%)
Net change in cash and cash equivalent	(2,259)	(11,001)	79%

FINANCIAL POSITION SUMMARY	2021	2020	CHANGE
Current assets	61,611	61,208	1%
Non-current assets	110,696	112,983	(2%)
Total assets	172,307	174,191	(1%)
Current liabilities	30,567	28,335	8%
Non-current liabilities	31,033	31,139	(0%)
Total liabilities	61,600	59,474	4%
Net assets	110,707	114,717	(3%)
Equity	110,707	114,717	(3%)

Capital expenditure and cash flow

Net operating cash inflow was $9,859,000, which was $8,009,000 higher than last year. This correlates to the focus on profit and cash flow during FY21.

Net investing cash outflows for the year was $6,901,000. The $2,664,000 decrease in investing activities is primarily a result of reduced capital expenditure in FY21.

Net financing cash outflows for the 2021 year totalled $5,217,000. This included $2,595,000 lease payments, $162,000 interest expense related to leases and dividend payment of $2,185,000.

Statement of financial position

Net assets have decreased to $110,707,000 at 30 June 2021 from $114,717,000 at 30 June 2020.

Current assets have increased from 30 June 2020 by 1% to $61,611,000. The current component of the trail commission asset is $33,407,000, which increased by 12% since 30 June 2020.

Non-current assets have decreased from 30 June 2020 by 2% to $110,696,000 which is largely due to depreciation of capital assets. The non-current component of the trail commission asset is $91,361,000, a 3% increase from prior year.

Current liabilities increased by 8% to $30,567,000 for the year primarily due to payments to suppliers in addition to trade related payable balances post 30 June 2020.

Non-current liabilities remained consistent with prior year.

DIVIDENDS

A special dividend of $0.01 (1 cent) per ordinary share was declared during the year and paid on 22 June 2021. Further details of the dividend are provided in note 4.1 to the financial statements.

FUTURE DEVELOPMENTS AND EXPECTED RESULTS

COVID-19 made for a challenging external market in FY21 and we anticipate fluctuations in demand to continue in FY22. From an operational perspective, we expect key metrics of conversion, cross-serve and marketing ROI to remain strong and this will provide the platform to return to growth.

We will continue to maintain our investment and innovation in our brand, continuing on from our activities in FY21 in this area.

From a cash perspective, we have seen an adverse working capital trend since FY18. Despite remaining negative in FY21, we expect this to improve in FY22.

Looking ahead to the future, we note the introduction of Open Energy due in October 2022, as part of the Government's implementation of the Consumer Data Right (CDR) legislation. We view this as a significant opportunity, and preparing for this will be a focus during FY22. Longer term, we expect the CDR implementation to extend to Telecommunications and Insurance, expanding the opportunity to serve our customers with real-time, data-driven comparisons.

The Group also remains aware of potential risks to its business and will continue to closely monitor and work to mitigate these throughout FY22. These include potential changes in government policy and legislation, any commercial decisions taken by product providers currently listed on the Group's websites and considerable uncertainty stemming from specific ongoing business impacts associated with the COVID-19 pandemic and 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

In a COVID-19 context, iSelect notes the recent developments in Victoria, New South Wales and Queensland, where the related business effects remain highly uncertain.

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 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 2021 corporate governance statement found on pages 22 to 33 of this report.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor (BDO Audit Pty Ltd (BDO)) for non-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 decision making 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 2021 is on page 55 of this report.

AUDITOR

BDO is appointed in accordance with section 327 of the Corporations Act 2001.

ROUNDING

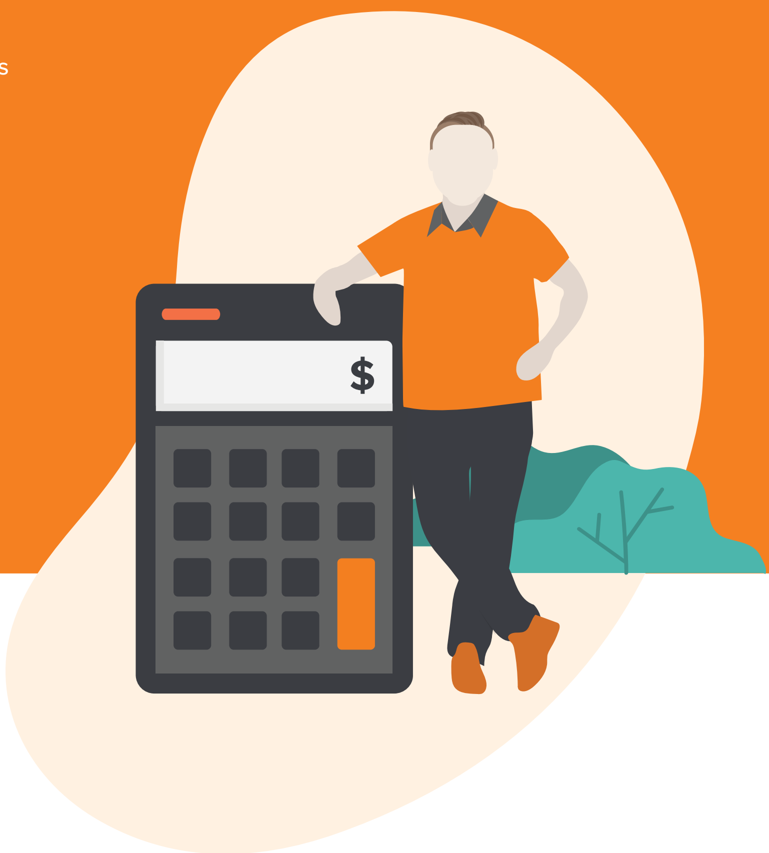
The Group has applied the Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' reports) Instrument 2016/191 to this report and amounts in the financial statements are rounded to the nearest thousand dollars, unless otherwise indicated.

Remuneration Report

This Remuneration Report for the year ended 30 June 2021 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 2021
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



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 2021 were as follows:

CURRENT NON-EXECUTIVE DIRECTORS	
Brodie Arnhold[1]	Non-Executive Chairman (appointed 1 March 2021)
Shaun Bonett	Non-Executive Director
Bridget Fair	Non-Executive Director
Melanie Wilson	Non-Executive Director
Geoff Stalley	Non-Executive Director
CURRENT SENIOR EXECUTIVES	
Warren Hebard[2]	Chief Executive Officer (appointed 1 November 2020)
Slade Sherman	Executive – Customer Experience (ceased 9 July 2021)
Vicki Pafumi	Executive – Finance & Strategy
FORMER NON-EXECUTIVE DIRECTORS	
Chris Knoblanche	Non-Executive Chairman (ceased 28 February 2021)

1 Chief Executive Officer and Executive Director (ceased 31 October 2020). Non-Executive Director from 1 November 2020 to 28 February 2021.

2 Executive – Marketing & Commercial (for period up to and including 31 October 2020)

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 2021:

- 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

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 2021 financial year, iSelect’s Remuneration Committee did not seek a remuneration recommendation from an external consultant in relation to our KMP.

3. SENIOR EXECUTIVE REMUNERATION FOR THE YEAR ENDED 30 JUNE 2021

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 2021, 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:

	TOTAL REMUNERATION % (ANNUALISED AT TARGET) FOR FY2021		
	FIXED	VARIABLE	
	TOTAL FIXED REMUNERATION (TFR)	SHORT TERM INCENTIVE PLAN (STIP)	LONG TERM INCENTIVE PLAN (LTIP)
Current Organisation Structure[1]			
Chief Executive Officer[2]	61%	28% (45% of TFR)	11% (18% of TFR)
Other Senior Executives[2]	62%	28% (45% of TFR)	10% (16% of TFR)

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

2 LTIP rights were capped at 500,000 and therefore varied the % of annualised variable remuneration in FY21

Further details regarding each element of the remuneration mix is provided in section 3.3.

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 professions 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 from an independent third party's market research.
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.
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.

Due to the preceding impacts of COVID-19 and ongoing uncertainty during the normal review period there was no general review of Senior Executive's TFR during FY21.

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 Senior Executives and employees; to reward performance; to be competitive in the broad market and to offer attractive levels of reward for over-performance. STIP is a key element in the overall remuneration objective to attract, motivate and retain high-calibre individuals.
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.

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

Variable Remuneration (con'd)

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

PARAMETER	DETAILS
Opportunity amount	For FY21 the STIP opportunity for the CEO and Senior Executives was 28% of the total remuneration package. 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 2021 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 2021 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 2021, 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.

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 FY21 LTIP in July 2020. The details provided in this section relate to these grants during the financial year ended 30 June 2021. 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	LTI equity grants to Senior Executives are made as soon as practicable after Remuneration Committee 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 FY21: **Role** — **% of TFR allocation on a Face Value basis** CEO — 18%[1] Other Senior Executives — 16% 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 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 FY21. 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.

1 LTIP was issued in role of Executive – Marketing & Commercial and not adjusted in FY21 following appointment to CEO on 1 November 2020.

<table>
<tr><th>PARAMETER</th><th>DETAILS</th></tr>
<tr><td>Performance condition</td><td>
Awards granted under the FY21 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).
<table>
<tr><th>MEASURE</th><th>WEIGHTING</th><th>DESCRIPTION OF MEASURE</th></tr>
<tr><td>Relative Total Shareholder Return (TSR)</td><td>100%</td><td>
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:
<table>
<tr><th>RELATIVE TSR</th><th>% OF LTI PLAN SHARES THAT VEST</th></tr>
<tr><td>Less than 50th Percentile</td><td>0%</td></tr>
<tr><td>50th Percentile</td><td>50%</td></tr>
<tr><td>50th to 75th Percentile</td><td>Straight line vesting between 50% and 100%</td></tr>
</table>
</td></tr>
</table>
</td></tr>
<tr><td>Minimum and maximum value</td><td>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.</td></tr>
<tr><td>Pricing period</td><td>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.</td></tr>
<tr><td>Vesting and exercise</td><td>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.</td></tr>
<tr><td>Leaver</td><td>Where a Senior Executive ceases employment, any unvested LTIP shares will be forfeited unless determined and approved otherwise by the Board.</td></tr>
<tr><td>Malus and clawback</td><td>Under the rules of the FY21 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.</td></tr>
<tr><td>Change of control</td><td>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.</td></tr>
</table>

3.4 Details of Senior Executive Remuneration outcomes for financial year ended 30 June 2021

Variable Remuneration

Short Term Incentive Plan (STIP)

The STIP performance outcomes (inclusive of superannuation) for the year ended 30 June 2021 are detailed below:

	STIP OUTCOME (%)	ACTUAL STIP AWARDED	STIP FORFEITED (%)
CURRENT SENIOR EXECUTIVES			
Warren Hebard	69%	$163,966	31%
Slade Sherman	0%	$0	100%
Vicki Pafumi	82%	$179,974	18%

Long Term Incentive Plan (LTIP)

The CEO and Eligible Senior Executives received LTIP shares with a grant date of 1 July 2020. As previously noted, CEO LTIP was issued in previous role of Executive – Marketing & Commercial and not adjusted on appointment to Chief Executive Officer position on 1 November 2020.

The relevant values of the grants are as follows:

		FAIR VALUE OF AWARDS AT GRANT DATE	
RECIPIENT	GRANT DATE	RELATIVE TSR	ONE WEEK VWAP UP TO AND INCLUDING GRANT DATE
CEO & Senior Executives	1 July 2020	$0.15	$0.21

NAME	NUMBER OF PERFORMANCE AWARDS GRANTED	VALUE AT GRANT DATE($)[1]	MAXIMUM TOTAL VALUE OF GRANT YET TO VEST ($)
Warren Hebard	500,000	$75,000	$75,000
Slade Sherman	500,000	$75,000	$75,000
Vicki Pafumi	500,000	$75,000	$75,000

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.

3.4 Details of Senior Executive Remuneration outcomes for financial year ended 30 June 2020 (con'd)

Long Term Incentive Plan (LTIP) (con'd)

FY2021 Performance Rights

During the 2021 financial year, a grant was made under the FY2021 Performance Rights Plan for eligible Senior Executives. The grant had a performance period of three years.

The FY2021 Performance Rights Plan grant consisted of issuing 1,500,000 rights to Senior Executives.

DETAIL		FY2021 GRANT OF PERFORMANCE RIGHTS PLAN	
Grant date		1 July 2020	
Performance period (testing date is the last day of the period)		3 years	
MEASURE	**WEIGHTING**	**DESCRIPTION OF MEASURE**	
Relative Total Shareholder Return (TSR)	100%	Relative TSR 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		$0.15	

Previous Incentive Plans

FY2019 LTIP Vesting Outcomes

Following the completion of the performance period for the FY2019 LTIP performance period from 1 July 2018 to 30 June 2021, an independent evaluation of Relative TSR determined that the relevant performance hurdles were not met. On that basis, 0% of the FY2019 LTIP vested for Mr Warren Hebard and Mr Slade Sherman. However, an extension to the vesting date to 30 June 2022 was approved by the Board for Ms Vicki Pafumi. The fair value of the awards at the grant date was $219,000.

With reference to the 5-day VWAP, the total change in the value of iSelect's shares over the performance period was -47%. The 50th percentile of the designated comparator group achieved a TSR of 18% over the performance period.

3.4 Details of Senior Executive Remuneration outcomes for financial year ended 30 June 2020 (con'd)

Number of performance awards on issue as at 30 June 2021

	BALANCE AT START OF YEAR	GRANTED	VESTED	FORFEITED / OTHER	BALANCE AT END OF YEAR
CURRENT SENIOR EXECUTIVES					
Warren Hebard	944,445	500,000	-	-	1,444,445
Slade Sherman	1,033,111	500,000	-	-	1,533,111
Vicki Pafumi	1,085,891	500,000	-	(51,724)	1,534,167
FORMER SENIOR EXECUTIVES					
Brodie Arnhold	1,329,032	-	-	-	1,329,032

3.5 Key Events Impacting Remuneration during the Year Ended 30 June 2021

Chief Executive Officer Departure

On 31 October 2020, Mr Brodie Arnhold resigned as Chief Executive Officer and Executive Director and returned to the Board as a Non-Executive Director. For the period up to 31 October 2020, Mr Arnhold received the following in satisfaction of his contractual entitlements:

- A pro-rata amount of TFR for the period up to 31 October 2020 of $274,667.
- A short-term incentive payment on successful completion of FY21 strategic objectives as set by the Board for successful succession management and transition to the new Chief Executive Officer of $200,000.

Remuneration received in FY21 in relation to his Board membership is included in sections 6.3 and 6.4.

Chief Executive Officer Appointment

On 1 November 2020, Mr Warren Hebard was promoted to the position of Chief Executive Officer from his previous position of Executive - Marketing and Commercial.

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 SALARY $	SHORT TERM BENEFITS STIP $	SHORT TERM BENEFITS OTHER $	POST EMPLOY-MENT BENEFITS SUPER $	EQUITY SETTLED SHARE BASED PAYMENT EXPENSE[3] OPTIONS $	EQUITY SETTLED SHARE BASED PAYMENT EXPENSE[3] SHARES $	TERMI-NATION PAYMENT $	TOTAL $	PERFORMANCE RELATED $	PERFORMANCE RELATED %
CURRENT SENIOR EXECUTIVES											
Warren Hebard (appointed CEO on 1 November 2020)											
Chief Executive Officer	2021[1]	448,970	163,966	-	21,694	-	145,000	-	779,630	308,966	40
	2020[2]	356,908	-	-	23,981	-	120,000	-	500,889	120,000	24
Slade Sherman											
Executive – Customer Experience	2021	440,469	-	-	21,694	-	155,661	-	617,824	155,661	25
	2020	411,924	-	-	21,002	-	130,661	-	563,587	130,661	23
Vicki Pafumi											
Executive – Finance and Strategy	2021	432,257	179,974	-	21,694	-	156,400	-	790,325	336,374	43
	2020	390,907	-	-	24,001	-	156,400	-	571,308	156,400	27
FORMER SENIOR EXECUTIVES											
Brodie Arnhold (ceased 31 October 2020)[4]											
Chief Executive Officer & Executive Director	2021	274,667	200,000	-	-	-	103,000	-	577,667	303,000	52
	2020	765,176	-	-	-	-	309,000	-	1,074,176	309,000	29
Henriette Rothschild (ceased 17 January 2020)											
Chief Operating Officer	2021	-	-	-	-	-	-	-	-	-	-
	2020	249,739	-	-	12,708	-	(350,249)	24,167	(63,635)[5]	(350,249)	n.m.
Total Current & Former KMP	**2021**	**1,596,363**	**543,940**	**-**	**65,082**	**-**	**560,061**	**-**	**2,765,446**	**1,104,001**	**40**
	2020	2,174,654	-	-	81,692	-	365,812	24,167	2,646,325	365,812	14

1 Remuneration in Executive – Marketing & Commercial position to 31 October 2020 and Chief Executive Officer from 1 November 2020.
2 Remuneration relates to previous position of Executive – Marketing & Commercial
3 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.
4 Ceased as Chief Executive Officer & Executive Director on 31 October 2020
5 Negative remuneration due to forfeited LTIP and Performance Rights Plan.

n.m. = not meaningful

4. SENIOR EXECUTIVE CONTRACTS

Remuneration arrangements for Senior Executives with service during the year ended 30 June 2021 are formalised in employment contracts. All current Senior Executive 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.
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.
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	
Brodie Arnhold	• 3 months notice by either party. • 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 2021 STIP is to be awarded based on the achievement of Underlying EBIT (including JobKeeper) targets.

Underlying EBIT

The Underlying EBIT (including JobKeeper) result for the year ended 30 June 2021 was a profit of $10,329,000. 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 2021. Grants made to Senior Executives in financial year 2021 are linked to Relative TSR.

5.3 Group Performance

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

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 2021.

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 2021

The table below provides details of Board and Committee fees (inclusive of superannuation) for the year ended 30 June 2021. Director member fees have not increased during financial year 2021 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 2021

Executive Director Appointment as Non-Executive Director

On 31 October 2020, Mr Brodie Arnhold resigned from his position as Chief Executive Officer and Executive Director and returned to the Board from 1 November 2020 as a Non-Executive Director, and from 1 March 2021 as Non-Executive Chairman. To support the transition of the new Chief Executive Officer, Mr Arnhold was paid an additional fee of $60,000 for the period 1 November 2020 to 28 February 2021. The amount paid was based on normal market rates, to Arnhold Investments Pty Ltd, with $0 outstanding at 30 June 2021.

Non-Executive Chairman Departure

On 28 February 2021, Mr Chris Knoblanche resigned from his position of Non-Executive Chairman and member of the iSelect Board. For the period ended 30 June 2021, in satisfaction of his contractual entitlements Mr Knoblanche received a pro-rata amount of gross fees of $206,575 for the period up to 28 February 2021, including notice in lieu of $41,038.

6.4 Remuneration Paid to Non-Executive Directors for the Year Ended 30 June 2021

	FEES & ALLOWANCES $	SHORT TERM BENEFITS $	SUPER $	OTHER $	TOTAL $
NON-EXECUTIVE DIRECTORS					
Chris Knoblanche (ceased 28 February 2021)					
2021	206,575	-	18,079	-	224,654
2020	229,181	-	21,746	-	250,927
Brodie Arnhold (appointed 1 November 2020, Chairman from 1 March 2021)					
2021	112,121	-	-	60,000	172,121
2020	-	-	-	-	-
Shaun Bonett					
2021	105,023	-	9,977	-	115,000
2020	97,892	-	9,300	-	107,192
Bridget Fair					
2021	86,758	-	8,242	-	95,000
2020	80,638	-	8,242	-	88,880
Melanie Wilson					
2021	95,890	-	9,110	-	105,000
2020	89,216	-	8,476	-	97,692
Geoff Stalley					
2021	86,758	-	8,242	-	95,000
2020	80,638	-	7,652	-	88,290
2021	**693,125**	**-**	**53,650**	**60,000**	**806,775**
2020	577,565	-	55,416	-	632,981

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	-	-	-	-	-
Slade Sherman	14,000	-	-	-	14,000
Vicki Pafumi	160,005	-	-	-	160,005
CURRENT NON-EXECUTIVE DIRECTORS					
Brodie Arnhold	291,084	-	-	-	291,084
Shaun Bonett	2,500,000	-	-	-	2,500,000
Bridget Fair	80,728	-	-	-	80,728
Melanie Wilson	43,242	-	-	-	43,242
Geoff Stalley	30,000	-	-	-	30,000
FORMER SENIOR EXECUTIVES[1]					
Chris Knoblanche	418,091	-	-	-	418,091

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 payment for his position of Chief Executive Officer and Executive Director, and 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 $112,043 (2020: $68,661) 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, a Non-Executive Director of the Group) investment in Prezzee Pty Ltd and noting Mr Bonett is Chairman and a Non-Executive Director of Prezzee Pty Ltd. The amount payable to Prezzee Pty Ltd as at 30 June 2021 was $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

Brodie Arnhold
Director
Melbourne,
24 August 2021

Melanie Wilson

Melanie Wilson
Director
Melbourne,
24 August 2021

Tel: +61 3 9603 1700
Fax: +61 3 9602 3870
www.bdo.com.au

Collins Square, Tower Four
Level 18, 727 Collins Street
Melbourne VIC 3008
GPO Box 5099 Melbourne VIC 3001
Australia

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

As lead auditor of iSelect Limited for the year ended 30 June 2021, 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, 24 August 2021

Financial Statements

ABOUT THIS REPORT

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 2021 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 2021 was authorised for issue in accordance with a resolution of Directors on 24 August 2021.

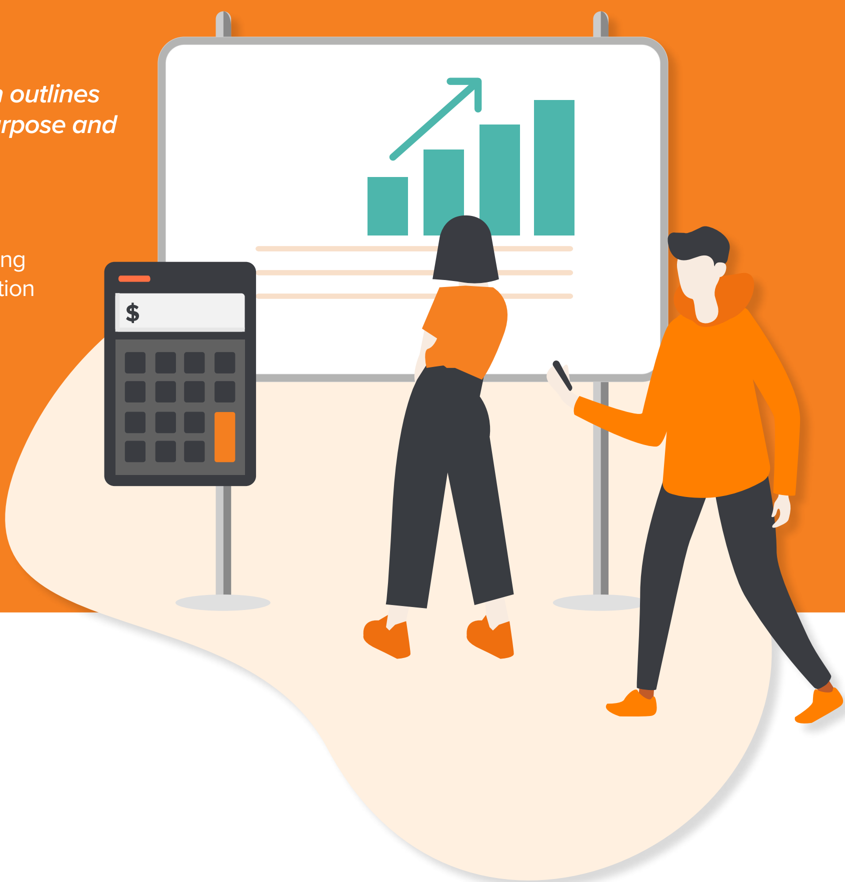
READING THE FINANCIALS

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 2021

		CONSOLIDATED	
	NOTE	2021 $'000	2020 $'000
Continuing Operations			
Revenue from contracts with customers – continuing operations			
Upfront revenue	2.2	70,699	89,149
Trail commission revenue	2.2	40,271	31,276
Total Revenue From Contracts With Customers		**110,970**	**120,425**
Cost of sales		(67,428)	(85,903)
Gross Profit		**43,542**	**34,522**
Other income	2.3	3,600	4,220
Administrative expenses		(34,706)	(30,251)
Impairment loss		-	(18,835)
Loss on disposal of property, plant and equipment		(139)	(669)
Share-based payments expense	2.3	(847)	(909)
Depreciation and amortisation	2.3	(10,474)	(8,609)
Profit/(Loss) Before Interest and Tax		**976**	**(20,531)**
Finance income		3	28
Finance costs	2.3	(403)	(381)
Net Finance Costs		**(400)**	**(353)**
Profit/(Loss) Before Income Tax Expense		**576**	**(20,884)**
Income tax benefit/(expense)	2.6	(2,635)	422
Loss for the Year from Continuing Operations		**(2,059)**	**(20,462)**
Discontinued Operations			
Loss before tax for the period from discontinued operations	6.3	(3,013)	(20,832)
Income tax benefit/(expense)	6.3	-	(2,255)
Loss After Tax For The Year From Discontinued Operations		**(3,013)**	**(23,087)**
Loss for the Year		**(5,072)**	**(43,549)**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CON'D)

For the year ended 30 June 2021

	NOTE	CONSOLIDATED 2021 $'000	CONSOLIDATED 2020 $'000
Other Comprehensive Income			
Items that are or may be reclassified to profit or loss			
Foreign operations – foreign currency translation movements		(168)	192
Other Comprehensive Income Net of Tax		**(168)**	**192**
Total Comprehensive Income for the Year		**(5,240)**	**(43,357)**
Loss attributable to			
Owners of the Company		(5,007)	(43,324)
Non-controlling interests		(65)	(225)
		(5,072)	**(43,549)**
Total Comprehensive Income attributable to			
Owners of the Company		(5,184)	(43,135)
Non-controlling interests		(56)	(222)
		(5,240)	**(43,357)**
Loss per share (cents per share)			
Basic / diluted profit/(loss) for the year attributable to ordinary equity holders of the parent	2.4	(2.3)	(19.9)
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	(0.9)	(9.4)
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		
	6.3	(1.4)	(10.5)

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

		CONSOLIDATED	
	NOTE	2021 $'000	2020 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	2.5	9,433	10,522
Trade receivables and contract assets	3.3	14,864	15,826
Trail commission asset	3.4	33,407	29,850
Other assets		3,907	3,328
		61,611	**59,526**
Assets held for sale	6.3	-	1,682
Total Current Assets		**61,611**	**61,208**
Non-Current Assets			
Trail commission asset	3.4	91,361	88,413
Property, plant and equipment	3.1	4,538	6,939
Intangible assets	3.2	14,772	17,606
Other assets		25	25
Total Non-Current Assets		**110,696**	**112,983**
Total Assets		**172,307**	**174,191**
LIABILITIES			
Current Liabilities			
Trade and other payables		21,762	18,102
Lease liabilities	3.5	2,747	2,544
Provisions	3.6	6,058	5,430
Other		-	325
		30,567	**26,401**
Liabilities directly associated with the assets held for sale	6.3	-	1,934
Total Current Liabilities		**30,567**	**28,335**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CON'D)

As at 30 June 2021

	NOTE	CONSOLIDATED 2021 $'000	CONSOLIDATED 2020 $'000
Non-Current Liabilities			
Lease liabilities	3.5	1,443	4,157
Provisions	3.6	395	422
Net deferred tax liabilities	2.6	29,195	26,560
Total Non-Current Liabilities		**31,033**	**31,139**
Total Liabilities		**61,600**	**59,474**
Net Assets		**110,707**	**114,717**
EQUITY			
Contributed equity	4.2	111,425	111,290
Reserves	4.2	11,288	10,618
Retained earnings		(12,006)	(4,814)
Equity attributable to owners of the Company		110,707	117,094
Non-controlling interest		-	(2,377)
Total Equity		**110,707**	**114,717**

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021

	ATTRIBUTABLE TO OWNERS OF THE COMPANY							
	CONTRIBUTED EQUITY	SHARE BASED PAYMENT RESERVE	BUSINESS COMBINATION RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS	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 1 July 2019	**111,290**	**3,960**	**5,571**	**(12)**	**38,510**	**159,319**	**(2,155)**	**157,164**
Loss for the period	-	-	-	-	(43,324)	(43,324)	(225)	(43,549)
Other comprehensive income	-	-	-	189	-	189	3	192
Total Comprehensive Income	**-**	**-**	**-**	**189**	**(43,324)**	**(43,135)**	**(222)**	**(43,357)**
Transactions with Owners in their Capacity as Owners								
Issue of shares / recognition of share-based payments	-	910	-	-	-	910	-	910
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)
Other transactions								
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**

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

	NOTE	CONSOLIDATED	
		2021 $'000	2020 $'000
Cash Flows from Operating Activities			
Receipts from customers		109,504	143,991
Payments to suppliers and employees		(99,648)	(142,809)
Interest received		3	49
Income taxes refunded	2.6	-	619
Net cash provided by operating activities	2.5	**9,859**	**1,850**
Cash Flows from Investing Activities			
Payments for property, plant and equipment and intangible assets		(5,325)	(9,565)
Cash disposed of as a part of discontinued operations		(1,576)	-
Net cash used in investing activities		**(6,901)**	**(9,565)**
Cash Flows from Financing Activities			
Repayment of lease liabilities		(2,595)	(2,562)
Interest paid		(437)	(724)
Dividend paid to shareholders of the parent		(2,185)	-
Net cash used in financing activities		**(5,217)**	**(3,286)**
Net decrease in cash and cash equivalents		(2,259)	(11,001)
Net foreign exchange difference		436	301
Cash and cash equivalents at the beginning of the year		11,256	21,956
Cash and cash equivalents at the end of the year	2.5	**9,433**	**11,256**

The accompanying notes form part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

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.

Coronavirus (COVID-19) pandemic

The spread of novel coronavirus (COVID-19) was declared a public health emergency by the World Health Organisation on 31 January 2020 and upgraded to a global pandemic on 11 March 2020. Domestically, Australia continues to see COVID-19 related disruptions, such as snap lockdowns in local territories, and Australia's vaccination rollout remains slow while abroad there is still a degree of global uncertainty.

For the year ended 30 June 2021, COVID-19 has impacted the Group, specifically as follows:

- Since the onset of the pandemic, consumer demand has fluctuated across all of iSelect's segments impacting both leads and revenue with a 35% and 8% decline respectively.
- A series of changes, primarily in Energy & Telco, Life Insurance and General Insurance, were implemented at the end of FY2020 to prioritise profit and cash flow. This resulted in strong conversion rates across all segments which enabled a significant improvement in gross profit in FY21.

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, depreciation and amortisation.

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	67
2.6	Taxes	71
3.1	Property, plant and equipment	75
3.2	Intangible assets	77
3.3	Trade receivables and contract assets	79
3.4	Trail commission asset	80
3.6	Provisions	82
5.2	Employee share plans	88

1.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2021. 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.

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 probability-weighted estimates 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.

Assessment of ECL is disclosed in the relevant notes to the financial statements.

1.7 Changes in amended standards and interpretations

The Group applies, for the first time, the following standards and interpretations. The nature and effect of these changes are disclosed below.

AASB Interpretation 23 Uncertainty over Income Tax Treatment

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

AASB 2020-4 Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions

On 15 June 2020, the AASB issued COVID-19-Related Rent Concessions - amendment to AASB 16 Leases The amendments provide relief to lessees from applying AASB 16 Leases guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under AASB 16 Leases, if the change were not a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no material impact on the consolidated financial statements of the Group.

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.

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.

In prior year, unallocated corporate costs include costs associated with the business restructure and impairment losses.

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

	CONSOLIDATED	
	2021 $'000	2020 $'000
Trail commission asset		
Health	81,645	73,577
Life and General Insurance	39,207	39,433
Other	3,916	5,253
	124,768	**118,263**

	CONSOLIDATED	
	2021 $'000	2020 $'000
Impairment losses[1]		
Health	-	6,645
Life and General Insurance	-	2,456
Energy and Telecommunications	-	9,734
	-	**18,835**

1 Included in unallocated corporate costs

	CONSOLIDATED	
	2021 $'000	2020 $'000
Operating revenue		
Upfront revenue	41,405	47,425
Trail commission revenue	33,667	26,675
Health Insurance	**75,072**	**74,100**
Upfront revenue	10,359	15,005
Trail commission revenue	6,488	3,470
Life and General Insurance	**16,847**	**18,475**
Upfront revenue	18,539	26,525
Trail commission revenue	86	164
Energy and Telecommunications	**18,625**	**26,689**
Upfront revenue	396	196
Trail commission revenue	30	965
Other	**426**	**1,161**
Operating revenue	**110,970**	**120,425**
EBITDA		
Health	11,986	8,230
Life and General Insurance	8,476	2,539
Energy and Telecommunications	(903)	(1,633)
Other	283	582
Unallocated corporate costs	(8,392)	(21,640)
EBITDA	**11,450**	**(11,922)**
Depreciation and amortisation	(10,474)	(8,609)
Net finance cost	(400)	(353)
Profit / (loss) before income tax	**576**	**(20,884)**
Income tax (expense) / benefit	(2,635)	422
Loss from continuing operations	**(2,059)**	**(20,462)**

Revenue from two customers individually exceeded 10% of iSelect's revenue and amounted individually to $28,244,000 (2020: $31,230,000) and $17,051,000 (2020: $19,964,000), arising from upfront and trail commission in the Health segment.

2.2 Revenue from contracts with customers

	CONSOLIDATED	
	2021 $'000	2020 $'000
Upfront revenue		
Upfront fees	68,825	88,260
Click-through fees	1,319	139
Advertising and subscription fees	555	750
	70,699	**89,149**
Trail commission revenue	**40,271**	**31,276**
Total revenue from contracts with customers	**110,970**	**120,425**
Revenue related to performance obligations satisfied in previous years	**(284)**	**814**

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 3.6 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.

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	
	2021 $'000	2020 $'000
Other Income		
Government grant	3,406	3,699
Sundry income	194	521
	3,600	**4,220**
Employee Benefits Expense		
Classified as cost of sales		
Remuneration, bonuses, on-costs and amounts provided for benefits	24,102	35,892
Superannuation expenses	2,098	3,042
Classified as administrative expenses		
Remuneration, bonuses, on-costs and amounts provided for benefits	14,228	16,272
Superannuation expenses	1,167	1,710
Share-based payments	847	909
	42,442	**57,825**
Depreciation and Amortisation[1]		
Depreciation	2,627	2,896
Amortisation of previously capitalised development costs	7,847	6,461
	10,474	**9,357**
Finance Costs[2]		
Finance costs on lease liabilities	162	244
Other	275	480
	437	**724**
Research and development expenditure		
Research and development expenditure recognised as expenses	**2,920**	**2,833**

1 FY21 included depreciation and amortisation charges for discontinued operations totalled $0 (2020:$748,000).

2 FY21 included finance cost on lease liabilities of $0 (2020: $3,000) and other finance cost of $34,000 (2020: $340,000) for discontinued operations totalled $34,000 (2020: 343,000).

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 has received JobKeeper payments under the COVID-19 government stimulus program. The amount received during the financial year was $3,406,000 (2020: $3,699,000).

Employee benefits expense

The Group's accounting policy for expenses associated with employee benefits is set out in note 3.6. Employee benefits expense is net of amounts capitalised as development costs of $2,572,000 (2020: $4,372,000).

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. Refer to note 3.3 for details.

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	
	2021 $'000	2020 $'000
Continuing operations	(2,059)	(20,462)
Discontinued operations	(2,948)	(22,862)
Loss attributable to the owners of the Group	**(5,007)**	**(43,324)**

	SHARES ('000)	SHARES ('000)
WANOS[1] for basic earnings per share	217,902	217,761
Effect of dilution[2]	-	-
WANOS[1] adjusted for effect of dilution	217,902	217,761

	CENTS	CENTS
Loss per share:		
Basic/Diluted EPS	(2.3)	(19.9)
Basic/Diluted EPS – continuing operations	(0.9)	(9.4)
Basic/Diluted EPS – discontinued operations	(1.4)	(10.5)

1 Weighted average number of ordinary shares.

2 As at 30 June 2021, the Group has 160,767 (2020: 589,933) 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.

2.5 Cash and cash equivalents

	CONSOLIDATED	
	2021 $'000	2020 $'000
Cash at bank and on hand	9,433	10,522
Cash at bank and on hand attributable to discontinued operations (note 6.3)	-	734
	9,433	**11,256**

The Group has pledged $1,500,000 (2020: $1,515,000) to fulfill bank guarantee and credit facility requirements. The Group also has an undrawn debt facility of $10,000,000 (2020: $10,000,000).

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) 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	
	2021 $'000	2020 $'000
Lease liabilities		
Outstanding at the beginning of the period	6,709	9,342
Recognition of lease liability in relation to right-of-use assets	76	-
Write-off of lease liability on termination of lease	-	(71)
Cash flows	(2,595)	(2,562)
Outstanding at the end of the period	**4,190**	**6,709**

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

	CONSOLIDATED	
	2021 $'000	2020 $'000
Net loss after tax	**(5,072)**	**(43,549)**
Non-cash items:		
Foreign exchange movements	79	(60)
Depreciation and amortisation	10,474	9,357
Share-based payments expense	847	909
Impairment loss	2,433	34,810
Loss on disposal of property, plant and equipment and intangible assets	163	669
Items in net profit but not in operating cash flows:		
Interest expense classified as financing cash flow	437	724
(Increase)/decrease in assets		
Trade receivables	1,050	6,570
Trail commission asset	(6,505)	(4,185)
Income tax receivable	-	679
Other assets	(547)	527
Increase/(decrease) in liabilities		
Trade and other payables	3,614	(5,300)
Deferred taxes	2,635	1,773
Provisions	601	(701)
Other liabilities	(350)	(373)
Net cash flow provided by operating activities	**9,859**	**1,850**

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	
	2021 $'000	2020 $'000
Current taxes		
Amounts recognised in profit or loss		
Current income tax		
Current income tax expense	(2,279)	2,094
Previous years' adjustment[1]	1,138	373
Deferred income tax		
Origination and reversal of temporary differences	(655)	(1,628)
Reversal of previously recognised tax losses	42	(2,279)
Previous years' adjustment[1]	(881)	(393)
Income tax reported in income statement	**(2,635)**	**(1,833)**

	CONSOLIDATED	
	2021 $'000	2020 $'000
Tax reconciliation		
Accounting profit/(loss) before income tax	(2,437)	(41,716)
Notional income tax at the statutory income tax rate of 30%	731	12,515
Non temporary differences		
Share-based payments	(254)	(273)
Entertainment	(27)	(26)
Goodwill and brand name impairment	-	(5,650)
Initial recognition of research and development concessional credits	182	174
Previous years' adjustment in respect of current income tax[1]	1,138	362
Previous years' adjustment in respect of deferred income tax[1]	(881)	(392)
Unrecognised tax losses	(146)	(5,074)
Reversal of previously recognised tax losses	42	(2,279)
Non-deductible fine and penalty	(2,580)	-
Loss on disposal of overseas subsidiary	(730)	-
Other	(82)	(48)
Effect of lower tax rates in Malaysia	(26)	(1,184)
Effect of lower tax rates in Thailand	-	(1)
Effect of lower tax rates in Singapore	-	87
Effect of lower tax rates in Indonesia	(2)	(46)
Effect of lower tax rates in Hong Kong	-	2
Total income tax expense	**(2,635)**	**(1,833)**

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 2021 $'000	CONSOLIDATED 2020 $'000
Deferred taxes		
Deferred tax assets relate to the following:		
Trade and other receivables	-	42
Trade and other payables	3,549	1,753
Provisions	1,936	3,996
Property, plant and equipment	614	64
ITAA 97 Section 40-880 business related costs	26	60
Unused tax losses	3,890	4,989
Total deferred tax assets	**10,015**	**10,904**
Deferred tax liabilities relate to the following:		
Trail commission asset	(37,663)	(35,740)
Development costs	(1,547)	(1,724)
Total deferred tax liabilities	**(39,210)**	**(37,464)**
Net deferred tax liabilities	**(29,195)**	**(26,560)**

	CONSOLIDATED 2021 $'000	CONSOLIDATED 2020 $'000
Income tax receivable		
Total income tax expense	(2,635)	(1,833)
Temporary differences		
Origination and reversal of temporary differences	2,635	1,773
Income tax payable in the current financial year	-	(60)
Income tax receivable at the beginning of the year	-	679
Net tax refunded during the year	-	(619)
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]	n.m	(4.39%)
Australian operations[2]	452.4%	2.02%

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

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.

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 2021 and 2020 financial years are summarised below.

	CONSOLIDATED	
	2021 $'000	2020 $'000
Income tax (net of refund)	-	(679)
Payroll tax	1,904	2,783
Fringe benefits tax	240	240
Total taxes paid	**2,144**	**2,344**

Notes to the Financial Statements

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 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**
As at 30 June 2020						
Cost	6,994	8,267	7,033	7,824	858	30,976
Accumulated depreciation	(6,816)	(7,191)	(2,315)	(7,246)	(469)	(24,037)
Net carrying amount	**178**	**1,076**	**4,718**	**578**	**389**	**6,939**
Net carrying amount at 1 July 2019	276	1,111	6,873	574	519	9,353
Additions	-	598	-	122	39	759
Disposals	(24)	(18)	(67)	-	(9)	(118)
Revaluation	(65)	(532)	(2,080)	(106)	(113)	(2,896)
Depreciation expense	(10)	(86)	(7)	(12)	(47)	(162)
Exchange differences	1	3	(1)	-	-	3
Net carrying amount at 30 June 2020	**178**	**1,076**	**4,718**	**578**	**389**	**6,939**

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 3.5.

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.

3.2 Intangible assets

This note provides details of our intangible assets and their impairment assessment. Our impairment assessment compares the carrying value of our cash generating units (CGUs) with their recoverable amounts determined using a 'value-in-use' calculation. The value in use calculations use key assumptions such as cash flow forecasts, discount rates and terminal growth rates.

	DEVELOPMENT COSTS $'000	TRADEMARKS AND DOMAIN NAMES $'000	GOODWILL $'000	BRAND NAMES $'000	TOTAL $'000
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**
As at 30 June 2020					
Cost	45,876	370	-	-	46,246
Accumulated amortisation	(28,640)	-	-	-	(28,640)
Net carrying amount	**17,236**	**370**	**-**	**-**	**17,606**
Net carrying amount at 1 July 2019	17,294	383	26,187	6,718	50,582
Additions	8,806	-	-	-	8,806
Disposals	(632)	-	-	-	(632)
Amortisation	(6,461)	-	-	-	(6,461)
Impairment	(1,729)	(13)	(26,187)	(6,718)	(34,647)
Exchange differences	(42)	-	-	-	(42)
Net carrying amount at 30 June 2020	**17,236**	**370**	**-**	**-**	**17,606**

3.2 Intangible assets (con'd)

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.

Brand names – The Group acquired brand names as part of the Energy Watch Group acquisition. These were initially recorded at fair value and subsequently 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.

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.

3.3 Trade receivables and contract assets

	CONSOLIDATED	
	2021 $'000	2020 $'000
Trade receivables	1,432	3,038
Contract assets	13,432	12,788
	14,864	**15,826**
The ageing analysis of trade receivables is as follows:		
Current	1,414	2,961
Past due 1 – 30 days	18	77
Past due 31 – 90 days	-	-
Past due 90+ days	-	-
	1,432	**3,038**

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.

iSelect calculates its provision utilising historical credit loss experience, adjusted for other relevant factors, i.e. aging of receivables, credit rating of the debtor, etc. Debts that are known to be uncollectable are written off when identified. If an impairment allowance has been recognised for a debt that becomes uncollectable, the debt is written off against the provision. If an amount is subsequently recovered, it is credited against profit or loss.

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.

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.

The impact of COVID-19 on the recoverability of receivables from partner companies have been considered. While the methodologies and assumptions applied in the base expected credit loss (ECL) calculations remained unchanged from those applied in the prior financial year, the Group has incorporated estimates, assumptions and judgements specific to the impact of the COVID-19 pandemic. Whilst no material recoverability issues have been identified, there is a risk that the economic impacts of COVID-19 could be deeper or more prolonged than anticipated, which could result in higher credit losses than those modelled under the base case.

3.4 Trail commission asset

	CONSOLIDATED 2021 $'000	CONSOLIDATED 2020 $'000
Current	33,407	29,850
Non-current	91,361	88,413
Total trail commission asset	**124,768**	**118,263**
Reconciliation of movement in trail commission asset:		
Opening balance	**118,263**	**114,078**
Trail commission revenue – current period trail commission sales	40,271	31,276
Cash receipts	(33,766)	(27,091)
Closing balance	**124,768**	**118,263**

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 $10,416,000 (2020: $10,186,000). A combined premium price increase of 1% and termination rate decrease of 1% would have the effect of increasing the carrying value by $9,900,000 (2020: $9,419,000). 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 2021 ranged from 8.9% and 26.5% (2020: 7.5% 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.

3.5 Leases

	CONSOLIDATED	
	2020 $'000	2019 $'000
Lease liabilities		
Current[1]	2,747	2,552
Non-current	1,443	4,157
	4,190	**6,709**

1 2020 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.

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	
	2021 $'000	2020 $'000
Right-of-use assets		
Office premises	2,827	4,705
Office equipment	33	13
Total	**2,860**	**4,718**
Lease liabilities		
Office premises	4,157	6,695
Office equipment	33	14
Total	**4,190**	**6,709**

Notes to the Financial Statements

3.5 Leases (con'd)

Maturity analysis – contractual undiscounted cash flows

	CONSOLIDATED	
	2021 $'000	2020 $'000
Not later than 1 year	2,832	2,714
Later than 1 year and not later than 5 years	1,456	4,255
Later than 5 years	-	-
Total	**4,288**	**6,969**

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	
	2021 $'000	2020 $'000
Interest on lease liabilities	162	244
Expenses relating to short-term leases[1]	23	144
Income relating to variable lease payment[2]	146	194
Depreciation charge for right-of-use assets		
Office premises	1,879	2,030
Office equipment	55	50
	1,934	**2,080**

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	
	2021 $'000	2020 $'000
Total cash outflow for leases	2,757	2,806

3.6 Provisions

	CONSOLIDATED	
	2021 $'000	2020 $'000
Current		
Annual leave	2,183	2,007
Long service leave	966	934
Clawback	2,905	2,255
Rebates	4	234
	6,058	**5,430**
Non-Current		
Long service leave	395	422
	395	**422**

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.

3.6 Provisions (con'd)

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		REBATE	
	2021	2020	2021	2020	2021	2020	2021	2020
Movement in provision								
Carrying amount at the beginning of the year	**2,007**	2,349	**1,356**	1,248	**2,255**	2,715	**234**	241
Arising during the year	**1,558**	2,116	**132**	209	**6,189**	6,484	**4**	-
Utilised during the year	**(1,382)**	(2,458)	**(127)**	(101)	**(5,539)**	(6,944)	**(234)**	(7)
Carrying amount at the end of the year	**2,183**	2,007	**1,361**	1,356	**2,905**	2,255	**4**	234

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 2021.

Dividends paid during the financial year are as follows:

	CONSOLIDATED	
	2021 $'000	2020 $'000
Previous year final dividend paid	-	-
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	
	2021 $'000	2020 $'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	
	2021 $'000	2020 $'000
Contributed equity		
Issued capital	**111,425**	**111,290**

MOVEMENT IN SHARES ON ISSUE	NUMBER OF SHARES	SHARE CAPITAL $'000
Ordinary shares		
Total quoted shares outstanding at 1 July 2019	**217,861,393**	**111,290**
Issue of shares	-	-
Total quoted shares outstanding at 30 June 2020	**217,861,393**	**111,290**
Issue of shares	472,911	135
Buyback of share capital	-	-
Total quoted shares outstanding at 30 June 2021	**218,334,304**	**111,425**
Total unquoted shares outstanding at 1 July 2019	**589,933**	**-**
Issue of shares	-	-
Forfeiture of Shares	-	-
Exercise of Shares	-	-
Total unquoted shares outstanding at 30 June 2020	**589,933**	**-**
Issue of shares	-	-
Forfeiture of Shares	(429,166)	-
Total unquoted shares outstanding at 30 June 2021	**160,767**	**-**

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	
	2021 $'000	2020 $'000
Reserves		
Share-based payment reserve	5,717	4,870
Business combination reserve	5,571	5,571
Foreign currency translation reserve	-	177
	11,288	**10,618**

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	
	2021 $'000	2020 $'000
Shareholders' equity	111,425	111,290
Debt	-	-
Total funding	**111,425**	**111,290**

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 2021, 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	
	2021 $'000	2020 $'000
TOTAL		
+1% (100 basis points)	103	79
-1% (100 basis points)	(103)	(79)
CASH AT BANK		
+1% (100 basis points)	103	79
-1% (100 basis points)	(103)	(79)

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 2021 (2020: 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.

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	
	2021 $'000	2020 $'000
Cash and cash equivalents	9,433	11,256
Trade receivables and contract assets	14,864	16,419
Trail commission asset	124,768	118,263
	149,065	**145,938**

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 and lease liabilities expected to be settled within five years. At 30 June 2021, the contractual cash flows are:

	TRADE PAYABLES $'000	LEASE LIABILITIES $'000	TOTAL $'000
30 June 2021			
Less than 3 months	21,762	714	22,476
3 – 12 months	-	2,118	2,118
1 – 5 years	-	1,456	1,456
	21,762	**4,288**	**26,050**
30 June 2020			
Less than 3 months	19,853	695	20,548
3 – 12 months	-	2,019	2,019
1 – 5 years	-	4,255	4,255
	19,853	**6,969**	**26,822**

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.

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 40 to 54.

KMP aggregate compensation

During the financial years 2021 and 2020, the aggregate compensation provided to KMP was as follows:

	CONSOLIDATED	
	2021 $	2020 $
Short-term employee benefits	2,893,428	2,752,219
Post-employment benefits	118,732	137,108
Share-based payments	560,061	365,812
Termination benefits	-	24,167
	3,572,221	**3,279,306**

Other transactions with our KMP and their related parties

During the financial years 2021 and 2020, apart from transactions disclosed in note 7.2 of the financial report, there were no other transactions with our KMP and their related parties.

5.2 Employee share plans

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.

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.

5.2 Employee share plans (con'd)

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.

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 2021, the Group had the following share-based payment plans in place:

Long Term Incentive Plan

- 2018 LTI Plan

Performance Rights Plan

- 2021, 2020, 2019 and 2018 PRP
- The 2018 LTI Plan lapsed on 30 June 2021. There have been no cancellations or modifications to the plans during the period other than as outlined on page 48 of this report.

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.

5.2 Employee share plans (con'd)

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.

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:

	2021 NUMBER	2020 NUMBER
Outstanding at the beginning of the period	**589,933**	**589,933**
Granted during the period	-	-
Forfeited during the period	(429,166)	-
Exercised during the period	-	-
Outstanding at the end of the period	**160,767**	**589,933**

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

FY2021, FY2020, FY2019 & FY2018 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.

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.

5.2 Employee share plans (con'd)

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.

Shares issued under the FY2021, FY2020, FY2019 and FY2018 Performance Rights plans

FY2021 Performance Rights Plan

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

	2021 NUMBER	2020 NUMBER
Outstanding at the beginning of the period	-	-
Granted during the period	3,220,823	-
Forfeited during the period	(448,202)	-
Exercised during the period	-	-
Outstanding at the end of the period	**2,772,621**	**-**

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:

	2021 NUMBER	2020 NUMBER
Outstanding at the beginning of the period	**5,570,499**	**-**
Granted during the period	-	5,570,499
Forfeited during the period	(1,596,324)	-
Exercised during the period	-	-
Outstanding at the end of the period	**3,974,175**	**5,570,499**

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

	GRANT ON 1 JULY 2019	GRANT ON 20 AUGUST 2019
Five day volume weighted average price (VWAP) as at grant date	$0.61	$0.55
Exercise price (same as underlying share price at grant date)	$0.61	$0.55
Expected life of LTI Plan shares	3 years	1 year
Risk free rate	1.1%	1.0%
Dividend yield	5.5%	0.0%
Expected volatility	40%	40%

Fair value of shares at grant date:

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

5.2 Employee share plans (con'd)

FY2019 Performance Rights Plan

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

	2021 NUMBER	2020 NUMBER
Outstanding at the beginning of the period	**2,558,889**	**2,594,261**
Granted during the period	-	-
Forfeited during the period	(681,111)	(35,372)
Exercised during the period	-	-
Outstanding at the end of the period	**1,877,778**	**2,558,889**

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

FY2018 Performance Rights Plan

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

	2021 NUMBER	2020 NUMBER
Outstanding at the beginning of the period	**396,238**	**407,262**
Granted during the period	-	-
Forfeited during the period	(396,238)	(11,024)
Exercised during the period	-	-
Outstanding at the end of the period	**-**	**396,238**

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

	GRANT ON 3 JULY 2017
Five day volume weighted average price (VWAP) as at grant date	$2.00
Expected life of Performance Rights Plan	3 years
Risk free rate	2.2%
Dividend yield	3.0%
Expected volatility	35%

Fair value of shares at grant date:

	GRANT ON 3 JULY 2017
Relative TSR Class	$1.16
Retention Rights Class	$1.79

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	
	2021 $'000	2020 $'000
Financial Position		
Assets		
Current Assets	154	208
Non-Current Assets	123,740	142,363
Total Assets	123,894	142,571
Liabilities		
Current Liabilities	58,113	74,568
Total Liabilities	58,113	74,568
Net Assets	**65,781**	**68,003**
Equity		
Contributed Equity	111,425	111,290
Reserves	5,717	4,870
Accumulated Losses	(51,361)	(48,157)
Total Equity	**65,781**	**68,003**
Financial Performance		
Loss of the parent entity	(1,019)	(10,017)
Total comprehensive income of the parent entity	**(1,019)**	**(10,017)**

There are no contractual or contingent liabilities of the parent as at reporting date (2020: $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:

		2021	2020
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%
Intelligent Money Sdn Bhd	Malaysia	-	88.8%
iMoney Comparison Sdn Bhd	Malaysia	-	88.8%
iMoney Comparison Singapore Pte Ltd	Singapore	-	88.8%
PT Atur Duit Indonesia	Indonesia	-	88.8%
iMoney Co., Ltd	Thailand	-	88.8%
iMoney Comparison Philippines	Philippines	-	88.8%
iMoney Hong Kong Pte Ltd	Hong Kong	-	88.8%

1 A Deed of Cross Guarantee has been entered into by iSelect Limited and these entities. Refer to note 6.4.

6.3 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. of 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 period are presented below:

	CONSOLIDATED	
	JUN 2021 $'000	JUN 2020 $'000
Revenue	89	4,845
Expenses	(635)	(9,378)
Operating income	(546)	(4,533)
Net finance cost	(34)	(324)
Derecognition of non-controlling interest	(2,433)	-
Impairment of property, plant and equipment and other intangible assets	-	(15,975)
Loss before tax from discontinued operations	(3,013)	(20,832)
Tax expense related to current pre-tax loss	-	(2,255)
Post-tax loss of discontinued operations	**(3,013)**	**(23,087)**

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)**

Carrying amounts of assets and liabilities disposed:

	CONSOLIDATED	
	AUG 2020 $'000	JUN 2020 $'000
Assets		
Cash and cash equivalent	1,576	734
Trade and other receivables	505	593
Other assets	323	355
Assets held for sale	**2,404**	**1,682**

	CONSOLIDATED	
	AUG 2020 $'000	JUN 2020 $'000
Liabilities		
Trade and other payables	1,705	1,751
Lease liabilities	-	8
Other	208	175
Liabilities directly associated with the assets	**1,913**	**1,934**

The net cash flows incurred by iMoney are as follows:

	2021 $'000	2020 $'000
Operating	(126)	(2,828)
Financing	(34)	1,039
Investing	1,002	(862)
Net cash inflow/(outflow)	**842**	**(2,651)**

	CENTS	CENTS
Loss per share		
Basic / diluted profit/ (loss) for the period from discontinued operations	(1.4)	(10.5)

6.4 Deed of cross guarantee

Pursuant to the iSelect Deed of Cross Guarantee ("the Deed") and in accordance with ASIC Corporations (Wholly-owned Companies) Instrument 2016/758 (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	
	2021 $'000	2020 $'000
Consolidated income statement		
Loss from continuing operations before income tax	(14,849)	(36,897)
Income tax benefit	1,993	5,228
Net loss for the year	**(12,856)**	**(31,669)**
Retained earnings at the beginning of the period	(50,406)	(18,737)
Transferred in from divested subsidiary	(30,045)	-
Net loss for the year	(12,856)	(31,669)
Dividends paid	(2,185)	-
Retained earnings at the end of the year	**(95,492)**	**(50,406)**

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

	CONSOLIDATED	
	2021 $'000	2020 $'000
Assets		
Current assets		
Cash and cash equivalents	1,524	3,960
Trade receivables and contract assets	13,725	21,604
Trail commission asset	27,521	24,022
Other assets	3,857	3,296
Total current assets	**46,627**	**52,882**
Non-current assets		
Investments	14,880	36,799
Trail commission asset	58,040	54,807
Property, plant and equipment	4,540	6,939
Intangible assets	14,772	17,606
Total non-current assets	**92,232**	**116,151**
Total assets	**138,859**	**169,033**
Liabilities		
Current liabilities		
Trade and other payables	89,556	76,595
Lease liabilities	2,747	2,544
Provisions	5,559	4,677
Total current liabilities	**97,862**	**83,816**
Non-current liabilities		
Provisions	395	422
Lease liabilities	1,443	4,157
Net deferred tax liabilities	17,509	14,884
Total non-current liabilities	**19,347**	**19,463**
Total liabilities	**117,209**	**103,279**
Net Assets	**21,650**	**65,754**
Equity		
Contributed equity	111,425	111,290
Reserves	5,717	4,870
Retained earnings	(95,492)	(50,406)
Total Equity	**21,650**	**65,754**

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.

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 payment for his position of Chief Executive Officer and Executive Director, and 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 $112,043 (2020: $68,661) 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, a Non-Executive Director of the Group) investment in Prezzee Pty Ltd. and noting Mr Bonett is Chairman and a Non-Executive Director of Prezzee Pty Ltd. The amount payable to Prezzee Pty Ltd as at 30 June 2021 was $9,020 (2020: $21).

7.3 Auditor's remuneration

The external auditor of the Group is BDO Audit Pty Ltd (2020: Ernst & Young). In addition to the audit and review of our financial reports, BDO (2020: Ernst & Young) 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	
	2021 $	2020 $
Audit services		
Group statutory audit	245,000	342,500
Total audit services	245,000	342,500
Audit-related services		
AFSL compliance review procedures	20,000	34,000
Other assurance services	-	-
Total audit-related services	20,000	34,000
Total audit and audit-related services	**265,000**	**376,500**
Non-audit services		
None	-	-
Total non-audit services	**-**	**-**
Total fee for services provided	**265,000**	**376,500**

7.4 Events after the reporting date

In a COVID-19 context, iSelect notes the recent developments in Victoria, New South Wales and Queensland, where the related business effects remain highly uncertain.

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 2021, 100% (30 June 2020: 100%) of the initial 5,095 policies had been reviewed by iSelect with only 489 (30 June 2020: 508) 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 2021 (30 June 2020: nil).

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

Directors' Declaration

iSelect

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 56 to 97 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 2021 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 2021;
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 6.4 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

Brodie Arnhold
Director
Melbourne,
24 August 2021

Melanie Wilson

Melanie Wilson
Director
Melbourne,
24 August 2021

Tel: +61 3 9603 1700
Fax: +61 3 9602 3870
www.bdo.com.au

Collins Square, Tower Four
Level 18, 727 Collins Street
Melbourne VIC 3008
GPO Box 5099 Melbourne VIC 3001
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 2021, 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 2021 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.

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 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 • 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's 2021 Annual Report for the year ended 30 June 2021, 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 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 40 to 54 of the Directors' Report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of iSelect Limited, for the year ended 30 June 2021, 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

BDO

James Mooney
Director

Melbourne, 24 August 2021

ASX Information

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 3 August 2021.

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF HOLDING	FULLY PAID ORDINARY SHARES NUMBER OF SHARES^
1 – 1,000	80,239
1,001 – 5,000	829,689
5,001 – 10,000	1,231,607
10,001 – 100,000	9,482,456
100,001 and over	207,120,037

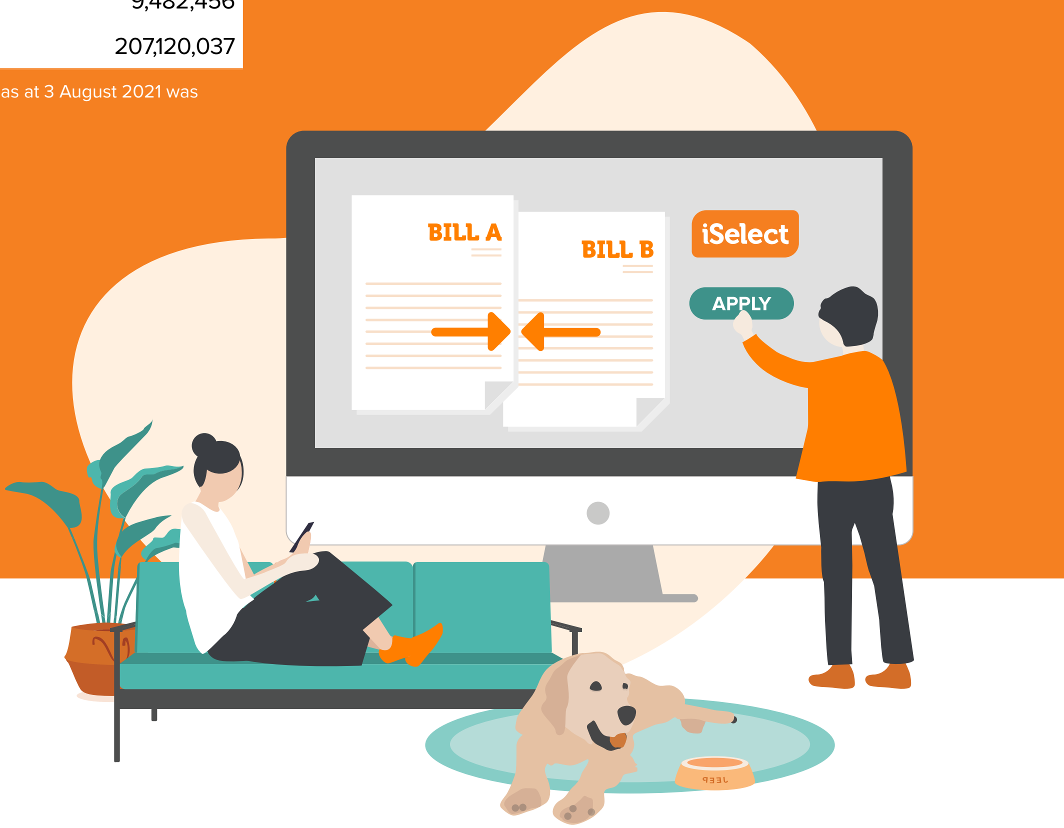
^ The total number of shares on issue as at 3 August 2021 was 218,744,028.

MARKETABLE PARCELS

There were 195 shareholders holding less than a marketable parcel of $500 worth of shares, based on the closing market price on 3 August 2021 of $0.5050 per share.

SHARES SUBJECT TO VOLUNTARY ESCROW

As at 3 August 2021, there are no Shares subject to voluntary escrow.



SUBSTANTIAL SHAREHOLDERS AS AT 3 AUGUST 2021

NAME	NUMBER OF ORDINARY SHARES HELD	% OF VOTING RIGHTS
BHL Management Services Limited	62,430,788	28.66
Thorney Investment Group	32,825,266	15.07
Microequities Asset Management	19,083,682	8.74
Renaissance Asset Management	18,199,282	8.35
Forager Funds Management	14,599,191	6.69
National Nominees Ltd ANF Together Trustees Pty Ltd ATF Equipsuper Superannuation Fund	11,107,451	5.09

TWENTY LARGEST SHAREHOLDERS

The twenty largest shareholders of fully paid ordinary shares as at 3 August 2021 were:

NAME	NUMBER OF ORDINARY SHARES HELD	% OF ISSUED CAPITAL
Innovation Holdings Australia Pty Ltd <1>	37,331,061	17.07
J P Morgan Nominees Australia Pty Limited	36,273,622	16.58
UBS Nominees Pty Ltd	32,816,612	15.00
Innovation Holdings Australia Pty Ltd <2>	13,000,000	5.94
National Nominees Limited	11,235,636	5.14
BNP Paribas Noms Pty Ltd <Drp>	6,965,075	3.18
Citicorp Nominees Pty Limited	6,730,839	3.08
Sandhurst Trustees Ltd <Collins St Value Fund A/C>	5,906,153	2.70
Innovation Holdings Australia Pty Ltd <3>	5,846,579	2.67
HSBC Custody Nominees (Australia) Limited	5,557,150	2.54
Innovation Holdings Australia Pty Ltd <4>	5,048,310	2.31
BNP Paribas Nominees Pty Ltd <Ib Au Noms Retailclient Drp>	4,687,965	2.14
HSBC Custody Nominees (Australia Limited) <NT-COMNWLTH Super Corp A/C>	3,403,805	1.56
Dissa Investments Pty Ltd	2,939,000	1.34
Bellite Pty Ltd <Meyer Family Btml A/C>	2,732,525	1.25
Invia Custodian Pty Limited <Precision Mngmt Co Pl A/C>	2,500,000	1.14
George Tauber Management Pty Ltd	2,000,000	0.91
Urban Land Nominees Pty Ltd	1,333,654	0.61
Innovation Holdings Australia Pty Ltd <5>	1,204,838	0.55
Irwin Biotech Nominees Pty Ltd	1,154,580	0.53

The percentage holding of the 20 largest shareholders of iSelect Ltd fully-paid ordinary shares was 86.24%.

Reported vs Underlying Results

	REPORTED	ADJUSTMENTS		UNDERLYING (INCLUDING JOBKEEPER)	ADJUSTMENTS	UNDERLYING
	FY21 $'000	ACCC	IMONEY	FY21 $'000	JOB-KEEPER	FY21 $'000
EBITDA	**8,471**	**9,353**	**2,979**	**20,803**	**(3,404)**	**17,399**
Depreciation and amortisation	(10,474)	-	-	(10,474)	-	(10,474)
EBIT	**(2,003)**	**9,353**	**2,979**	**10,329**	**(3,404)**	**6.925**
Net finance costs	(434)	-	34	(400)	-	(400)
Profit/(loss) before income tax expense	**(2,437)**	**9,353**	**3,013**	**9,929**	**(3,404)**	**6,525**
Income tax expense	(2,635)	(226)	-	(2,861)	1,021	(1,840)
Profit/(loss) for the period	**(5,072)**	**9,127**	**3,013**	**7,068**	**(2,383)**	**4,685**
EPS	(2.3)	4.2	1.4	3.2	(1.1)	2.1

Corporate Directory

ABN 48 124 302 932

DIRECTORS

Brodie Arnhold
Non-Executive Chairman

Shaun Bonett
Non-Executive Director

Bridget Fair
Non-Executive Director

Melanie Wilson
Non-Executive Director

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

Clayton Utz
18/333 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

iSelect

www.iselect.com.au