

iSelect Limited CEO and Trading Update

13 October 2020: iSelect Limited (ASX: ISU) (“iSelect” or the “Company”) provides an FY21Q1 trading update and notification of permanent CEO appointment.

CEO Update

Brodie Arnhold was appointed Interim CEO in April 2018, having previously served as Independent Non-Executive Director since September 2014. The Board asked Brodie to take on the CEO role in an interim capacity to lead the Executive Team and address a number of significant issues within the business, all of which are now resolved.

The external and internal executive search process conducted by Russell Reynolds has recently concluded. Warren Hebard, currently Chief Marketing & Commercial Officer, has been appointed as iSelect CEO, effective 1 November 2020. A summary of the material terms of his engagement are enclosed in the attached appendix.

With Warren’s appointment, Brodie will remain on the iSelect Board, and will mentor Warren to ensure a smooth transition.

Warren joined iSelect in March 2018 as Chief Marketing Officer and in July 2020 his role was expanded to include responsibility for iSelect’s commercial partnerships. Warren has made a significant contribution in this time, in particular with regard to improved marketing spend efficiency performance and he has played a key role in the turnaround of the business’ trajectory from 2018.

iSelect Chairman Mr Knoblanche said: “Firstly, on behalf of the Board, I would like to thank Brodie for his hard work and commitment through what has been a challenging period for the Company. Brodie, with the support of his Executive leadership team, has guided the company through these challenges and the Board believes that the time is now right for Brodie to complete a handover to a permanent CEO.

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

Warren Hebard commented: “I am very excited and energised to take on the CEO role at iSelect and would like to sincerely thank the Board for this opportunity. Having worked closely with the entire Executive Team on the development of the FY21 strategy I am confident that the plan we have in place is the right one. Brodie hands over a business that is on track to deliver significantly improved profitability in FY21 and is well placed to return to growth in FY22.”

Q1 trading update

As iSelect’s Melbourne office remains closed due to COVID-19, the Company’s staff have continued to work successfully from home and the Board could not be more grateful for the incredible effort all staff have made during this difficult time in Victoria. We believe the business is now well prepared for whatever this global pandemic brings. With restrictions set to ease in coming months, the team are looking forward to a staged return to the office and building on a solid start to the financial year.

The adjustments made to the Company’s operating model in Q4FY20 have continued to show positive early signs for the business in Q1FY21. At the same time, the energy market recovery has continued, and this is reflected in our energy conversion rates which are now approaching FY19 levels.

Whilst the health market maintains its recovery from the COVID-19 impact in Q4FY20, the deferral of the health insurance annual premium rise from 1st April 2020 to 1st October 2020 did result in an increase in demand during September.

While the recent operational model changes provide iSelect with a solid platform for future growth, as a result of the nature of the changes in life insurance and COVID-19's restrictive impact on recruitment and onboarding of new team members, we expect a small reduction in revenue in FY21 as market demand for health returns in H2.

With this positive momentum, iSelect has posted a Q1FY21 EBITDA of \$8.1 million (Q1FY20: \$1.7 million). Note that iSelect received \$3.4m of JobKeeper during Q1FY21. From October 2020, no further JobKeeper will be received.

As conveyed in the Company's FY20 Full Year Results, the Trail Asset cash flows continue to perform in line with expectation and the Working Capital outflow from Trail seen in previous years continues to narrow. We expect it to turn positive during H2FY21. This, combined with the JobKeeper stimulus, sees our Cash Balance at September 30, 2020 at \$12.5 million. (June 30, 2020: \$10.5 million)

Authorised for release by the Board of Directors of iSelect Limited

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About iSelect

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

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

Appendix - Summary of the material terms of Mr Hebard's Employment Agreement

1 Commencement date	1 November 2020
2 Term	Ongoing until terminated in accordance with the Agreement
3 Notice period	<p>iSelect and Mr Hebard may terminate the employment agreement by the giving of 6 months' notice. iSelect can make a payment in lieu of notice (calculated on Mr Hebard's fixed remuneration).</p> <p>iSelect may terminate Mr Hebard's employment without notice for serious misconduct or other specific circumstances warranting summary dismissal.</p>
4 Total Fixed Remuneration	\$500,000 per annum (inclusive of minimum statutory superannuation contributions)
5 Short-Term Incentive	Mr Hebard will continue to be eligible to receive an annual short-term incentive (STI) of 45% of his total fixed remuneration (\$225,000) depending on business and individual results. The Board will determine on an annual basis the relevant hurdles and objectives that need to be achieved to be awarded the STI.
6 Long-Term Incentive	Mr Hebard will continue to be eligible to participate in iSelect's Long Term Incentive Plan (LTIP). There will be no additional award for the pro rata period of FY21. The value for FY22 and subsequent awards will be 45% of total fixed remuneration (\$225,000) and is subject to the relevant approvals and performance hurdles documented in the Annual Report.
7 Post-Employment Restraint	Mr Hebard will be subject to an obligation not to compete with iSelect in Australia for a period of 12 months following the termination of employment for any reason.