iSelect Limited

ABN 48 124 302 932

FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

Directors' Report

The Directors present their report with the condensed consolidated interim financial statements of the Group comprising iSelect Limited and its subsidiaries for the half year ended 31 December 2019 and the auditor's report thereon. Financial comparisons used in this report are for the results for the half year ended 31 December 2018 for the Consolidated Statement of Profit or Loss and Other Comprehensive Income, and 30 June 2019 for the Consolidated Statement of Financial Position.

DIRECTORS

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

Chris Knoblanche AM
Non-Executive Chairman

Brodie Arnhold
Executive Director & Chief Executive Officer

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.

COMPANY SECRETARY

Mark Licciardo

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 period.

REVIEW OF RESULTS AND OPERATIONS[1]

Summary of financial results

	DEC-19 $'000	DEC-18 $'000	CHANGE
Operating revenue[2]	**61,858**	**74,254**	(16.7%)
Gross profit[2]	**16,603**	**26,420**	(37.2%)
EBITDA[2]	**(2,182)**	**(2,568)**	15.0%
EBIT[2]	**(6,609)**	**(6,857)**	3.6%
NPAT[2]	**(5,611)**	**(6,934)**	19%
EPS (cents)[2]	**(2.4)**	**(3.0)**	20%
Underlying EBITDA	**1,592**	**10,248**	(84%)
Underlying EBIT	**(2,482)**	**6,238**	(140%)
Underlying NPAT	**(1,910)**	**4,825**	(140%)
Underlying EPS (cents)	**(0.9)**	**2.2**	(141%)

[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 half year prior to including the effect of net finance costs and income taxes. Earnings before interest, income tax expense, depreciation and amortisation and loss on associate (EBITDA) reflects profits for the half year prior to including the effect of net finance costs, income taxes, depreciation and amortisation and loss on associate. 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, impairment losses and write-offs from discontinued assets and operations, and material once-off transactions resulting from operations which are no longer core to the business.

[2] December 2018 results include Infochoice trading, which is classified as "discontinued operation" for statutory reporting purposes.

REVIEW OF RESULTS AND OPERATIONS (CONT'D)

Summary of financial results (cont'd)

Group financial performance and reported results

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

Operating revenue for the half year ended 31 December 2019 was $61,858,000, representing a decrease of 17% on the prior comparative six month period.

Gross profit for the period decreased by 37%; down on prior period by $9,817,000. The decrease in gross profit is a reflection of the following key areas for the half:

- Energy Regulatory change: On 1st July 2019, a series of significant reforms for the Energy market were introduced, most notably the Victorian Default Offer (VDO) and Default Market Offer (DMO). These reforms introduced a pricing 'ceiling' into the market. Initially Retailers took time to adapt to the regulations and this impacted iSelect's product range as some Retailers were unable to provide products compliant with the new regulations. Secondly, with a price ceiling in place, retailers adjusted their pricing and the 'spread' of Electricity prices in the market was reduced. This impacted iSelect's conversion rate and Revenue. Over the course of H1, iSelect saw cheaper Electricity tariffs emerge as the market began to improve.
- Cross serve: A compounding impact of the Energy Regulatory change was felt in iSelect's cross-serve business where traditionally other segments have benefited from the high volume of customers in Energy who iSelect can cross serve elsewhere in the business.
- Life Insurance: The Life Insurance industry continued to undergo significant change in H1 FY20. This combined with the scheduled reduction to commissions (Trowbridge reforms) impacted revenue and margins in our Life business.

Reported operating overheads for the half year was $23,212,000. Costs relating to iSelect's legal fees in relation to the ACCC proceedings as well as iMoney group performance, were excluded from the underlying result. On an underlying basis, operating overheads reduced from last half year by 16%, a result of diligent cost control and prioritising value-add spend.

Reported EBITDA for the half year was a loss of $2,182,000, a decrease of $386,000 against 2019 half year result. On an underlying basis, EBITDA ended the half 84% down on the prior comparative period, a consequence of the Energy and Life businesses as outlined above.

Reported EBIT was a loss of $6,609,000, a decrease of $248,000 on reported EBIT for the prior comparative half year. Underlying EBIT loss of $2,482,000 has been adjusted for legal costs relating to ACCC proceedings and iMoney group performance, totalling $4,127,000. Net finance costs for the half year were $298,000, which compares with net finance costs for the previous comparative half year of $219,000 (include net interest income of $44,000 from discontinued operations).

Reported NPAT was $5,611,000 loss, representing a decrease from the prior half year reported NPAT of $6,934,000 loss. Underlying NPAT decreased from the prior half year by $6,735,000.

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.

	DEC-19	DEC-18
Consolidated[1]		
Leads (000s)	**1,788**	1,969
Conversion ratio[2]	**8.1%**	10.0%
Average RPS[3]	**$445**	$414

	DEC-19	DEC-18
iMoney		
Leads (000s)	**1,110**	798
Conversion ratio[2]	**32.1%**	20.6%
Average revenue per click through	**$7**	$10

[1] Consolidated operating metrics exclude Money and iMoney
[2] 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)
[3] Average RPS is calculated as gross referred revenue divided by the number of gross sales

REVIEW OF RESULTS AND OPERATIONS (CONT'D)

Consolidated key operating metrics (cont'd)

Discussion of consolidated key operating metrics for the 2020 half year

The consolidated key operating metrics for the half year ended 31 December 2019 are discussed in more detail below. Key operating metrics by segment are also discussed in this Operating and Financial Review, in the section on Segment Performance.

Leads for the 2020 half year

Leads (excluding Money and iMoney) decreased by 9.2% to 1,788,000, a reflection of our Energy business whilst maintaining our focus on sustainable profitability. The Life and General and Energy businesses had volume declines of 23% and 38%, respectively, while the Health segment had an increase of 1%. Volumes for the Energy & Telecommunications segment declined as a result of the Regulatory change that impacted the market. The decline in Life & General reflected the changes occurring in the Life Insurance market.

In the case of the iMoney group, the iMoney website has various capture points on the online consumer journey. Through this process, a lead is captured only when a consumer has entered a certain level of personal information. Total leads for the half year period was 1,110,000, an overall 39% increase year on year (compared to the same reporting period).

Conversion ratio for the 2019 half year

Conversion (excluding Money and iMoney) declined slightly at 8.1% for the half year. The Health segment experienced a slight decrease of 0.8pp, reflecting a lower volume of higher converting cross-served customers. The Energy & Telecommunications segment experienced a decline of 4.0pp, a reflection of the challenging market conditions during the first half. Conversion decreased by 0.3pp in the Life & General segment.

Conversion for the iMoney group ended the half year at 32%, which is up +11.5pp on the prior comparative half year period.

Revenue per sale for the 2019 half year

RPS has increased by 7.5%, ending the half year at $445 (excluding Money and iMoney). This was driven by a changing mix in contribution from each business, with the Health business increasing its share of revenue within the Group.

Segment performance

The Group reports segment information on the same basis as the Group's internal management reporting structure at reporting date. Commentary on the performance of the three reportable segments are based on reported results as follows.

Health

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

FINANCIAL PERFORMANCE	DEC-19 $'000	DEC-18 $'000	CHANGE
Operating revenue	**35,814**	33,950	5.5%
Segment EBITDA[1]	**2,921**	4,612	(36.7%)
Margin %	**8.2%**	13.6%	(5.4p.p.)

KEY OPERATING METRICS	DEC-19	DEC-18	CHANGE
Leads (000s)	**450**	410	9.8%
Conversion ratio	**8.9%**	9.7%	(0.8p.p.)
Average RPS	**$960**	$975	(1.5%)

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

The Health segment showed operating revenue increasing by $1,864,000 (or 5.5%) to $35,814,000 when compared to prior comparative period. This was due to a strong operating performance and the focus to provide customers with products that offered better value aligned to their needs. As a result, average RPS decreased by 1.5% taking it to $960 for the half year.

The continued diversification in lead sources contributed to a decrease of 0.8pp in conversion..

EBITDA decreased by 36.7% to $2,921,000. The 5.5% decline in operating revenue was more than offset at EBITDA level due to efficiencies in marketing spend and conversion, a result of focus on sustainable profitability.

REVIEW OF RESULTS AND OPERATIONS (CONT'D)

Segment performance (cont'd)

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	DEC-19 $'000	DEC-18 $'000	CHANGE
Operating revenue	**8,830**	13,239	(33.3%)
Segment EBITDA[1]	**360**	3,212	(88.8%)
Margin %	**4.1%**	24.3%	(20.2p.p.)

KEY OPERATING METRICS	DEC-19	DEC-18	CHANGE
Leads (000s)	**437**	587	(25.6%)
Conversion ratio	**8.1%**	7.8%	(0.3p.p.)
Average RPS	**$291**	$299	(2.7%)

[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 $4,409,000 (or 33.3%) from the last comparative period impacted by the changes occurring in the Life market. We continue to focus on initiatives to adapt to the changing market and regulatory environment impacting Life Insurance, maintaining strong compliance and optimising performance in our contact centre.

Performance from the new General Insurance businesses was in line with expectations, demonstrating our ability to capitalise from opportunities in the growing general insurance market.

The Life and General segment's RPS for the half year decreased by 2.7% as a result of increased share of business from General Insurance.

The segment posted an EBITDA profit of $360,000 compared with the prior comparative period of $3,212,000. The significant year on year EBITDA decline can be attributed to changing market conditions in Life Insurance.

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	DEC-19 $'000	DEC-18 $'000	CHANGE
Operating revenue	**13,069**	23,309	(43.9%)
Segment EBITDA[1]	**(567)**	3,642	(115.6%)
Margin %	**(4.3%)**	15.6%	(19.9p.p.)

KEY OPERATING METRICS	DEC-19	DEC-18	CHANGE
Leads (000s)	**860**	927	(7.2%)
Conversion ratio	**8.0%**	12.0%	(4.0p.p.)
Average RPS	**$219**	$250	(12.4%)

[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 $13,069,000, which was $10,240,000 or 43.9% lower than previous period.

The segment posted an EBITDA loss of $567,000 compared with the prior comparative half year result of $3,642,000 profit (a 115.6% decrease). This result was due to the impact of the Regulatory change which is explained in more detail in the Summary of Financial Results on page 2.

REVIEW OF RESULTS AND OPERATIONS (CONT'D)

Financial position and cash flow

CASH FLOW SUMMARY	DEC-19 $'000	DEC-18 $'000	CHANGE
Net cash provided / (used in) operating activities	**36**	1,391	(97.4%)
Net cash used in investing activities	**(5,055)**	(3,407)	48.4%
Net cash used in financing activities	**(1,600)**	(1,849)	(13.5%)
FX changes	**94**	19	n.m.
Net change in cash and cash equivalent	**(6,525)**	(3,846)	(69.7%)

FINANCIAL POSITION SUMMARY	DEC-19 $'000	JUN-19 $'000
Current assets	**61,533**	75,460
Non-current assets	**152,190**	150,607
Total assets	**213,723**	226,067
Current liabilities	**29,874**	34,555
Non-current liabilities	**31,619**	34,348
Total liabilities	**61,493**	68,903
Net assets	**152,230**	157,164
Equity	**152,230**	157,164

Capital expenditure and cash flow

Net operating cash inflow was $36,000, which was $1,355,000 lower than last comparative half year. This variance reflects an improved working capital performance despite the loss incurred in this first half year.

Net investing cash outflows for the six months to 31 December 2019 was $5,055,000. The $1,639,000 increase in spend in investing activities relates to loans made to the Group's Asian subsidiary, iMoney.

Net financing cash outflows for the 2019 half year totalled $1,600,000. This included $1,269,000 lease payments and $131,000 interest expense related to leases. The decrease against the prior year comparative period relates to the termination of the kiosks lease agreements in FY19.

Statement of Financial Position

Net assets have decreased to $152,230,000 at 31 December 2019 from $157,164,000 at 30 June 2019.

Current assets have decreased from 30 June 2019 by 19% to $61,533,000. This is mainly a result of reduced cash assets and lower receivables based on business seasonality and improvements in cash collection. The current component of the trail commission receivable is $27,915,000, which increased slightly from with 30 June 2019.

Non-current assets have increased from 30 June 2019 by 1% to $152,190,000 which is consistent with 30 June 2019. The non-current component of the trail commission receivable is $89,359,000, consistent with 30 June 2019.

Current liabilities decreased from 30 June 2019 to 31 December 2019 by 14% to $29,874,000 mainly due to payments to suppliers in addition to trade related payable balances post 30 June 2019.

Non-current liabilities have decreased by 8% ending on $31,619,000. This is mainly due to a decrease in lease liabilities, with deferred tax liabilities relatively flat year on year.

Outlook

After a tough Energy market in first half of the financial year, we expect the second half performance to improve as we begin to realise the benefits of our investments and as the Energy market adjusts to the new regulatory environment:

- Already in second half to date, we have seen revenue growth in Health of 11%;
- In Energy, we will be broadening our marketplace in second half with prominent new partners, more competitive offers and solar expansion;
- Our strategic investments in our Brand and Technology will continue in second half of FY20.

From a cash perspective, we have seen an adverse working capital trend since FY18. We expect working capital will normalise in FY21 and turn to a positive position from the second half of FY21.

Looking ahead to the full year, we are currently tracking in line with the second half, however we note our peak months of March and June as well as the Energy market recovery as key factors in this remaining financial year.

The Group also remains aware of potential risks to its business and will continue to closely monitor and work to mitigate these throughout FY20. These risks include potential changes in government policy and legislation with regard to private health insurance, lower than expected cash receipts from future trail commissions, and any adverse decisions taken by product providers currently listed on the Group's websites. However, the Group is also continuing to invest in the business strategically.

REVIEW OF RESULTS AND OPERATIONS (CONT'D)

ROUNDING

The Group is 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

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 period.

SIGNIFICANT EVENTS AFTER BALANCE DATE

DIVIDEND

No interim dividend has been declared for the half year ended 31 December 2019. The Group has a dividend policy of 50%-80% of reported net profit after tax, subject to the availability of franking credits and cash reserves.

OTHER

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.

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 review for the half year ended 31 December 2019 is on page 7 of this report.

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

On behalf of the Directors

Chris Knoblanche AM	**Melanie Wilson**
Director	Director
Melbourne,	Melbourne,
25 February 2020	25 February 2020

Auditor's Independence Declaration

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Auditor's Independence Declaration to the Directors of iSelect Limited

As lead auditor for the review of iSelect Limited for the half-year ended 31 December 2019, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

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

Ernst & Young

T J Coyne
Partner

25 February 2020

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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 in Australia whose shares are publicly traded on the Australian Securities Exchange (Code: ISU). The condensed consolidated interim financial statements of the Company as at and for the half year ended 31 December 2019 comprise the financial statements of the Company and its subsidiaries, together referred to in these financial statements as the "Group" and individually as "Group entities".

Our half year financial report does not include all of the information required for the full year financial report. It should be read in conjunction with our 2019 Annual Report and together with any public announcements made by us in accordance with the continuous disclosure obligations arising under the ASX rules and the Corporations Act 2001, up to the date of the Directors' declaration.

The financial report of iSelect Limited for the half year ended 31 December 2019 was authorised for issue in accordance with a resolution of Directors on 25 February 2020.

READING THE FINANCIALS

SECTION INTRODUCTION

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

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 31 December 2019

	NOTE	CONSOLIDATED DEC 2019 $'000	CONSOLIDATED DEC 2018 $'000
Revenue from contracts with customers - continuing operations			
Upfront revenue		45,983	57,808
Trail commission revenue		15,875	16,067
Total revenue from contracts with customers		**61,858**	**73,875**
Cost of sales		(45,255)	(47,736)
Gross Profit		**16,603**	**26,139**
Other income		293	546
Administrative expenses		(18,422)	(19,590)
Loss on disposal of plant & equipment and other intangibles		1	(3,246)
Impairment of plant & equipment and other intangibles		-	(4,967)
Share-based payments expense		(657)	(573)
Depreciation and amortisation		(4,427)	(4,231)
Loss Before Interest and Tax		**(6,609)**	**(5,922)**
Finance income		33	50
Finance costs		(331)	(313)
Net Finance Costs		**(298)**	**(263)**
Loss Before Income Tax Expense		**(6,907)**	**(6,185)**
Income tax benefit/(expense)	2.3	1,296	(50)
Loss for the Period from Continuing Operations		**(5,611)**	**(6,235)**
Discontinued Operations			
Profit/(loss) before tax for the period from discontinued operations		-	(932)
Income tax benefit/(expense)	2.3	-	233
Profit/(loss) after tax for the period from discontinued operations	5.1	-	(699)
Loss for the Period		**(5,611)**	**(6,934)**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the half year ended 31 December 2019

		CONSOLIDATED	
	NOTE	DEC 2019 $'000	DEC 2018 $'000
Other Comprehensive Income			
Items that are or may be reclassified to profit or loss			
Foreign operations – foreign currency translation movements		20	28
Other Comprehensive Income Net of Tax		**20**	**28**
Total Comprehensive Income for the Period		**(5,591)**	**(6,906)**
Profit attributable to			
Owners of the company		(5,251)	(6,567)
Non-controlling interests		(360)	(367)
		(5,611)	**(6,934)**
Total comprehensive income attributable to			
Owners of the company		(5,236)	(6,547)
Non-controlling interests		(355)	(359)
		(5,591)	**(6,906)**
Earnings per share (cents per share)			
Basic profit for the year attributable to ordinary equity holders of the parent	2.2	(2.4)	(3.0)
Diluted profit for the year attributable to ordinary equity holders of the parent	2.2	(2.4)	(3.0)

The accompanying notes form part of these condensed consolidated interim financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	CONSOLIDATED	
	DEC 2019 $'000	JUN 2019 $'000
ASSETS		
Current Assets		
Cash and cash equivalents	15,431	21,956
Trade and other receivables	14,685	22,989
Trail commission receivable	27,915	25,626
Income tax receivable	679	679
Other assets	2,823	4,210
Total Current Assets	**61,533**	**75,460**
Non-Current Assets		
Trail commission receivable	89,359	88,452
Property, plant and equipment	8,015	9,353
Goodwill and other intangible assets	52,549	50,582
Net deferred tax assets	2,242	2,195
Other assets	25	25
Total Non-Current Assets	**152,190**	**150,607**
Total Assets	**213,723**	**226,067**
LIABILITIES		
Current Liabilities		
Trade and other payables	20,561	25,153
Lease liabilities	2,602	2,569
Provisions	5,927	6,135
Other	784	698
Total Current Liabilities	**29,874**	**34,555**
Non-Current Liabilities		
Lease liabilities	5,471	6,773
Provisions	454	418
Net deferred tax liabilities	25,694	26,982
Other	-	175
Total Non-Current Liabilities	**31,619**	**34,348**
Total Liabilities	**61,493**	**68,903**
Net Assets	**152,230**	**157,164**
EQUITY		
Contributed equity	111,290	111,290
Reserves	10,191	9,519
Retained earnings	33,259	38,510
Equity attributable to owners of the Company	154,740	159,319
Non-controlling interest	(2,510)	(2,155)
Total Equity	**152,230**	**157,164**

The accompanying notes form part of these condensed consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2019

	ATTRIBUTABLE TO OWNERS OF THE COMPANY							
	CONTRIBUTED EQUITY $'000	SHARE BASED PAYMENT RESERVE $'000	BUSINESS COMBINATION RESERVE $'000	FOREIGN CURRENCY TRANSLATION RESERVE $'000	RETAINED EARNINGS $'000	TOTAL $'000	NON-CONTROLLING INTERESTS $'000	TOTAL EQUITY $'000
Balance at 1 July 2018	**111,066**	**3,198**	**5,571**	**(24)**	**42,168**	**161,979**	**1,958**	**163,937**
Profit for the period	-	-	-	-	(6,567)	(6,567)	(367)	(6,934)
Other comprehensive income	-	-	-	20	-	20	8	28
Total Comprehensive Income	**-**	**-**	**-**	**20**	**(6,567)**	**(6,547)**	**(359)**	**(6,906)**
Transactions with Owners in their Capacity as Owners								
Issue of shares / recognition of share-based payments	76	497	-	-	-	573	-	573
Balance at 31 December 2018	**111,142**	**3,695**	**5,571**	**(4)**	**35,601**	**156,005**	**1,599**	**157,604**
Balance at 1 July 2019	**111,290**	**3,960**	**5,571**	**(12)**	**38,510**	**159,319**	**(2,155)**	**157,164**
Profit for the period	-	-	-	-	(5,251)	(5,251)	(360)	(5,611)
Other comprehensive income	-	-	-	15	-	15	5	20
Total Comprehensive Income	**-**	**-**	**-**	**15**	**(5,251)**	**(5,236)**	**(355)**	**(5,591)**
Transactions with Owners in their Capacity as Owners								
Issue of shares / recognition of share-based payments	-	657	-	-	-	657	-	657
Balance at 31 December 2019	**111,290**	**4,617**	**5,571**	**3**	**33,259**	**154,740**	**(2,510)**	**152,230**

The accompanying notes form part of these condensed consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 31 December 2019

	CONSOLIDATED	
	DEC 2019	DEC 2018
	$'000	$'000
	$'000	$'000
Cash Flows from Operating Activities		
Receipts from customers	73,367	87,356
Payments to suppliers and employees	(73,322)	(88,350)
Interest received	30	60
Net income taxes refunded	(39)	2,325
Net cash provided from / (used in) operating activities	**36**	**1,391**
Cash Flows from Investing Activities		
Payments for property, plant and equipment and intangible assets	(5,055)	(3,407)
Net cash used in investing activities	**(5,055)**	**(3,407)**
Cash Flows from Financing Activities		
Repayment of lease liabilities	(1,269)	(1,536)
Interest paid	(331)	(313)
Net cash used in financing activities	**(1,600)**	**(1,849)**
Net decrease in cash and cash equivalents	(6,619)	(3,865)
Net foreign exchange difference	94	19
Cash and cash equivalents at the beginning of the year	21,956	33,045
Cash and cash equivalents at the end of the year	**15,431**	**29,199**

The accompanying notes form part of these condensed consolidated interim financial statements.

SECTION 1: BASIS OF PREPARATION

This section explains the 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

Our half year financial report (the Report) is a condensed general purpose financial report, which has been prepared by a 'for-profit' entity in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting" issued by the Australian Accounting Standards Board (AASB).

All amounts are presented in Australian dollars unless otherwise noted. The company is a company of a kind referred to in ASIC Class Order 2016/191, dated 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 ($'000) unless otherwise stated.

Except as disclosed in Note 6.1, the same accounting policies including the principles of consolidation have been applied by each entity in the consolidated group and are consistent with those adopted and disclosed in our 2019 Annual Report.

1.2 Seasonality of operations

The Group offers comparison, purchase and referral services across a number of insurance, utility and financial products. Due to the seasonal nature of the Health business in particular, lower revenues and operating profits are usually expected in the first half of the Group's financial year than in the second half. Significantly higher customer sales during the months of March and June each year are mainly attributed to the increased demand for health products as a result of customers looking to optimise their health rebates before the health insurance rate rise and prior to 30 June each year.

1.3 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2019, except for the adoption of new standards effective as of 1 July 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

AASB Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty needs to be followed.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Whilst the Group operates in a multinational tax environment, tax obligations from jurisdictions outside of Australia are not material. As a result, the adoption of the interpretation does not have any material impact.

1.4 Other accounting policies

The Group has had regard to Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group, as outlined in iSelect's Annual Report for the year ended 30 June 2019.

The Group has determined that they do not impact the accounting policies applied in the preparation of the Group's condensed consolidated interim financial statements. No other new accounting standards effective from 1 July 2019 have a material impact on the financial results of the Group.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

SECTION 2: PERFORMANCE FOR THE HALF 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. It also provides our earnings per share for the period and information about taxation.

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 as follows:

- Health, which offers comparison, purchase and referral services across private health insurance.
- Life and General Insurance, which offers comparison, purchase and referral services across car, life and general insurance.
- Energy and Telecommunications, which offers comparison, purchase and referral services across energy and broadband.
- Other, comprises of comparison, purchase and referral services but predominately offers financial service products including home loans in Australia and Asia.

In the current year, unallocated corporate costs include costs associated with the business restructure and the iMoney acquisition.

	AUSTRALIA $'000	ASIA $'000	TOTAL $'000
31 December 2019			
Revenue	**58,550**	**3,308**	**61,858**
Non-current assets[1]	**44,548**	**16,041**	**60,589**
30 June 2019			
Revenue	149,295	4,864	154,159
Non-current assets[1]	44,061	15,899	59,960

[1] non-current assets other than financial instruments and deferred tax assets.

	CONSOLIDATED DEC 2019 $'000	DEC 2018 $'000
Operating revenue		
Upfront revenue	21,852	22,925
Trail commission revenue	13,962	11,025
Health Insurance	35,814	33,950
Upfront revenue	7,718	9,018
Trail commission revenue	1,112	4,221
Life and General Insurance	8,830	13,239
Upfront revenue	12,981	23,147
Trail commission revenue	88	162
Energy and Telecommunications	13,069	23,309
Upfront revenue	3,432	2,718
Trail commission revenue	713	659
Other	4,145	3,377
Consolidated Group operating revenue	**61,858**	**73,875**
EBITDA		
Health Insurance	2,921	4,612
Life and General Insurance	360	3,212
Energy and Telecommunications	(567)	3,642
Other	(1,482)	(6,514)
Unallocated corporate costs	(3,414)	(6,643)
Consolidated Group EBITDA	**(2,182)**	**(1,691)**
Depreciation and amortisation	(4,427)	(4,231)
Net finance cost	(298)	(263)
Consolidated Group profit before income tax	**(6,907)**	**(6,185)**
Income tax benefit/(expense)	1,296	(50)
Consolidated Group net profit for the year	**(5,611)**	**(6,235)**

2.2 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.

	CONSOLIDATED	
	DEC 2019 $'000	DEC 2018 $'000
Loss attributable to the owners of the Group	(5,251)	(6,567)
	Shares ('000)	Shares ('000)
WANOS[1] for basic earnings per share	217,761	217,705
Effect of dilution	620	87
WANOS[1] adjusted for effect of dilution	218,381	217,792
	Cents	Cents
Earnings per share:		
Basic EPS	(2.4)	(3.0)
Diluted EPS	(2.4)	(3.0)

[1] Weighted average number of ordinary shares.

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.

2.3 Taxes

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 following tables provide a reconciliation of notional income tax expense to actual income tax expense.

	CONSOLIDATED	
	DEC 2019 $'000	DEC 2018 $'000
Current taxes		
Amounts recognised in profit or loss		
Current income tax		
Current income tax benefit /(expense)	3,240	(296)
Previous years' adjustment[1]	-	219
Deferred income tax		
Origination and reversal of temporary differences	(1,944)	462
Previous years' adjustment[1]	-	(202)
Income tax benefit reported in income statement	**1,296**	**183**

	CONSOLIDATED	
	DEC 2019 $'000	DEC 2018 $'000
Tax reconciliation		
Accounting loss/(profit) before income tax	**6,907**	**(7,117)**
Notional income tax at the domestic statutory income tax rate of 30%	2,072	2,135
Effect of tax rate in foreign jurisdiction at (0.83%)	(122)	(97)
Non temporary differences		
Impairment of goodwill	-	(1,314)
Share of loss of associate reported, net of tax		-
Share-based payments	(197)	(172)
Entertainment	(28)	(28)
Initial recognition of research and development concessional credits	159	100
Previous years' adjustment in respect of current income tax[1]	-	219
Previous years' adjustment in respect of deferred income tax[1]	-	(202)
Other	(588)	(458)
Total income tax benefit	**1,296**	**183**

[1]Adjustment arises from difference between provision for income tax at previous reporting periods and final lodged income tax returns which occur in the current financial year.

SECTION 3: OUR CORE ASSETS AND WORKING CAPITAL

This section provides an update of any changes in cash generating units and the impairment assessment for the core long-term tangible and intangible assets that underpin the Group's performance.

3.1 Goodwill

Our impairment assessment compares the carrying value of our cash generating units (CGUs) with their recoverable amounts. The recoverable amount of an asset is the higher of its fair value less cost of disposal and its value in use. The value in use calculations use key assumptions such as cash flow forecasts, discount rates and terminal growth rates.

Goodwill and intangible assets with indefinite useful lives are not subject to amortisation and are assessed for impairment at least on an annual basis, or whenever an indicator of impairment exists. All other non-current tangible and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. For our impairment testing we identify CGUs, i.e. the smallest groups of assets that generate cash inflows that are largely independent of cash inflows from other assets or groups of assets.

The recoverable amount of an asset is the higher of its fair value less cost of disposal and its value in use. Fair value less cost of disposal is measured with reference to quoted market prices in an active market.

Impairment loss is recognised in profit or loss in the reporting period when the carrying amount of the asset exceeds the recoverable amount. For our impairment assessment we identify CGUs, to which goodwill is allocated, and which cannot be larger than an operating segment.

Our impairment testing compares the carrying value of an individual CGU to its recoverable amount (determined using a value in use calculation), except for our International CGU.

Goodwill acquired through the Infochoice Limited, Energy Watch Group and iMoney Group acquisitions has been allocated to the following CGUs. The carrying amount of goodwill subject to impairment testing is outlined in the table below.

SEGMENT	CGU	$'000
Health	Health	6,645
Life and General Insurance	Car	2,379
	Life	77
	Goodwill from Infochoice acquisition	**9,101**
Energy and Tele-communications	Household	7,981
	Goodwill from Energy Watch acquisition	**7,981**
Other	International	9,105
	Goodwill from iMoney acquisition	**9,105**
Total Group	**Total Goodwill**	**26,187**

Trademarks and domain names acquired through the Infochoice Limited acquisition have an indefinite useful life and are allocated at a Group level. The brand name acquired through the Energy Watch acquisition has an indefinite useful life and is allocated to the Household CGU, which is comprised of iSelect Energy, iSelect Broadband and Energy Watch. Other intangible assets acquired as part of the iMoney acquisition (brand name, trademark and domain names) have an indefinite useful life and are allocated to the International CGU.

The Group has performed its annual impairment test as at 31 December 2019. The recoverable amount of CGUs (excluding International) has been determined based on a value-in-use calculation using the financial year 2020 long-term plan approved by Senior Management with a growth rate increment for subsequent years, and cash flow projections based on management forecasts. Given the recent acquisition and capital raising for the iMoney business, management has adopted the fair value less cost to sell method in its impairment assessment.

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 interim dividend to be paid. No provision for the current year interim dividend has been raised as it was not determined or publicly recommended by the Board as at 31 December 2019.

Dividends paid during the financial half year are as follows:

	CONSOLIDATED	
	DEC 2019 $'000	DEC 2018 $'000
Previous year final dividend paid	-	-
Interim dividend paid	-	-
	-	**-**

Franking credit balance

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

	CONSOLIDATED	
	DEC 2019 $'000	DEC 2018 $'000
Franking account balance	809	809
Franking debits from the refund of income tax as at 31 December (at a tax rate of 30% on a tax paid basis)	(679)	(679)
	130	**130**

4.2 Fair value

Valuation and disclosure within fair value hierarchy

The financial instruments included in the Statement of Financial Position are measured either at fair value or their carrying value approximates fair value, with the exception of borrowings, which are held at amortised cost.

To determine fair value we use both observable and unobservable inputs. We classify inputs used in the valuation of our financial instruments according to 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 approximates their carrying amounts shown in the Statement of Financial Position except for the trail commission receivable.

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.

Sensitivity of trail commission receivable

A combined premium price decrease of 1% and termination rate increase of 1% would have the effect of reducing the carrying value by $10,809,000 (30 June 2019: $10,434,000). A combined premium price increase of 1% and termination rate decrease of 1% would have the effect of increasing the carrying value by $9,923,000 (30 June 2019 $9,627,000). Individually, the effects of these inputs would not give rise to any additional amount greater than those stated.

SECTION 5: OUR INVESTMENTS

This section provides details of changes to our investments and their effect on our financial position and performance during the period.

5.1 Changes in group structure

Discontinued operations

On 21 December 2018, the Group executed a share sale agreement to sell Infochoice Pty Ltd, a wholly owned subsidiary.

At 30 June 2019, Infochoice Pty Ltd was classified as a disposal group held for sale and as a discontinued operation. The business of Infochoice Pty Ltd represented the Group's financial services and products comparison operating segment. With Infochoice Pty Ltd being classified as a discontinued operation, its operating results are no longer presented in the segment note. The sale of Infochoice Pty Ltd was completed on 18 February 2019. The results of Infochoice Pty Ltd for the period are presented below:

	CONSOLIDATED DEC 2019 $'000	CONSOLIDATED DEC 2018 $'000
Revenue	-	379
Expenses	-	(711)
Operating income	-	(332)
Interest revenue	-	3
Impairment of other intangible assets	-	(603)
Profit/(loss) before tax from discontinued operations	-	(932)
Tax benefit/(expense) related to current pre-tax loss	-	233
Post-tax profit/(loss) of discontinued operations	-	(699)

The net cash flows generated from the sale of Infochoice Pty Ltd are, as follows:

	$'000
Cash received from sale of discontinued operations	-
Cash sold as a part of discontinued operations	-
Net cash flow on date of disposal	-

The net cash flows generated/(incurred) by Infochoice Pty Ltd are, as follows:

	FOR THE SIX MONTHS ENDED 31 DECEMBER 2019 $'000	FOR THE SIX MONTHS ENDED 31 DECEMBER 2018 $'000
Operating	-	195
Financing	-	3
Net cash inflow/(outflow)	**-**	**198**

Earnings/loss per share

	Cents	Cents
Basic profit/(loss) for the period from discontinued operations	-	(0.3)
Diluted profit/(loss) for the period from discontinued operations	-	(0.3)

SECTION 6: OTHER INFORMATION

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

6.1 Other accounting policies

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those adopted in the Group's annual financial report for the year ended 30 June 2019, except for the adoption of new standards and interpretations as of 1 July 2019 as disclosed in the 30 June 2019 financial accounts and noted below.

- AASB Interpretation 23 Uncertainty over Income Tax Treatment

6.2 Related party transactions

Transactions and their terms and conditions with other related parties

Precision Group of Companies Pty Ltd and its related entities ("Precision Group") are considered to be related parties of the Group. This is due to Precision Group being under significant influence of Mr Shaun Bonett, a non-executive director of the Group. The Group paid Precision Group $285 (30 June 2019: $319,552) in relation to amount outstanding as at 30 June 2019. The lease agreements were terminated effective 30 June 2019. Mr Bonett was not present during any discussions relating to potential venues and the terms and conditions of the lease agreements.

Prezzee Pty Ltd is considered to be a related party of the Group. This is due to Precision Group's significant influence over Prezzee Pty Ltd through its investment in the company. The Group paid Prezzee Pty Ltd $52,647 (30 June 2019: $309,469) in relation to digital gift cards for customer and staff incentives. The amount payable as at 31 December 2019 was $1,814 (30 June 2019: $10,700). Mr Bonett is not an Officer or Director of Prezzee Pty Ltd.

6.3 Events after the reporting date

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.

6.4 Leases

Additional information relating to the Group's leases and its impact on the balance sheet and Statement of Profit and Loss is detailed below:

Lease in the balance sheet

	CONSOLIDATED	
	DEC 2019 $'000	JUN 2019 $'000
Right-of-use assets		
Office premises	5,796	6,809
Office equipment	38	64
Total right-of-use assets	5,834	6,873
Lease liabilities		
Office premises	8,031	9,272
Office equipment	42	70
Total lease liabilities	8,073	9,342

Leases in the Statement of Profit or Loss, for the period ended:

	CONSOLIDATED	
	DEC 2019 $'000	DEC 2018 $'000
Depreciation charge	1,040	893
Low value lease expense	66	13
Interest expense on lease liabilities	132	285
Cash outflow	1,401	1,821

Operating lease commitments

	CONSOLIDATED	
	DEC 2019 $'000	JUN 2019 $'000
Non-cancellable operating lease commitments		
Not later than 1 year	2,828	2,881
Later than 1 year and not later than 5 years	5,641	7,042
Later than 5 years	-	-
Total	**8,469**	**9,923**

The Group has entered into operating 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.

6.5 Commitments and contingencies

Other

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 31 December 2019, 100% (30 June 2019: 100%) of the initial 5,095 policies had been reviewed by iSelect with only 518 (30 June 2019: 533) policies in relation to one provider still subject to final remediation.

The amount, if any, of 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 condensed consolidated interim financial statements for the half year ended 31 December 2019 (30 June 2019: nil).

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

ACCC proceedings

On 12 April 2019, the Group was advised that the Australian Competition and Consumer Commission (ACCC) has commenced proceedings against iSelect in relation to commercial disclosures and statements that were displayed on its energy comparison site. It is not presently possible to determine with certainty the costs and extent of corrective action, if any, will be required, or whether all or any portion of such costs will be covered by insurance or will be recoverable from others. Since it presently is not possible to determine the outcome of these proceedings, no provision has been made in the financial statements for their ultimate resolution.

Directors' Declaration

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

1. In the opinion of the Directors:

   a. the condensed consolidated interim financial statements and notes that are set out on pages 9 to 22 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 31 December 2019 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 will be able to meet any obligations or liabilities;

3. As at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group 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

Chris Knoblanche AM	**Melanie Wilson**
Director	Director
Melbourne,	Melbourne,
25 February 2020	25 February 2020

Independent Auditor's Report

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Independent Auditor's Review Report to the Members of iSelect Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of iSelect Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2019 and of its consolidated financial performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 December 2019 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independent Auditor's Report

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Ernst & Young

T J Coyne
Partner
Melbourne
25 February 2020

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Reported vs Underlying Results

	REPORTED	ADJUSTMENTS			UNDERLYING
	HY20 $'000	CORPORATE RESTRUCTURE	ACCC	IMONEY PERFORMANCE	HY20 $'000
EBITDA	**(2,182)**	**377**	**1,500**	**1,897**	**1,592**
Depreciation and amortisation	(4,427)	-	-	353	(4,074)
EBIT	**(6,609)**	**377**	**1,500**	**2,250**	**(2,482)**
Net finance costs	(298)	-	-	145	(153)
Profit/(loss) before income tax expense	**(6,907)**	**377**	**1,500**	**2,395**	**(2,635)**
Income tax benefit	1,296	(113)	(450)	(8)	725
Profit for the period	**(5,611)**	**264**	**1,050**	**2,387**	**(1,910)**
EPS (cents)	**(2.4)**	**0.1**	**0.5**	**0.9**	**(0.9)**

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Corporate Information

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Brodie Arnhold

Shaun Bonett

Bridget Fair

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