

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q**

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
**For the quarterly period ended March 31, 2023**  
**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
**For the transition period from to**

**001-39295**  
(Commission File Number)

**SelectQuote, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of incorporation or organization)

**94-3339273**  
(I.R.S. Employer Identification No.)

**6800 West 115th Street      Suite 2511**  
**Overland Park              Kansas**  
(Address of principal executive offices)

**66211**  
(Zip Code)

**(913) 599-9225**  
(Registrant's telephone number, including area code)  
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class                      | Trading Symbol(s) | Name of each exchange on which registered |
|------------------------------------------|-------------------|-------------------------------------------|
| Common Stock, par value \$0.01 per share | SLQT              | New York Stock Exchange                   |

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

|                         |                                     |                           |                          |
|-------------------------|-------------------------------------|---------------------------|--------------------------|
| Large accelerated filer | <input checked="" type="checkbox"/> | Accelerated filer         | <input type="checkbox"/> |
| Non-accelerated filer   | <input type="checkbox"/>            | Smaller reporting company | <input type="checkbox"/> |
|                         |                                     | Emerging growth company   | <input type="checkbox"/> |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The registrant had outstanding 166,656,891 shares of common stock as of April 30, 2023.

**SELECTQUOTE, INC. AND SUBSIDIARIES**  
**FORM 10-Q**  
**TABLE OF CONTENTS**

|                 | <b>PART I FINANCIAL INFORMATION</b>                                                                                                     | <b>PAGE</b> |
|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <u>Item 1.</u>  | <u>Financial Statements (unaudited)</u>                                                                                                 |             |
|                 | <u>Condensed Consolidated Balance Sheets as of March 31, 2023 and June 30, 2022</u>                                                     | <u>2</u>    |
|                 | <u>Condensed Consolidated Statements of Comprehensive Income (Loss) for the Three and Nine Months Ended March 31, 2023 and 2022</u>     | <u>3</u>    |
|                 | <u>Condensed Consolidated Statements of Changes in Shareholders' Equity for the Three and Nine Months Ended March 31, 2023 and 2022</u> | <u>4</u>    |
|                 | <u>Condensed Consolidated Statements of Cash Flows for the Nine Months Ended March 31, 2023 and 2022</u>                                | <u>6</u>    |
|                 | <u>Notes to Condensed Consolidated Financial Statements</u>                                                                             | <u>7</u>    |
| <u>Item 2.</u>  | <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>                                            | <u>32</u>   |
| <u>Item 3.</u>  | <u>Quantitative and Qualitative Disclosures About Market Risk</u>                                                                       | <u>56</u>   |
| <u>Item 4.</u>  | <u>Controls and Procedures</u>                                                                                                          | <u>56</u>   |
|                 | <b>PART II OTHER INFORMATION</b>                                                                                                        |             |
| <u>Item 1.</u>  | <u>Legal Proceedings</u>                                                                                                                | <u>58</u>   |
| <u>Item 1A.</u> | <u>Risk Factors</u>                                                                                                                     | <u>58</u>   |
| <u>Item 2.</u>  | <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>                                                                      | <u>58</u>   |
| <u>Item 3.</u>  | <u>Defaults Upon Senior Securities</u>                                                                                                  | <u>58</u>   |
| <u>Item 4.</u>  | <u>Mine Safety Disclosures</u>                                                                                                          | <u>58</u>   |
| <u>Item 5.</u>  | <u>Other Information</u>                                                                                                                | <u>58</u>   |
| <u>Item 6.</u>  | <u>Exhibits</u>                                                                                                                         | <u>60</u>   |
|                 | <u>Signatures</u>                                                                                                                       | <u>61</u>   |

---

# PART I FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

### SELECTQUOTE, INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)  
(In thousands)

|                                                                                         | March 31, 2023      | June 30, 2022       |
|-----------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>ASSETS</b>                                                                           |                     |                     |
| <b>CURRENT ASSETS:</b>                                                                  |                     |                     |
| Cash and cash equivalents                                                               | \$ 92,048           | \$ 140,997          |
| Accounts receivable, net of allowances of \$2.2 million and \$0.6 million, respectively | 211,686             | 129,748             |
| Commissions receivable-current                                                          | 68,531              | 116,277             |
| Other current assets                                                                    | 11,504              | 15,751              |
| Total current assets                                                                    | 383,769             | 402,773             |
| COMMISSIONS RECEIVABLE—Net                                                              | 753,003             | 722,349             |
| PROPERTY AND EQUIPMENT—Net                                                              | 31,601              | 41,804              |
| SOFTWARE—Net                                                                            | 16,127              | 16,301              |
| OPERATING LEASE RIGHT-OF-USE ASSETS                                                     | 26,312              | 28,016              |
| INTANGIBLE ASSETS—Net                                                                   | 27,019              | 31,255              |
| GOODWILL                                                                                | 29,136              | 29,136              |
| OTHER ASSETS                                                                            | 20,989              | 18,418              |
| <b>TOTAL ASSETS</b>                                                                     | <b>\$ 1,287,956</b> | <b>\$ 1,290,052</b> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>                                             |                     |                     |
| <b>CURRENT LIABILITIES:</b>                                                             |                     |                     |
| Accounts payable                                                                        | \$ 31,608           | \$ 24,766           |
| Accrued expenses                                                                        | 23,162              | 26,002              |
| Accrued compensation and benefits                                                       | 49,087              | 42,150              |
| Operating lease liabilities—current                                                     | 5,958               | 5,261               |
| Current portion of long-term debt                                                       | 25,412              | 7,169               |
| Contract liabilities                                                                    | 9,717               | 3,404               |
| Other current liabilities                                                               | 1,580               | 4,761               |
| Total current liabilities                                                               | 146,524             | 113,513             |
| LONG-TERM DEBT, NET—less current portion                                                | 667,306             | 698,423             |
| DEFERRED INCOME TAXES                                                                   | 49,134              | 50,080              |
| OPERATING LEASE LIABILITIES                                                             | 30,329              | 33,946              |
| OTHER LIABILITIES                                                                       | 3,244               | 2,985               |
| Total liabilities                                                                       | 896,537             | 898,947             |
| <b>COMMITMENTS AND CONTINGENCIES (Note 8)</b>                                           |                     |                     |
| <b>SHAREHOLDERS' EQUITY:</b>                                                            |                     |                     |
| Common stock, \$0.01 par value                                                          | 1,667               | 1,644               |
| Additional paid-in capital                                                              | 564,484             | 554,845             |
| Accumulated deficit                                                                     | (187,806)           | (177,100)           |
| Accumulated other comprehensive income                                                  | 13,074              | 11,716              |
| Total shareholders' equity                                                              | 391,419             | 391,105             |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>                                       | <b>\$ 1,287,956</b> | <b>\$ 1,290,052</b> |

See accompanying notes to condensed consolidated financial statements.



**SELECTQUOTE, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
(Unaudited)  
(In thousands)

|                                                                             | <b>Three Months Ended March 31,</b> |             | <b>Nine Months Ended March 31,</b> |              |
|-----------------------------------------------------------------------------|-------------------------------------|-------------|------------------------------------|--------------|
|                                                                             | <b>2023</b>                         | <b>2022</b> | <b>2023</b>                        | <b>2022</b>  |
| <b>REVENUE:</b>                                                             |                                     |             |                                    |              |
| Commission                                                                  | \$ 197,258                          | \$ 221,764  | \$ 533,627                         | \$ 492,528   |
| Pharmacy                                                                    | 66,948                              | 18,478      | 159,641                            | 31,715       |
| Other                                                                       | 35,192                              | 34,097      | 87,802                             | 100,412      |
| Total revenue                                                               | 299,398                             | 274,339     | 781,070                            | 624,655      |
| <b>OPERATING COSTS AND EXPENSES:</b>                                        |                                     |             |                                    |              |
| Cost of revenue                                                             | 79,186                              | 96,491      | 235,827                            | 319,469      |
| Cost of goods sold—pharmacy revenue                                         | 62,302                              | 19,294      | 154,753                            | 34,338       |
| Marketing and advertising                                                   | 90,205                              | 125,082     | 237,724                            | 409,005      |
| Selling, general, and administrative                                        | 27,544                              | 24,705      | 86,662                             | 70,495       |
| Technical development                                                       | 6,434                               | 6,436       | 18,860                             | 18,675       |
| Total operating costs and expenses                                          | 265,671                             | 272,008     | 733,826                            | 851,982      |
| INCOME (LOSS) FROM OPERATIONS                                               | 33,727                              | 2,331       | 47,244                             | (227,327)    |
| INTEREST EXPENSE, NET                                                       | (21,105)                            | (12,179)    | (58,885)                           | (31,300)     |
| OTHER INCOME (EXPENSE), NET                                                 | (206)                               | (23)        | (118)                              | (177)        |
| INCOME (LOSS) BEFORE INCOME TAX EXPENSE (BENEFIT)                           | 12,416                              | (9,871)     | (11,759)                           | (258,804)    |
| INCOME TAX EXPENSE (BENEFIT)                                                | 3,152                               | (2,846)     | (1,053)                            | (65,984)     |
| NET INCOME (LOSS)                                                           | \$ 9,264                            | \$ (7,025)  | \$ (10,706)                        | \$ (192,820) |
| <b>NET INCOME (LOSS) PER SHARE:</b>                                         |                                     |             |                                    |              |
| Basic                                                                       | \$ 0.06                             | \$ (0.04)   | \$ (0.06)                          | \$ (1.17)    |
| Diluted                                                                     | \$ 0.06                             | \$ (0.04)   | \$ (0.06)                          | \$ (1.17)    |
| <b>WEIGHTED-AVERAGE COMMON STOCK OUTSTANDING USED IN PER SHARE AMOUNTS:</b> |                                     |             |                                    |              |
| Basic                                                                       | 166,543                             | 164,083     | 165,951                            | 163,914      |
| Diluted                                                                     | 167,905                             | 164,083     | 165,951                            | 163,914      |
| <b>OTHER COMPREHENSIVE INCOME (LOSS) NET OF TAX:</b>                        |                                     |             |                                    |              |
| Gain (loss) on cash flow hedge                                              | (2,661)                             | 7,589       | 1,358                              | 9,358        |
| OTHER COMPREHENSIVE INCOME (LOSS)                                           | (2,661)                             | 7,589       | 1,358                              | 9,358        |
| COMPREHENSIVE INCOME (LOSS)                                                 | \$ 6,603                            | \$ 564      | \$ (9,348)                         | \$ (183,462) |

See accompanying notes to the condensed consolidated financial statements.

**SELECTQUOTE, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Unaudited)  
(In thousands)

| Three Months Ended March 31, 2023                                                                               |              |          |                                  |                        |                                                 |                                  |
|-----------------------------------------------------------------------------------------------------------------|--------------|----------|----------------------------------|------------------------|-------------------------------------------------|----------------------------------|
|                                                                                                                 | Common Stock |          | Additional<br>Paid-In<br>Capital | Accumulated<br>Deficit | Accumulated<br>Other<br>Comprehensive<br>Income | Total<br>Shareholders'<br>Equity |
|                                                                                                                 | Shares       | Amount   |                                  |                        |                                                 |                                  |
| <b>BALANCES-December 31, 2022</b>                                                                               | 166,511      | \$ 1,665 | \$ 561,435                       | \$ (197,070)           | \$ 15,735                                       | \$ 381,765                       |
| Net income                                                                                                      | —            | —        | —                                | 9,264                  | —                                               | 9,264                            |
| Loss on cash flow hedge, net of tax                                                                             | —            | —        | —                                | —                      | (484)                                           | (484)                            |
| Amount reclassified into earnings, net tax                                                                      | —            | —        | —                                | —                      | (2,177)                                         | (2,177)                          |
| Exercise of employee stock options, net of shares withheld for cashless exercises and to cover tax withholdings | 23           | —        | 42                               | —                      | —                                               | 42                               |
| Issuance of common stock pursuant to employee stock purchase plan                                               | 97           | 1        | 63                               | —                      | —                                               | 64                               |
| Vesting of restricted stock unit awards net of shares withheld to cover tax withholdings                        | 26           | 1        | (7)                              | —                      | —                                               | (6)                              |
| Share-based compensation expense                                                                                | —            | —        | 2,951                            | —                      | —                                               | 2,951                            |
| <b>BALANCES-March 31, 2023</b>                                                                                  | 166,657      | \$ 1,667 | \$ 564,484                       | \$ (187,806)           | \$ 13,074                                       | \$ 391,419                       |

  

| Three Months Ended March 31, 2022                                                                               |              |          |                                  |                        |                                                 |                                  |
|-----------------------------------------------------------------------------------------------------------------|--------------|----------|----------------------------------|------------------------|-------------------------------------------------|----------------------------------|
|                                                                                                                 | Common Stock |          | Additional<br>Paid-In<br>Capital | Accumulated<br>Deficit | Accumulated<br>Other<br>Comprehensive<br>Income | Total<br>Shareholders'<br>Equity |
|                                                                                                                 | Shares       | Amount   |                                  |                        |                                                 |                                  |
| <b>BALANCES-December 31, 2021</b>                                                                               | 164,013      | \$ 1,640 | \$ 551,002                       | \$ (65,391)            | \$ 1,998                                        | \$ 489,249                       |
| Net loss                                                                                                        | —            | —        | —                                | (7,025)                | —                                               | (7,025)                          |
| Gain on cash flow hedge, net of tax                                                                             | —            | —        | —                                | —                      | 7,421                                           | 7,421                            |
| Amount reclassified into earnings, net of tax                                                                   | —            | —        | —                                | —                      | 168                                             | 168                              |
| Exercise of employee stock options, net of shares withheld for cashless exercises and to cover tax withholdings | 10           | —        | 14                               | —                      | —                                               | 14                               |
| Issuance of common stock pursuant to employee stock purchase plan                                               | 376          | 4        | 889                              | —                      | —                                               | 893                              |
| Vesting of restricted stock unit awards net of shares withheld to cover tax withholdings                        | 2            | —        | (3)                              | —                      | —                                               | (3)                              |
| Share-based compensation expense                                                                                | —            | —        | 2,143                            | —                      | —                                               | 2,143                            |
| <b>BALANCES-March 31, 2022</b>                                                                                  | 164,401      | \$ 1,644 | \$ 554,045                       | \$ (72,416)            | \$ 9,587                                        | \$ 492,860                       |

See accompanying notes to the condensed consolidated financial statements.

| Nine Months Ended March 31, 2023                                                                                |                |                 |                   |                     |                  |                   |
|-----------------------------------------------------------------------------------------------------------------|----------------|-----------------|-------------------|---------------------|------------------|-------------------|
|                                                                                                                 | Common Stock   |                 | Additional        |                     | Accumulated      | Total             |
|                                                                                                                 | Shares         | Amount          | Paid-In           | Accumulated         | Other            | Shareholders'     |
|                                                                                                                 |                |                 | Capital           | Deficit             | Comprehensive    | Equity            |
| <b>BALANCES-June 30, 2022</b>                                                                                   | 164,452        | \$ 1,644        | \$ 554,845        | \$ (177,100)        | \$ 11,716        | \$ 391,105        |
| Net loss                                                                                                        | —              | —               | —                 | (10,706)            | —                | (10,706)          |
| Gain on cash flow hedge, net of tax                                                                             | —              | —               | —                 | —                   | 5,895            | 5,895             |
| Amount reclassified into earnings, net of tax                                                                   | —              | —               | —                 | —                   | (4,537)          | (4,537)           |
| Exercise of employee stock options, net of shares withheld for cashless exercises and to cover tax withholdings | 1,139          | 12              | 627               | —                   | —                | 639               |
| Issuance of common stock pursuant to employee stock purchase plan                                               | 877            | 9               | 539               | —                   | —                | 548               |
| Vesting of restricted stock unit awards net of shares withheld to cover tax withholdings                        | 189            | 2               | (42)              | —                   | —                | (40)              |
| Share-based compensation expense                                                                                | —              | —               | 8,515             | —                   | —                | 8,515             |
| <b>BALANCES-March 31, 2023</b>                                                                                  | <u>166,657</u> | <u>\$ 1,667</u> | <u>\$ 564,484</u> | <u>\$ (187,806)</u> | <u>\$ 13,074</u> | <u>\$ 391,419</u> |

| Nine Months Ended March 31, 2022                                                                                |                |                 |                   |                       |                 |                   |
|-----------------------------------------------------------------------------------------------------------------|----------------|-----------------|-------------------|-----------------------|-----------------|-------------------|
|                                                                                                                 | Common Stock   |                 | Additional        | Retained              | Accumulated     | Total             |
|                                                                                                                 | Shares         | Amount          | Paid-In           | Earnings/(Accumulated | Other           | Shareholders'     |
|                                                                                                                 |                |                 | Capital           | Deficit)              | Comprehensive   | Equity            |
| <b>BALANCES-June 30, 2021</b>                                                                                   | 163,510        | \$ 1,635        | \$ 544,771        | \$ 120,404            | \$ 229          | \$ 667,039        |
| Net loss                                                                                                        | —              | —               | —                 | (192,820)             | —               | (192,820)         |
| Gain on cash flow hedge, net of tax                                                                             | —              | —               | —                 | —                     | 8,844           | 8,844             |
| Amount reclassified into earnings, net tax                                                                      | —              | —               | —                 | —                     | 514             | 514               |
| Exercise of employee stock options, net of shares withheld for cashless exercises and to cover tax withholdings | 349            | 3               | 1,293             | —                     | —               | 1,296             |
| Issuance of common stock pursuant to employee stock purchase plan                                               | 466            | 5               | 1,877             | —                     | —               | 1,882             |
| Vesting of restricted stock unit awards net of shares withheld to cover tax withholdings                        | 76             | 1               | (148)             | —                     | —               | (147)             |
| Share-based compensation expense                                                                                | —              | —               | 6,252             | —                     | —               | 6,252             |
| <b>BALANCES-March 31, 2022</b>                                                                                  | <u>164,401</u> | <u>\$ 1,644</u> | <u>\$ 554,045</u> | <u>\$ (72,416)</u>    | <u>\$ 9,587</u> | <u>\$ 492,860</u> |

See accompanying notes to the condensed consolidated financial statements.

**SELECTQUOTE, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)  
(In thousands)

|                                                                                                  | <b>Nine Months Ended March 31,</b> |                          |
|--------------------------------------------------------------------------------------------------|------------------------------------|--------------------------|
|                                                                                                  | <b>2023</b>                        | <b>2022</b>              |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                                     |                                    |                          |
| Net loss                                                                                         | \$ (10,706)                        | \$ (192,820)             |
| Adjustments to reconcile net loss to net cash and cash equivalents used in operating activities: |                                    |                          |
| Depreciation and amortization                                                                    | 21,087                             | 17,957                   |
| Loss on disposal of property, equipment, and software                                            | 390                                | 741                      |
| Share-based compensation expense                                                                 | 8,525                              | 6,252                    |
| Deferred income taxes                                                                            | (1,416)                            | (66,378)                 |
| Amortization of debt issuance costs and debt discount                                            | 6,250                              | 4,217                    |
| Write-off of debt issuance costs                                                                 | 710                                | —                        |
| Accrued interest payable in kind                                                                 | 8,450                              | —                        |
| Non-cash lease expense                                                                           | 3,115                              | 3,065                    |
| Changes in operating assets and liabilities:                                                     |                                    |                          |
| Accounts receivable, net                                                                         | (62,738)                           | (59,837)                 |
| Commissions receivable                                                                           | 17,092                             | 7,601                    |
| Other assets                                                                                     | 3,166                              | (8,275)                  |
| Accounts payable and accrued expenses                                                            | 6,440                              | 8,096                    |
| Operating lease liabilities                                                                      | (4,331)                            | (3,868)                  |
| Other liabilities                                                                                | (8,869)                            | (1,113)                  |
| Net cash used in operating activities                                                            | <u>(12,835)</u>                    | <u>(284,362)</u>         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                                     |                                    |                          |
| Purchases of property and equipment                                                              | (1,056)                            | (24,515)                 |
| Purchases of software and capitalized software development costs                                 | (5,804)                            | (7,570)                  |
| Acquisition of business                                                                          | —                                  | (6,927)                  |
| Investment in equity securities                                                                  | —                                  | (1,000)                  |
| Net cash used in investing activities                                                            | <u>(6,860)</u>                     | <u>(40,012)</u>          |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                                                     |                                    |                          |
| Proceeds from Revolving Credit Facility                                                          | —                                  | 50,000                   |
| Payments on Revolving Credit Facility                                                            | —                                  | (50,000)                 |
| Proceeds from Term Loans                                                                         | —                                  | 242,000                  |
| Payments on Term Loans                                                                           | (17,833)                           | (1,793)                  |
| Payments on other debt                                                                           | (123)                              | (130)                    |
| Proceeds from common stock options exercised and employee stock purchase plan                    | 1,187                              | 3,179                    |
| Payments of tax withholdings related to net share settlement of equity awards                    | (40)                               | (148)                    |
| Payments of debt issuance costs                                                                  | (10,110)                           | (328)                    |
| Payment of acquisition holdback                                                                  | (2,335)                            | (5,501)                  |
| Net cash (used in) provided by financing activities                                              | <u>(29,254)</u>                    | <u>237,279</u>           |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>                                                 | <u>(48,949)</u>                    | <u>(87,095)</u>          |
| <b>CASH AND CASH EQUIVALENTS—Beginning of period</b>                                             | <u>140,997</u>                     | <u>286,454</u>           |
| <b>CASH AND CASH EQUIVALENTS—End of period</b>                                                   | <u><u>\$ 92,048</u></u>            | <u><u>\$ 199,359</u></u> |
| <b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>                                                       |                                    |                          |
| Interest paid, net                                                                               | \$ (43,309)                        | \$ (27,010)              |
| Income taxes paid, net                                                                           | (15)                               | (67)                     |

See accompanying notes to condensed consolidated financial statements.



## SELECTQUOTE, INC. AND SUBSIDIARIES

### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 1. SUMMARY OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

**Description of Business**—SelectQuote, Inc. (together with its subsidiaries, the “Company” or “SelectQuote”) is a leading technology-enabled, direct-to-consumer distribution platform for insurance products and healthcare services. We contract with insurance carriers to sell senior health, life, and auto and home insurance policies by telephone to individuals throughout the United States through the use of multi-channel marketing and advertising campaigns. SelectQuote’s Senior division (“Senior”) sells Medicare Advantage, Medicare Supplement, Medicare Part D, and other ancillary senior health insurance related products. SelectQuote’s Life division (“Life”) sells term life, final expense, and other ancillary products, and SelectQuote’s Auto & Home division (“Auto & Home”) primarily sells non-commercial auto and home, property and casualty insurance products. The Healthcare Services division (“Healthcare Services”) includes SelectRx and Population Health. SelectRx is a closed-door, long-term care pharmacy, which offers essential prescription medications, OTC medications, customized medication packaging, medication therapy management, and other consultative services. Population Health contracts with insurance carriers to perform health risk assessments (“HRA”) on potential new members to determine how Population Health’s value-based care (“VBC”) partners can help members improve health outcomes.

**Basis of Presentation**—The accompanying unaudited condensed consolidated financial statements include the accounts of SelectQuote, Inc. and its wholly owned subsidiaries: SelectQuote Insurance Services, SelectQuote Auto & Home Insurance Services, LLC (“SQAHA”), ChoiceMark Insurance Services, Inc., Tiburon Insurance Services, InsideResponse, LLC (“InsideResponse”), and SelectQuote Ventures, Inc. The unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) for interim financial information and reflect all normal recurring adjustments that are necessary to present fairly the results for the interim periods presented. All intercompany accounts and transactions have been eliminated in consolidation. Certain information and disclosures normally included in annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted in accordance with those rules and regulations and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. The unaudited condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements in our Annual Report on Form 10-K for the year ended June 30, 2022, filed with the Securities and Exchange Commission on August 29, 2022 (the “Annual Report”), and include all adjustments necessary for the fair presentation of our financial position for the periods presented. Our results for the periods presented in our financial statements are not necessarily indicative of the results to be expected for any subsequent period, including for the year ending June 30, 2023, and therefore should not be relied upon as an indicator of future results. The accompanying unaudited condensed consolidated financial statements and related notes should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2022. During the nine months ended March 31, 2023, the Company created a new liability line item on the condensed consolidated balance sheets for “Contract liabilities” which was previously included in “Other current liabilities” in the Company’s Annual Report. The Company created a new revenue line item on the condensed consolidated statements of comprehensive income for “Pharmacy revenue” which was previously included in “Other revenue” in the Company’s Annual Report. Production bonus revenue, which was previously presented separately within Revenue in the Annual Report, is now included in Other revenue. Additionally, the Company created a new operating costs and expenses line item for “Cost of goods sold-pharmacy revenue” related to “Pharmacy revenue” which was previously included in “Cost of revenue” in the Company’s Annual Report. The Company updated its accounting policy related to the classification of SelectRx cost of goods sold which resulted in \$3.7 million and \$5.9 million previously included in Cost of revenue in the condensed consolidated financial statements for the three and nine months ended March 31, 2022, respectively, now included in Selling, general, and administrative expenses. Prior year financial statements and disclosures were reclassified to conform to these changes in presentation. These reclassifications had no impact on net income, shareholders’ equity or cash flows as previously reported.

**Use of Estimates**—The preparation of condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and

assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities and disclosure of contingent assets and liabilities. The Company regularly assesses these estimates; however, actual amounts could differ from those estimates. The most significant items involving management's estimates include estimates of revenue recognition, accounts receivable, net, commissions receivable, the provision for income taxes, share-based compensation, and valuation of intangible assets and goodwill. The impact of changes in estimates is recorded in the period in which they become known.

**Seasonality**—Medicare-eligible individuals are permitted to change their Medicare Advantage and Medicare Part D prescription drug coverage for the following year during the Medicare annual enrollment period ("AEP") in October through December and are allowed to switch plans from an existing plan during the open enrollment period ("OEP") in January through March each year. As a result, the Company's Senior segment's commission revenue is highest in the second quarter and to a lesser extent, the third quarter during OEP.

**Significant Accounting Policies**—There have been no material changes to the Company's significant accounting policies as described in our 2022 Annual Report, other than the changes to the policies below as discussed above:

**Cost of Revenue**—Cost of revenue represents the direct costs associated with fulfilling the Company's obligations to its customers to sell insurance policies and other healthcare services in the Senior, Life, Auto & Home, and Population Health divisions. Such costs primarily consist of compensation, benefits, and licensing for sales agents, customer success agents, fulfillment specialists, and others directly engaged in serving customers, in addition to certain facilities overhead costs such as rent, maintenance, and depreciation.

**Cost of Goods Sold-Pharmacy Revenue**—Cost of goods sold-pharmacy revenue represents the direct costs associated with fulfilling pharmacy patient orders for SelectRx. Such costs primarily consist of medication costs and compensation and related benefit costs for licensed pharmacists, pharmacy technicians, and other employees directly associated with fulfilling orders such as packaging and shipping clerks. It also includes shipping, supplies, other order fulfillment costs including part of the one-time customer onboarding costs, and certain facilities overhead costs such as rent, maintenance, and depreciation related to the pharmacy production process.

**Recent Accounting Pronouncements Adopted**—In October 2021, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*, which requires that an acquirer recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606 as if the acquirer had originated the contracts. Prior to this ASU, an acquirer generally recognizes contract assets acquired and contract liabilities assumed that arose from contracts with customers at fair value on the acquisition date. The ASU is effective for fiscal years beginning after December 15, 2022, with early adoption permitted. The ASU is to be applied prospectively to business combinations occurring on or after the effective date of the amendment (or if adopted early as of an interim period, as of the beginning of the fiscal year that includes the interim period of early application). The Company early adopted this guidance as of July 1, 2022, and will apply it prospectively to any business acquisitions subsequent to the date of adoption.

**Immaterial Correction of Prior Period Financial Statements**—Subsequent to the issuance of the Company's financial statements as of and for the year ended June 30, 2021, the Company determined that the provision for first year commission revenue for certain final expense policies offered by certain of its insurance carrier partners should have been accrued based on a higher lapse rate. This misstatement was initially thought to be isolated to an error in the lapse rate for one of its insurance carrier partners, as disclosed in the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2021. However, during the three months ended June 30, 2022, it was determined that the lapse rate for other insurance carrier partners were also incorrect, resulting in an additional misstatement being identified. The cumulative effect of the error in the lapse rates resulted in commission revenues being misstated by \$7.8 million and \$2.2 million for the years ended June 30, 2021 and 2020, respectively, and \$3.8 million, \$0.7 million, and \$0.8 million for the three months ended September 30, 2021, December 31,

2021, and March 31, 2022, respectively. Accounts receivable was misstated by \$10.0 million and \$2.2 million as of June 30, 2021 and 2020, respectively. The impact of the cumulative misstatements on net income for the years ended June 30, 2021 and 2020, were decreases of \$6.2 million and \$1.7 million, respectively. Management evaluated the cumulative misstatements and concluded they were not material to prior periods, individually or in aggregate. However, correcting the cumulative effect of the misstatements during any three month period within the year ended June 30, 2022, would have had a significant effect on the results of operations for these respective reporting periods. Therefore, the Company is correcting the relevant prior period condensed consolidated financial statements and related footnotes for this error for comparative purposes.

The following tables reflect the effects of the correction on all affected line items of the Company's previously reported condensed consolidated financial statements presented in this Form 10-Q:

**CORRECTED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (unaudited)**

|                                | Three Months Ended March 31, 2022 |            |              | Nine Months Ended March 31, 2022 |            |              |
|--------------------------------|-----------------------------------|------------|--------------|----------------------------------|------------|--------------|
|                                | As Previously Reported            | Adjustment | As Corrected | As Previously Reported           | Adjustment | As Corrected |
| <i>(in thousands)</i>          |                                   |            |              |                                  |            |              |
| Commission revenue             | \$ 222,538                        | \$ (774)   | \$ 221,764   | \$ 495,494                       | \$ (2,966) | \$ 492,528   |
| Total revenue                  | 275,113                           | (774)      | 274,339      | 627,621                          | (2,966)    | 624,655      |
| Income (loss) from operations  | 3,105                             | (774)      | 2,331        | (224,361)                        | (2,966)    | (227,327)    |
| Loss before income tax benefit | (9,097)                           | (774)      | (9,871)      | (255,838)                        | (2,966)    | (258,804)    |
| Income tax benefit             | (2,649)                           | (197)      | (2,846)      | (65,229)                         | (755)      | (65,984)     |
| Net loss                       | (6,448)                           | (577)      | (7,025)      | (190,609)                        | (2,211)    | (192,820)    |
| Net loss per share:            |                                   |            |              |                                  |            |              |
| Basic                          | (0.04)                            | —          | (0.04)       | (1.16)                           | (0.01)     | (1.17)       |
| Diluted                        | (0.04)                            | —          | (0.04)       | (1.16)                           | (0.01)     | (1.17)       |
| Comprehensive income (loss)    | \$ 1,141                          | \$ (577)   | \$ 564       | \$ (181,251)                     | \$ (2,211) | \$ (183,462) |

**CORRECTED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (unaudited)**

|                               | <b>Three Months Ended March 31, 2022</b> |                                   |
|-------------------------------|------------------------------------------|-----------------------------------|
|                               | <b>Accumulated Deficit</b>               | <b>Total Shareholders' Equity</b> |
| <i>(in thousands)</i>         |                                          |                                   |
| <b>As Previously Reported</b> |                                          |                                   |
| BALANCES-December 31, 2021    | \$ (62,236)                              | \$ 492,404                        |
| Net loss                      | (6,448)                                  | (6,448)                           |
| BALANCES-March 31, 2022       | (68,684)                                 | 496,592                           |
| <b>Adjustments</b>            |                                          |                                   |
| BALANCES-December 31, 2021    | (3,155)                                  | (3,155)                           |
| Net loss                      | (577)                                    | (577)                             |
| BALANCES-March 31, 2022       | (3,732)                                  | (3,732)                           |
| <b>As Corrected</b>           |                                          |                                   |
| BALANCES-December 31, 2021    | (65,391)                                 | 489,249                           |
| Net loss                      | (7,025)                                  | (7,025)                           |
| BALANCES-March 31, 2022       | \$ (72,416)                              | \$ 492,860                        |

**CORRECTED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (unaudited)**

|                               | <b>Nine Months Ended March 31, 2022</b> |                                   |
|-------------------------------|-----------------------------------------|-----------------------------------|
|                               | <b>Accumulated Deficit</b>              | <b>Total Shareholders' Equity</b> |
| <i>(in thousands)</i>         |                                         |                                   |
| <b>As Previously Reported</b> |                                         |                                   |
| BALANCES-June 30, 2021        | \$ 121,925                              | \$ 668,560                        |
| Net loss                      | (190,609)                               | (190,609)                         |
| BALANCES-March 31, 2022       | (68,684)                                | 496,592                           |
| <b>Adjustments</b>            |                                         |                                   |
| BALANCES-June 30, 2021        | (1,521)                                 | (1,521)                           |
| Net loss                      | (2,211)                                 | (2,211)                           |
| BALANCES-March 31, 2022       | (3,732)                                 | (3,732)                           |
| <b>As Corrected</b>           |                                         |                                   |
| BALANCES-June 30, 2021        | 120,404                                 | 667,039                           |
| Net loss                      | (192,820)                               | (192,820)                         |
| BALANCES-March 31, 2022       | \$ (72,416)                             | \$ 492,860                        |

**CORRECTED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)**

| (in thousands)                        | Nine Months Ended March 31, 2022 |            |              |
|---------------------------------------|----------------------------------|------------|--------------|
|                                       | As Previously Reported           | Adjustment | As Corrected |
| Net loss                              | \$ (190,609)                     | \$ (2,211) | \$ (192,820) |
| Deferred income taxes                 | (65,623)                         | (755)      | (66,378)     |
| Accounts receivable                   | (62,803)                         | 2,966      | (59,837)     |
| Net cash used in operating activities | \$ (284,362)                     | \$ —       | \$ (284,362) |

**2. ACQUISITIONS**

In accordance with Accounting Standards Codification (“ASC”) 805, *Business Combinations* (“ASC 805”), the Company allocates the fair value of purchase consideration to the tangible assets, liabilities, and intangible assets acquired based on fair values. Any excess purchase price over those fair values is recorded as goodwill. The fair value assigned to intangible assets acquired is supported by valuations using estimates and assumptions provided by management. Based on the valuation inputs, the Company has recorded assets acquired and liabilities assumed according to the following fair value hierarchy:

|         |                                                                                                                                                                                                                                                                             |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Level 1 | Unadjusted quoted prices in active markets for identical assets or liabilities                                                                                                                                                                                              |
| Level 2 | Unadjusted quoted prices in active markets for similar assets or liabilities; or unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active; or inputs other than quoted prices that are observable for the asset or liability. |
| Level 3 | Significant unobservable inputs for the asset or liability                                                                                                                                                                                                                  |

**Express Med Pharmaceuticals**—On April 30, 2021, the Company acquired 100% of the outstanding shares of Express Med Pharmaceuticals, Inc., which is included in SelectRx, a closed-door, long term care pharmacy provider, for an aggregate purchase price of up to \$24.0 million (subject to customary adjustments), as set forth in the Stock Purchase Agreement dated April 30, 2021 (the “Stock Purchase Agreement”). The aggregate purchase price of up to \$24.0 million is comprised of \$17.5 million in cash paid at the closing of the transaction, an additional \$2.5 million of holdback for indemnification claims, if any, and an earnout of up to \$4.0 million, if any. The primary purpose of the acquisition was to take advantage of the Company's technology and customer base to facilitate better patient care through coordination of strategic, value-based care partnerships. The Company recorded \$0.3 million of acquisition-related costs in selling, general, and administrative operating costs and expenses in the condensed consolidated statement of comprehensive income. In addition, as a result of the acquisition, the Company has entered into an operating lease with the former President and Chief Executive Officer of Express Med Pharmaceuticals, now the Company's Executive Vice President of SelectRx. Refer to Note 6 in the condensed consolidated financial statements for further details.

The earnout of up to \$4.0 million is comprised of two separate provisions. The first provision provides for an earnout of up to \$3.0 million and is contingent upon achievement of the following within the first 20 months following the acquisition: facility updates that would allow for processing a minimum of 75,000 active patients, the issuance of pharmacy licenses in all 50 states, and active patients of 15,000 or more. The second provision provides for an earnout of up to \$1.0 million and is contingent upon achievement of the following within 36 months following the acquisition: construction of a new facility to accommodate the servicing of additional active patients or 75,000 or more active patients as of the last day of any month prior to the end of the second earnout provision period or as of the end of the second earnout provision period. As the earnout payment is contingent upon continued employment of certain individuals, the Company will recognize the earnout as compensation expense in selling, general, and administrative operating costs and expenses in the condensed consolidated statement of comprehensive income in the period in which it is earned. During the nine months ended March 31, 2023, the Company paid the first and

second earnout provisions of \$3.0 million and \$1.0 million, respectively, as well as the remaining holdback, net of adjustments, of \$2.3 million.

Under the terms of the Stock Purchase Agreement, total consideration in the acquisition consisted of the following as of the acquisition date (in thousands):

|                                     |           |               |
|-------------------------------------|-----------|---------------|
| Base purchase price                 | \$        | 20,000        |
| Net working capital true-up         |           | (483)         |
| Closing cash                        |           | 20            |
| <b>Total purchase consideration</b> | <b>\$</b> | <b>19,537</b> |

At the date of acquisition, the fair value of net tangible assets acquired, excluding property and equipment, approximated their carrying value. The property and equipment was valued primarily using the cost and sales comparison approach to value. For the proprietary software acquired, the replacement cost method under the cost approach was used, estimating the cost to rebuild the software. The non-compete agreement was valued using the income approach, and the customer relationships were valued using the multiple period excess earnings method. As such, all aforementioned intangible assets were valued using Level 3 inputs.

Goodwill resulting from the transaction constitutes the excess of the consideration paid over the fair values of the assets acquired and liabilities assumed and primarily represents the additional value of the synergies of combining the SelectRx business with the Company's technology and existing customer base. This acquired goodwill is allocated to the Healthcare Services reporting unit, which is also a reportable segment, and \$16.3 million is deductible for tax purposes after adding back acquisition costs and excluding the holdback.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed as of the acquisition date (in thousands):

| Description                                           | Estimated Life | Amount           |
|-------------------------------------------------------|----------------|------------------|
| Cash and cash equivalents                             |                | \$ 20            |
| Accounts receivable                                   |                | 613              |
| Other current assets                                  |                | 28               |
| Property and equipment, net                           |                | 287              |
| Accounts payable                                      |                | (280)            |
| Accrued expenses, including compensation and benefits |                | (45)             |
| <b>Net tangible assets acquired</b>                   |                | <b>623</b>       |
| Proprietary Software                                  | 3 years        | 550              |
| Non-compete agreements                                | 5 years        | 100              |
| Customer relationships                                | 1 year         | 200              |
| Goodwill                                              | Indefinite     | 18,064           |
| <b>Total intangible assets acquired</b>               |                | <b>18,914</b>    |
| <b>Net assets acquired</b>                            |                | <b>\$ 19,537</b> |

The Company will amortize the intangible assets acquired on a straight-line basis over their estimated remaining lives, ranging from one to five years.

**Simple Meds**—On August 31, 2021, SelectRx acquired 100% of the outstanding equity interests of Simple Meds, a full-service pharmaceutical distributor, for an aggregate purchase price of \$7.0 million (subject to customary adjustments), as set forth in the Membership Interest Purchase Agreement dated August 31, 2021. The aggregate purchase price of \$7.0 million was paid in cash at the closing of the transaction. The primary purpose of the acquisition was to accelerate the expansion of the prescription drug management business by combining the operations and existing infrastructure of Simple Meds into SelectRx.

Under the terms of the Membership Interest Purchase Agreement, total consideration in the acquisition consisted of the following as of the acquisition date (in thousands):

|                                     |           |              |
|-------------------------------------|-----------|--------------|
| Base purchase price                 | \$        | 7,000        |
| Net working capital true-up         |           | 347          |
| Closing cash                        |           | 61           |
| <b>Total purchase consideration</b> | <b>\$</b> | <b>7,408</b> |

At the date of acquisition, the fair value of net tangible assets acquired approximated their carrying value. The customer relationships were valued using the multiple period excess earnings method, and as such, were valued using Level 3 inputs.

Goodwill resulting from the transaction constitutes the excess of the consideration paid over the fair values of the assets acquired and liabilities assumed and primarily represents the additional value of the synergies of combining the Simple Meds business with the Company's technology and existing customer base. This acquired goodwill is allocated to the Healthcare Services reporting unit, which is also a reportable segment, and \$5.6 million is deductible for tax purposes after adding back acquisition costs.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed as of the acquisition date (in thousands):

| Description                      | Estimated Life | Amount          |
|----------------------------------|----------------|-----------------|
| Cash and cash equivalents        |                | \$ 61           |
| Accounts receivable              |                | 634             |
| Other current assets             |                | 474             |
| Property and equipment, net      |                | 415             |
| Accounts payable                 |                | (259)           |
| Net tangible assets acquired     |                | 1,325           |
| Customer relationships           | 1 year         | 370             |
| Goodwill                         | Indefinite     | 5,713           |
| Total intangible assets acquired |                | 6,083           |
| <b>Net assets acquired</b>       |                | <b>\$ 7,408</b> |

### 3. PROPERTY AND EQUIPMENT—NET

Property and equipment—net consisted of the following:

| <i>(in thousands)</i>                  | <b>March 31, 2023</b> | <b>June 30, 2022</b> |
|----------------------------------------|-----------------------|----------------------|
| Computer hardware                      | \$ 25,433             | \$ 23,303            |
| Machinery and equipment <sup>(1)</sup> | 14,862                | 15,051               |
| Leasehold improvements                 | 20,191                | 20,269               |
| Furniture and fixtures                 | 4,552                 | 4,605                |
| Work in progress                       | 521                   | 2,810                |
| Total                                  | 65,559                | 66,038               |
| Less accumulated depreciation          | (33,958)              | (24,234)             |
| <b>Property and equipment—net</b>      | <b>\$ 31,601</b>      | <b>\$ 41,804</b>     |

(1) Includes financing lease right-of-use assets.

Work in progress as of March 31, 2023, primarily represents leasehold improvements and computer equipment not yet put into service and not yet being depreciated. Work in progress as of June 30, 2022, primarily represents computer equipment and machinery not yet put into service and not yet being depreciated. Depreciation expense for the three months ended March 31, 2023 and 2022, was \$3.7 million and \$3.3 million, respectively, and \$10.9 million and \$8.4 million for the nine months ended March 31, 2023 and 2022, respectively.

### 4. SOFTWARE—NET

Software—net consisted of the following:

| <i>(in thousands)</i>         | <b>March 31, 2023</b> | <b>June 30, 2022</b> |
|-------------------------------|-----------------------|----------------------|
| Software                      | \$ 34,701             | \$ 26,049            |
| Work in progress              | 1,030                 | 4,162                |
| Total                         | 35,731                | 30,211               |
| Less accumulated amortization | (19,604)              | (13,910)             |
| <b>Software—net</b>           | <b>\$ 16,127</b>      | <b>\$ 16,301</b>     |

Work in progress as of March 31, 2023 and June 30, 2022, represents costs incurred for software not yet put into service and not yet being amortized. For the three months ended March 31, 2023 and 2022, the Company capitalized internal-use software and website development costs of \$1.8 million and \$2.2 million, respectively, and recorded amortization expense of \$2.0 million and \$1.6 million, respectively. For the nine months ended March 31, 2023 and 2022, the Company capitalized internal-use software and website development costs of \$5.7 million and \$6.6 million, respectively, and recorded amortization expense of \$5.9 million and \$4.5 million, respectively.

### 5. INTANGIBLE ASSETS AND GOODWILL

**Intangible assets**—The carrying amounts, accumulated amortization, and net carrying value of our definite-lived intangible assets are presented in the table below (dollars in thousands):



|                                | March 31, 2023        |                          |                     | June 30, 2022         |                                   |                          |                     |
|--------------------------------|-----------------------|--------------------------|---------------------|-----------------------|-----------------------------------|--------------------------|---------------------|
|                                | Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount | Gross Carrying Amount | Impairment Charges <sup>(1)</sup> | Accumulated Amortization | Net Carrying Amount |
| Customer relationships         | \$ 17,492             | \$ (8,036)               | \$ 9,456            | \$ 17,492             | \$ —                              | \$ (6,232)               | \$ 11,260           |
| Trade name                     | 2,680                 | (1,563)                  | 1,117               | 2,680                 | —                                 | (1,161)                  | 1,519               |
| Proprietary software           | 1,042                 | (719)                    | 323                 | 1,592                 | (336)                             | (816)                    | 440                 |
| Non-compete agreements         | 1,292                 | (658)                    | 634                 | 1,292                 | —                                 | (445)                    | 847                 |
| Vendor relationships           | 20,400                | (4,911)                  | 15,489              | 23,700                | (2,811)                           | (3,700)                  | 17,189              |
| <b>Total intangible assets</b> | <b>\$ 42,906</b>      | <b>\$ (15,887)</b>       | <b>\$ 27,019</b>    | <b>\$ 46,756</b>      | <b>\$ (3,147)</b>                 | <b>\$ (12,354)</b>       | <b>\$ 31,255</b>    |

(1) During the year ended June 30, 2022, the Company recorded impairment charges for several of its long-lived intangible assets. Refer to the consolidated financial statements in our Annual Report on Form 10-K for additional details.

The Company's intangible assets include those long-lived intangible assets which were recognized at their estimated acquisition date fair values. The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. There were no impairment triggers identified with respect to the Company's long-lived assets during the three and nine months ended March 31, 2023 and 2022.

For the three months ended March 31, 2023 and 2022, amortization expense related to intangible assets totaled \$1.4 million and \$1.7 million, respectively, and \$4.2 million and \$5.0 million for the nine months ended March 31, 2023 and 2022, respectively, recorded in selling, general, and administrative expense in the condensed consolidated statements of comprehensive income. The weighted-average remaining useful life of intangible assets was 5.5 and 6.2 years as of March 31, 2023 and June 30, 2022, respectively.

As of March 31, 2023, expected amortization expense in future fiscal periods were as follows (in thousands):

|                       | Trade Name      | Proprietary Software | Non-Compete Agreements | Vendor Relationships | Customer relationships | Total            |
|-----------------------|-----------------|----------------------|------------------------|----------------------|------------------------|------------------|
| Remainder fiscal 2023 | \$ 134          | \$ 39                | \$ 60                  | \$ 567               | \$ 581                 | \$ 1,381         |
| 2024                  | 536             | 156                  | 220                    | 2,267                | 2,319                  | 5,498            |
| 2025                  | 447             | 128                  | 220                    | 2,267                | 2,316                  | 5,378            |
| 2026                  | —               | —                    | 134                    | 2,267                | 2,313                  | 4,714            |
| 2027                  | —               | —                    | —                      | 2,267                | 1,927                  | 4,194            |
| Thereafter            | —               | —                    | —                      | 5,854                | —                      | 5,854            |
| <b>Total</b>          | <b>\$ 1,117</b> | <b>\$ 323</b>        | <b>\$ 634</b>          | <b>\$ 15,489</b>     | <b>\$ 9,456</b>        | <b>\$ 27,019</b> |

**Goodwill**—The Company recorded as goodwill the excess of the purchase price over the estimated fair values of identifiable assets and liabilities acquired as part of the acquisitions discussed in Note 2 to the condensed consolidated financial statements. Goodwill is assigned to reporting units that are expected to benefit from the synergies of the business combination as of the acquisition date and becomes identified with that reporting unit in its entirety. As such, the reporting unit as a whole supports the recovery of its goodwill. As of March 31, 2023, the Company's goodwill balance of \$29.1 million was related to the acquisitions of Express Meds and Simple Meds and is all assigned to the Healthcare Services reporting unit and reportable segment.

The Company performs its annual goodwill impairment testing as of April 1, or more frequently if it believes that indicators of impairment exist. During the three and nine months ended March 31, 2023 and 2022, there were no indicators of impairment.

## 6. LEASES

The majority of the Company's leases are operating leases related to office space for which the Company recognizes lease expense on a straight-line basis over the respective lease term. The Company leases office facilities in the United States in San Diego, California; Centennial, Colorado; Overland Park, Kansas; Oakland, California; Indianapolis, Indiana; and Monaca, Pennsylvania (note that SelectRx leases the Monaca facility from an Executive Vice President of SelectRx. The Company expects to incur \$3.6 million in total rental payments over the initial ten-year term plus an additional five-year extension option that it is reasonably certain to exercise). The Company's operating leases have remaining lease terms of less than one year up to thirteen years.

During the nine months ended March 31, 2023, operating leases commenced in San Diego, California and Indianapolis, Indiana, resulting in new right-of-use assets obtained in exchange for new lease liabilities of \$1.6 million. In addition, the Company exercised an early termination option for a portion of its office facilities in Overland Park, Kansas, with a new termination date of July 31, 2023, resulting in an early termination penalty of \$0.9 million. The early termination penalty was recorded as part of the remeasurement of the operating lease liability and resulted in accelerated amortization of the right-of-use asset over the shortened remaining term of the lease.

**Lease Costs**—The components of lease costs were as follows for the periods presented:

| (in thousands)                       | Three Months Ended March 31, |                 | Nine Months Ended March 31, |                 |
|--------------------------------------|------------------------------|-----------------|-----------------------------|-----------------|
|                                      | 2023                         | 2022            | 2023                        | 2022            |
| Finance lease costs <sup>(1)</sup>   | \$ 43                        | \$ 48           | \$ 129                      | \$ 132          |
| Operating lease costs <sup>(2)</sup> | 1,953                        | 1,998           | 5,998                       | 6,056           |
| Short-term lease costs               | 74                           | 40              | 137                         | 69              |
| Variable lease costs <sup>(3)</sup>  | (6)                          | 227             | 404                         | 696             |
| Sublease income                      | (671)                        | (23)            | (1,756)                     | (488)           |
| <b>Total net lease costs</b>         | <b>\$ 1,393</b>              | <b>\$ 2,290</b> | <b>\$ 4,912</b>             | <b>\$ 6,465</b> |

(1) Primarily consists of amortization of finance lease right-of-use assets and an immaterial amount of interest on finance lease liabilities recorded in operating costs and expenses and interest expense, net in the condensed consolidated statements of comprehensive income.

(2) Recorded in operating costs and expenses in the condensed consolidated statements of comprehensive income.

(3) Variable lease costs are not included in the measurement of the lease liability or right-of-use asset as they are not based on an index or rate and primarily represents common area maintenance charges and real estate taxes recorded in operating costs and expenses in the condensed consolidated statements of comprehensive income.

**Maturities of Lease Liabilities**—As of March 31, 2023, remaining maturities of lease liabilities for each of the next five fiscal years and thereafter are as follows:

| (in thousands)                            | Operating leases | Finance leases | Total            |
|-------------------------------------------|------------------|----------------|------------------|
| Remainder fiscal 2023                     | \$ 2,268         | \$ 42          | \$ 2,310         |
| 2024                                      | 9,195            | 140            | 9,335            |
| 2025                                      | 8,948            | 38             | 8,986            |
| 2026                                      | 7,412            | 38             | 7,450            |
| 2027                                      | 6,105            | 32             | 6,137            |
| Thereafter                                | 14,608           | —              | 14,608           |
| <b>Total undiscounted lease payments</b>  | <b>48,536</b>    | <b>290</b>     | <b>48,826</b>    |
| Less: interest                            | 12,249           | 28             | 12,277           |
| <b>Present value of lease liabilities</b> | <b>\$ 36,287</b> | <b>\$ 262</b>  | <b>\$ 36,549</b> |

The Company executed noncancelable subleases for portions of its office facilities in Overland Park, Kansas and Centennial, Colorado, which commenced March 23, 2022; June 9, 2022; July 1, 2022; September 2, 2022; and March 23, 2023, and run through the remaining terms of the primary leases. Sublease income is recorded on a straight-line basis as a reduction of lease expense in the condensed consolidated statements of comprehensive income. The Company may consider entering into additional sublease arrangements in the future.

**Sublease Income**—As of March 31, 2023, the future minimum fixed sublease receipts under non-cancelable operating lease agreements are as follows:

| <i>(in thousands)</i>        | <b>Total</b>     |
|------------------------------|------------------|
| Remainder fiscal 2023        | \$ 412           |
| 2024                         | 2,964            |
| 2025                         | 3,215            |
| 2026                         | 2,616            |
| 2027                         | 2,180            |
| Thereafter                   | 4,024            |
| <b>Total sublease income</b> | <b>\$ 15,411</b> |

## 7. DEBT

Debt consisted of the following:

| <i>(in thousands)</i>                             | <b>March 31, 2023</b> | <b>June 30, 2022</b> |
|---------------------------------------------------|-----------------------|----------------------|
| Term Loans (effective interest rate 13.3%)        | \$ 703,944            | \$ 713,327           |
| Unamortized debt issuance costs and debt discount | (11,226)              | (7,735)              |
| <b>Total debt</b>                                 | <b>692,718</b>        | <b>705,592</b>       |
| <b>Less current portion of long-term debt:</b>    | <b>(25,412)</b>       | <b>(7,169)</b>       |
| <b>Long-term debt</b>                             | <b>\$ 667,306</b>     | <b>\$ 698,423</b>    |

**Senior Secured Credit Facility**— On November 5, 2019, the Company entered into a credit agreement with UMB Bank N.A. (“UMB”) as a lender and revolving agent and Morgan Stanley Capital Administrators, Inc. as a lender and the administrative agent for a syndicate of lenders party to the agreement (replaced by Wilmington Trust as administrative agent effective February 24, 2022). On February 24, 2021, November 2, 2021, December 23, 2021, and August 26, 2022, the Company entered into amendments to the credit agreement (individually, the “First Amendment”, “Second Amendment”, “Third Amendment”, and “Fourth Amendment”, together with the original credit agreement and any subsequent amendments, the “Senior Secured Credit Facility”) with certain of its existing lenders and new lenders. The First Amendment provided for an additional \$231.0 million in term loans (together with the initial \$425.0 million, the “Term Loans”) and added a \$145.0 million senior secured delayed draw term loan facility (the “DDTL Facility”). The Company recognized a \$3.3 million loss on debt extinguishment in the condensed consolidated statement of comprehensive income for the year ended June 30, 2021, as part of the First Amendment. The Second Amendment provided for additional commitments of \$25.0 million, in addition to the initial \$75.0 million, for the secured revolving loan facility (the “Revolving Credit Facility”) and an additional \$200.0 million under the DDTL Facility. The Third Amendment provided for additional commitments of \$35.0 million under the Revolving Credit Facility. The Fourth Amendment (1) amended the Company’s existing financial covenant to better align with its business plan and added an additional minimum liquidity covenant, (2) terminated certain DDTL commitments and reduced the Revolving Credit Facility from \$135.0 million to \$100.0 million, (3) introduced a minimum asset coverage ratio for any borrowing on the Revolving Credit Facility that would result in a total revolving exposure of more than \$50.0 million, and (4) provided certain lenders with the right to appoint a representative to observe meetings of the Company’s board of directors and certain of its

committees. Note that pursuant to the Fourth Amendment, upon termination of the outstanding DDTL commitments, when referring to Term Loans, it will now include the outstanding balance of the previously defined Term Loans and also the outstanding balance of the DDTL, and “DDTL” will no longer be referenced. After giving effect to the amendments, in aggregate, the Senior Secured Credit Facility provides for (1) an aggregate principal amount of up to \$100.0 million under the Revolving Credit Facility, of which all was available to borrow as of March 31, 2023 and (2) Term Loans outstanding in an aggregate principal amount of \$703.9 million as of March 31, 2023.

Pursuant to the terms of the Fourth Amendment, each consenting lender received an amendment fee equal to 1.00% of the Term Loans held by such consenting lender and 0.50% of the Revolving Credit Facility commitments held by such consenting lender, in each case immediately after giving effect to the Fourth Amendment. In addition, the Fourth Amendment provides for the Company to pay a revolving credit termination fee of \$0.5 million for the ratable account of each revolving lender upon the termination of all revolving loan commitments.

Following the Fourth Amendment, the Term Loans will bear interest on the outstanding principal amount thereof at a rate per annum equal to either (a) SOFR (subject to a floor of 0.75%) plus 6.00% in cash plus 2.00% payable in kind or (b) a base rate plus 5.00% in cash plus 2.00% payable in kind, at the Company’s option. From and after October 1, 2023, the cash and paid in kind interest rate with respect to the Term Loans will rise 0.50% and 1.00% respectively. The Revolving Credit Facility will accrue interest on amounts drawn at a rate per annum equal to either (a) SOFR (subject to a floor of 1.0%) plus 5.0% or (b) a base rate plus 4.0%, at the Company’s option.

The Senior Secured Credit Facility has a maturity date of November 5, 2024, and pursuant to the Fourth Amendment the Term Loans are mandatorily repayable in equal quarterly installments in an aggregate annual amount equal to 2.5% of the outstanding principal amount of the Term Loans as of the Fourth Amendment effective date, increasing to 4.75% on July 1, 2023, with the remaining balance payable on the maturity date. As of March 31, 2023, the Company has made total lifetime principal payments of \$205.5 million on the Term Loans.

The Senior Secured Credit Facility contains customary affirmative and negative covenants and events of default and financial covenants requiring the Company and certain of its subsidiaries to maintain a minimum asset coverage ratio and minimum liquidity requirements. As of March 31, 2023, the Company was in compliance with all of the required covenants. The obligations of the Company are guaranteed by the Company’s subsidiaries and secured by a security interest in all assets of the Company, subject to certain exceptions.

The Company has incurred a total of \$40.1 million in debt issuance costs and debt discounts related to the Senior Secured Credit Facility, of which \$33.0 million was capitalized. The costs associated with the Revolving Credit Facility are being amortized on a straight-line basis over the remaining life of the Senior Secured Credit Facility and the costs associated with the Term Loans are being amortized using the effective interest method over the same term. Total amortization of debt issuance costs was \$2.3 million and \$1.2 million for the three months ended March 31, 2023 and 2022, respectively, and \$6.3 million and \$4.2 million for the nine months ended March 31, 2023 and 2022, respectively, which was included in interest expense, net in the Company’s condensed consolidated statements of comprehensive income.

On May 5, 2023, the Company entered into a Fifth Amendment to the Senior Secured Credit Facility (the “Fifth Amendment”) by and among the Company, certain of its existing lenders, and Wilmington Trust, National Association, as administrative agent. The Fifth Amendment amends the Senior Secured Credit Facility to decrease the minimum asset coverage ratio required to be maintained by the Company as of March 31, 2024.

The Company uses derivative financial instruments to hedge against its exposure to fluctuations in interest rates associated with the Term Loans. On September 30, 2022, as a result of the Fourth Amendment, the Company terminated its existing interest rate swap indexed to 1-month LIBOR and executed a new interest rate swap indexed to 1-month SOFR. In accordance with ASC 848, *Reference Rate Reform*, the Company did not de-designate the interest rate swap when it was amended from LIBOR to SOFR as the Company is permitted to maintain the designation as part of the transitional relief. As of March 31, 2023, the Company’s interest rate swap is a receive-variable, pay-fixed interest rate swap on the notional amount of \$325.0 million of the Company’s total outstanding

Term Loans balance with a fixed rate of 6.00% plus 0.931% (the “Amended Interest Rate Swap”), which terminates on November 5, 2024. The Amended Interest Rate Swap had a fair value of \$17.0 million and \$15.2 million as of March 31, 2023 and June 30, 2022, respectively, and was recorded in other assets in the condensed consolidated balance sheets. The Company classifies its Amended Interest Rate Swap as a Level 2 on the fair value hierarchy as the majority of the inputs used to value it primarily includes other than quoted prices that are observable and it uses standard calculations and models that use readily observable market data as their basis. The Company estimates that \$11.9 million will be reclassified into interest expense during the next twelve months.

## 8. COMMITMENTS AND CONTINGENCIES

**Lease Obligations**—Refer to Note 6 to the condensed consolidated financial statements for commitments related to our operating leases.

**Legal Contingencies and Obligations**—From time to time, the Company is subject to legal proceedings and governmental inquiries in the ordinary course of business. Such matters may include insurance regulatory claims; commercial, tax, employment, or intellectual property disputes; matters relating to competition and sales practices; claims for damages arising out of the use of the Company’s services. The Company may also become subject to lawsuits related to past or future acquisitions, divestitures, or other transactions, including matters related to representations and warranties, indemnities, and assumed or retained liabilities. The Company is not currently aware of any legal proceedings or claims that it believes will have, individually or in the aggregate, a material adverse effect on its business, financial condition, operating results, or cash flows; however, in the event of unexpected developments, it is possible that the ultimate resolution of certain ongoing matters, if unfavorable, could be materially adverse to our business, prospects, financial condition, liquidity, results of operation, cash flows, or capital levels.

### *Securities Class Actions and Stockholder Derivative Suit*

On August 16, 2021, a putative securities class action lawsuit captioned *Hartel v. SelectQuote, Inc., et al.*, Case No. 1:21-cv-06903 (“the *Hartel* Action”) was filed against the Company and two of its executive officers in the U.S. District Court for the Southern District of New York. The complaint asserts securities fraud claims on behalf of a putative class of plaintiffs who purchased or otherwise acquired shares of the Company’s common stock between February 8, 2021 and May 11, 2021 (the “Hartel Relevant Period”). Specifically, the complaint alleges the defendants violated Sections 10(b) and 20(a) and Rule 10b-5 of the Exchange Act by making materially false and misleading statements and failing to disclose material adverse facts about the Company’s business, operations, and prospects, allegedly causing the Company’s common stock to trade at artificially inflated prices during the Hartel Relevant Period. The plaintiffs seek unspecified damages and reimbursement of attorneys’ fees and certain other costs.

On October 7, 2021, a putative securities class action lawsuit captioned *West Palm Beach Police Pension Fund v. SelectQuote, Inc., et al.*, Case No. 1:21-cv-08279 (“the *WPBPPF* Action”), was filed in the U.S. District Court for the Southern District of New York against the Company, two of its executive officers, and six current or former members of the Company’s Board of Directors, along with the underwriters of the Company’s initial public offering of common stock (the “Offering”). The complaint asserts claims for securities law violations on behalf of a putative class of plaintiffs who purchased shares of the Company’s common stock (i) in or traceable to the Offering or (ii) between May 20, 2020 and August 25, 2021 (the “WPB Relevant Period”). Specifically, the complaint alleges the defendants violated Sections 10(b) and 20(a) and Rule 10b-5 of the Exchange Act by making materially false and misleading statements and failing to disclose material adverse facts about the Company’s financial well-being and prospects, allegedly causing the Company’s common stock to trade at artificially inflated prices during the WPB Relevant Period. The complaint also alleges the defendants violated Sections 11, 12(a)(2), and 15 of the Securities Act by making misstatements and omissions of material facts in connection with the Offering, allegedly causing a decline in the value of the Company’s common stock. The plaintiffs seek unspecified damages, rescission, and reimbursement of attorneys’ fees and certain other costs.

On October 15, 2021, a motion to consolidate the Hartel Action and the WPBPPF Action was filed. On September 2, 2022, the court entered an order consolidating the Hartel and WPBPPF Actions under the caption *In re SelectQuote, Inc. Securities Litigation*, Case No. 1:21-cv-06903 (the “Securities Class Action”) and appointing the West Palm Beach Police Pension Fund and City of Fort Lauderdale Police & Fire Retirement System as lead plaintiffs. On November 19, 2022, plaintiffs filed an amended complaint asserting similar allegations to those alleged in the Hartel and WPBPPF Actions in addition to new allegations regarding certain defendants’ purported violation of Section 20A of the Exchange Act. The amended complaint also added Brookside Equity Partners LLC, one of the Company’s principal stockholders, as a defendant. On January 27, 2023, the Company filed a motion to dismiss the amended complaint on behalf of itself and certain of its current and former officers and directors. Plaintiffs filed an opposition to the motion to dismiss on April 5, 2023, and the Company filed its reply to plaintiffs’ opposition on May 10, 2023. The motion to dismiss is pending before the court.

On March 25, 2022, a stockholder derivative action captioned *Jadlow v. Danker, et al.*, Case No. 1:22-cv-00391 (“the *Jadlow* Action”) was filed in the U.S. District Court for the District of Delaware by an alleged stockholder of the Company, purportedly on the Company’s behalf. The lawsuit was brought against certain of the Company’s current and former directors and officers, and against the Company, as nominal defendant. The complaint alleges that certain of the defendants violated Section 14(a) of the Exchange Act by making materially false and misleading statements and failing to disclose material adverse facts about the Company’s business, operations, and prospects. The complaint also asserts claims against all defendants for breach of fiduciary duty, unjust enrichment, abuse of control, gross mismanagement, and waste of corporate assets based on the same general underlying conduct and seeks contribution under Sections 10(b) and 21D of the Exchange Act and Section 11(f) of the Securities Act from the individual defendants named in the Securities Class Actions. The complaint seeks unspecified damages for the Company, restitution, reformation and improvement of its corporate governance and internal procedures regarding compliance with laws, and reimbursement of costs and attorneys’ fees. On July 25, 2022, the *Jadlow* action was transferred to the U.S. District Court for the Southern District of New York, where it was assigned Case No. 1:22-cv-06290 and referred to Judge Alvin K. Hellerstein as possibly related to the *Hartel* Action. On August 4, 2022, Judge Hellerstein accepted the *Jadlow* action as related to the *Hartel* Action and, on August 10, 2022, granted the parties’ joint stipulation to stay the *Jadlow* action pending the resolution of the motion to dismiss the Securities Class Action.

The Company currently believes that these matters will not have a material adverse effect on any of its results of operations, financial condition or liquidity; however, depending on how the matters progress, they could be costly to defend and could divert the attention of management and other resources from operations. The Company has not concluded that a loss related to these matters is probable and, therefore, has not accrued a liability related to these matters.

## 9. SHAREHOLDERS' EQUITY

**Common Stock**—As of March 31, 2023, the Company has reserved the following authorized, but unissued, shares of common stock:

|                                                  |                   |
|--------------------------------------------------|-------------------|
| Employee Stock Purchase Plan                     | 159               |
| Stock awards outstanding under 2020 Plan         | 12,719,499        |
| Stock awards available for grant under 2020 Plan | 6,276,231         |
| Options outstanding under 2003 Plan              | 539,804           |
| <b>Total</b>                                     | <b>19,535,693</b> |

### Share-Based Compensation Plans

The Company has awards outstanding from two share-based compensation plans: the 2003 Stock Incentive Plan (the “2003 Stock Plan”) and the 2020 Omnibus Incentive Plan (the “2020 Stock Plan” and, collectively with the 2003 Stock Plan, the “Stock Plans”). However, no further awards will be made under the 2003 Stock Plan. The

Company's Board of Directors adopted, and shareholders approved, the 2020 Stock Plan in connection with the IPO, which provides for the grant of incentive stock options ("ISO's"), nonstatutory stock options ("NSO's"), stock appreciation rights, restricted stock awards, restricted stock unit awards ("RSU's"), performance-based restricted stock units ("PSU's"), price-vested restricted stock units ("PVU's"), and other forms of equity compensation (collectively, "stock awards"). All awards (other than ISOs, which may be granted only to current employees of the Company) may be granted to employees, non-employee directors, and consultants of the Company and its subsidiaries and affiliates.

The number of shares of common stock available for issuance as of March 31, 2023, pursuant to future awards under the Company's 2020 Stock Plan is 6,276,231. The number of shares of the Company's common stock reserved under the 2020 Stock Plan is subject to an annual increase on the first day of each fiscal year, beginning on July 1, 2021, equal to 3% of the total outstanding shares of common stock as of the last day of the immediately preceding fiscal year. The maximum number of shares of common stock that may be issued upon the exercise of ISO's will be 4,000,000. The shares of common stock covered by any award (including any award granted pursuant to the 2003 Stock Plan) that is forfeited, terminated, expired, or lapsed without being exercised or settled for cash will again become available for issuance under the 2020 Stock Plan. With respect to any award, if the exercise price and/or tax withholding obligations are satisfied by delivering shares to the Company (by actual delivery or attestation), or if the exercise price and/or tax withholding obligations are satisfied by withholding shares otherwise issuable pursuant to the award, the share reserve shall nonetheless be reduced by the gross number of shares subject to the award.

The Company accounts for its share-based compensation awards in accordance with ASC 718, *Compensation—Stock Compensation* ("ASC 718") which requires all share-based compensation to be recognized in the income statement based on fair value and applies to all awards granted, modified, canceled, or repurchased after the effective date.

Total share-based compensation for stock awards included in selling, general, and administrative expense in the condensed consolidated statements of comprehensive income was as follows for the periods presented:

| (in thousands)                       | Three Months Ended March 31, |                 | Nine Months Ended March 31, |                 |
|--------------------------------------|------------------------------|-----------------|-----------------------------|-----------------|
|                                      | 2023                         | 2022            | 2023                        | 2022            |
| Share-based compensation related to: |                              |                 |                             |                 |
| Equity classified stock options      | \$ 799                       | \$ 805          | \$ 2,495                    | \$ 2,429        |
| Equity classified RSU's              | 1,563                        | 993             | 4,490                       | 3,073           |
| Equity classified PSU's              | 77                           | 231             | 29                          | 318             |
| Equity classified PVU's              | 486                          | —               | 1,384                       | —               |
| <b>Total</b>                         | <b>\$ 2,925</b>              | <b>\$ 2,029</b> | <b>\$ 8,398</b>             | <b>\$ 5,820</b> |

**Stock Options**—The stock options outstanding under the 2003 Stock Plan vest as to one-third after the vesting commencement date and as to 1/24 of the remaining shares subject to the stock option monthly thereafter, subject to the award recipient's continued employment through the applicable vesting date. Upon a termination of employment for any reason other than for "Cause" (as defined in the 2003 Stock Plan), any unvested and outstanding stock options would generally be forfeited for no consideration, and any vested and outstanding stock options would remain exercisable for 90 days following the date of termination (and, in the case of a termination of employment due to death or disability, for 12 months following the date of termination). Stock options expire 10 years from the date of grant. The terms for ISO's and NSO's awarded in the 2020 Stock Plan are the same as in the 2003 Stock Plan with the exception that the options generally shall vest and become exercisable in four equal installments on each of the first four anniversaries of the grant date, subject to the award recipient's continued employment through the applicable vesting date. Stock options are granted with an exercise price that is no less than 100% of the fair market value of the underlying shares on the date of the grant.

The fair value of each option (for purposes of calculation of share-based compensation expense) is estimated using the Black-Scholes-Merton option pricing model that uses assumptions determined as of the date of the grant. Use of this option pricing model requires the input of subjective assumptions. These assumptions include estimating the length of time employees will retain their vested stock options before exercising them (“expected term”), the estimated volatility of the Company’s common stock price over the expected term (“volatility”), the number of options that will ultimately not complete their vesting requirements (“assumed forfeitures”), the risk-free interest rate that reflects the interest rate at grant date on zero-coupon United States governmental bonds that have a remaining life similar to the expected term (“risk-free interest rate”), and the dividend yield assumption which is based on the Company’s dividend payment history and management’s expectations of future dividend payments (“dividend yield”). Changes in the subjective assumptions can materially affect the estimate of the fair value of share-based compensation and, consequently, the related amount recognized in the condensed consolidated statements of comprehensive income.

During the nine months ended March 31, 2023, there were no stock options granted. The Company used the following weighted-average assumptions for the stock options granted during the nine months ended March 31, 2022:

|                                         | <b>Nine Months Ended<br/>March 31,<br/>2022</b> |
|-----------------------------------------|-------------------------------------------------|
| Volatility                              | 36.0%                                           |
| Risk-free interest rate                 | 1.4%                                            |
| Dividend yield                          | —%                                              |
| Assumed forfeitures                     | —%                                              |
| Expected term (in years)                | 6.25                                            |
| Weighted-average fair value (per share) | \$3.36                                          |

The following table summarizes stock option activity under the Stock Plans for the nine months ended March 31, 2023:

|                                       | <b>Number of<br/>Options</b> | <b>Weighted- Average<br/>Exercise Price</b> | <b>Weighted- Average<br/>Remaining Contractual<br/>Term (in Years)</b> | <b>Aggregate<br/>Intrinsic Value (in<br/>Thousands)</b> |
|---------------------------------------|------------------------------|---------------------------------------------|------------------------------------------------------------------------|---------------------------------------------------------|
| Outstanding—June 30, 2022             | 5,211,585                    | \$ 9.14                                     |                                                                        |                                                         |
| Options granted                       | —                            | —                                           |                                                                        |                                                         |
| Options exercised                     | (1,139,324)                  | 0.56                                        |                                                                        |                                                         |
| Options forfeited/expired/cancelled   | (190,935)                    | 11.07                                       |                                                                        |                                                         |
| Outstanding—March 31, 2023            | 3,881,326                    | \$ 11.57                                    | 7.70                                                                   | \$ 280                                                  |
| Vested and exercisable—March 31, 2023 | 1,701,215                    | \$ 10.82                                    | 6.92                                                                   | \$ 280                                                  |

As of March 31, 2023, there was \$5.8 million in unrecognized compensation cost related to unvested stock options granted, which is expected to be recognized over a weighted-average period of 2.15 years.

The Company received cash of less than \$0.1 million in connection with stock options exercised in each of the three months ended March 31, 2023 and 2022, and \$0.6 million and \$1.3 million in connection with stock options exercised during the nine months ended March 31, 2023 and 2022, respectively.



**Restricted Stock**—The Company grants RSU's to eligible employees, non-employee directors, and contractors. These awards generally vest over a period of one to four years. Fair value of the RSU's is determined based on the market price of the Company's common stock at the grant date and share-based compensation expense is recognized over the requisite service period.

The following table summarizes restricted stock unit activity under the 2020 Stock Plan for the nine months ended March 31, 2023:

|                               | Number of Restricted<br>Stock Units | Weighted-Average<br>Grant Date Fair Value |
|-------------------------------|-------------------------------------|-------------------------------------------|
| Unvested as of June 30, 2022  | 810,310                             | \$ 13.50                                  |
| Granted                       | 4,625,145                           | 1.49                                      |
| Vested                        | (211,025)                           | 14.15                                     |
| Forfeited                     | (224,626)                           | 3.97                                      |
| Unvested as of March 31, 2023 | 4,999,804                           | \$ 2.79                                   |

As of March 31, 2023, there was \$9.8 million of unrecognized compensation cost related to unvested restricted stock units granted, which is expected to be recognized over a weighted-average period of 2.07 years.

**Performance Stock**—The following table summarizes performance stock unit activity under the 2020 Stock Plan for the nine months ended March 31, 2023:

|                                             | Number of<br>Performance Stock<br>Units | Weighted-Average<br>Grant Date Fair Value |
|---------------------------------------------|-----------------------------------------|-------------------------------------------|
| Unvested as of June 30, 2022 <sup>(1)</sup> | 13,293                                  | \$ 17.97                                  |
| Granted <sup>(1)</sup>                      | —                                       | —                                         |
| Vested                                      | —                                       | —                                         |
| Forfeited                                   | (5,236)                                 | 18.58                                     |
| Performance adjustment <sup>(2)</sup>       | 1,967                                   |                                           |
| Unvested as of March 31, 2023               | 10,024                                  | \$ 17.96                                  |

(1) Reflects PSU's at 100% achievement of predefined financial performance targets. If performance metrics are met, PSU's will vest, at the end of a three-year performance period. The number of shares that could be earned for the fiscal year 2021 tranche will range from 0% to 150% of the target, and the number of shares that could be earned for the fiscal year 2022 tranche will range from 0% to 200% of the target.

(2) Represents adjustments to previously granted PSU's to reflect changes in estimates of future financial performance against targets.

As of March 31, 2023, there was less than \$0.1 million of unrecognized compensation cost related to unvested performance stock units granted, which is expected to be recognized over a weighted-average period of 0.42 years.

**Price-Vested Units**—During the nine months ended March 31, 2023 the Company issued PVU's for which vesting is subject to the fulfillment of both a service period and the achievement of stock price hurdles during the relevant performance period. The awards are divided into four separate tranches, each with a different price hurdle which is measured as the average trading price over 60 calendar days on a rolling daily basis, over a performance period of five years. An employee is eligible to vest in one-third of the awards in each tranche after each year of service, but subject to the achievement of the stock-price hurdle attached to each tranche. As a result, share-based compensation will be recognized on a straight-line basis across twelve tranches over each tranche's requisite service period, which is the greater of the derived service period and the explicit service period. The number of shares

subject to each tranche of the PVU awards, as well as the stock price hurdles, service periods, and performance periods for each tranche are as follows:

|           | Number of Shares per Tranche | Grant Date Fair Value (per Share) | Stock Price Hurdle (per Share) | Performance Period              | Requisite Service Period |
|-----------|------------------------------|-----------------------------------|--------------------------------|---------------------------------|--------------------------|
| Tranche 1 | 1,055,674                    | \$ 1.52                           | \$ 4.00                        | August 1, 2022 - August 1, 2027 | 1.39 years - 3 years     |
| Tranche 2 | 1,055,648                    | \$ 1.25                           | \$ 7.50                        | August 1, 2022 - August 1, 2027 | 2.33 years - 3 years     |
| Tranche 3 | 1,055,674                    | \$ 1.11                           | \$ 10.00                       | August 1, 2022 - August 1, 2027 | 2.66 years - 3 years     |
| Tranche 4 | 1,055,648                    | \$ 1.01                           | \$ 12.50                       | August 1, 2022 - August 1, 2027 | 2.90 years - 3 years     |

The fair value of each PVU (for purposes of calculation of share-based compensation expense) is estimated using a Monte Carlo simulation valuation model that uses assumptions determined as of the date of the grant. Use of this model requires the input of subjective assumptions and changes in the subjective assumptions can materially affect the estimate of the fair value of share-based compensation and, consequently, the related amount recognized in the condensed consolidated statements of comprehensive income.

During the nine months ended March 31, 2022, there were no PVU's granted. The Company used the following weighted-average assumptions for the PVU's granted during the nine months ended March 31, 2023:

|                              | Nine Months Ended March 31, 2023 |
|------------------------------|----------------------------------|
| Share price as of grant date | \$1.80                           |
| Volatility                   | 79.3%                            |
| Risk-free interest rate      | 2.6%                             |
| Cost of Equity               | 10.6%                            |
| Dividend yield               | —%                               |

The following table summarizes price-vested stock unit activity under the 2020 Stock Plan for the nine months ended March 31, 2023:

|                               | Number of Price-Vested Units | Weighted-Average Grant Date Fair Value |
|-------------------------------|------------------------------|----------------------------------------|
| Invested as of June 30, 2022  | —                            | \$ —                                   |
| Granted                       | 4,222,644                    | 1.22                                   |
| Vested                        | —                            | —                                      |
| Forfeited                     | (122,584)                    | 1.22                                   |
| Invested as of March 31, 2023 | 4,100,060                    | \$ 1.22                                |

As of March 31, 2023, there was \$3.6 million of unrecognized compensation cost related to unvested PVU's granted, which is expected to be recognized over a weighted-average period of 1.94 years.

**ESPP**—The purpose of the Company’s employee stock purchase plan (“ESPP”) is to provide the Company's eligible employees with an opportunity to purchase shares on the exercise date at a price equal to 85% of the fair market value of the Company’s common stock as of either the exercise date or the first day of the relevant offering period, whichever is lesser. During the nine months ended March 31, 2023, and 2022, the Company issued 876,933 and 466,468 shares, respectively, to its employees, and as of March 31, 2023, there are 159 shares reserved for future issuance under the plan. The Company received cash of less than \$0.1 million and \$0.9 million in connection with ESPP purchases during the three months ended March 31, 2023 and 2022, respectively, and \$0.6 million and \$1.9 million in connection with ESPP purchases during the nine months ended March 31, 2023, and 2022, respectively. The Company recorded share-based compensation expense related to the ESPP of less than \$0.1 million and \$0.1 million for the three months ended March 31, 2023 and 2022, respectively, and recorded share-based compensation expense of \$0.1 million and \$0.4 million with respect to the ESPP for the nine months ended March 31, 2023 and 2022, respectively. The ESPP was suspended effective April 1, 2023.

## 10. REVENUES FROM CONTRACTS WITH CUSTOMERS

**Disaggregation of Revenue from Contracts with Customers**—The disaggregation of revenue by segment and product is depicted for the periods presented below, and is consistent with how the Company evaluates its financial performance:

| (in thousands)                           | Three Months Ended March 31, |                   | Nine Months Ended March 31, |                   |
|------------------------------------------|------------------------------|-------------------|-----------------------------|-------------------|
|                                          | 2023                         | 2022              | 2023                        | 2022              |
| <b>Senior:</b>                           |                              |                   |                             |                   |
| Commission revenue:                      |                              |                   |                             |                   |
| Medicare advantage                       | \$ 156,014                   | \$ 176,603        | \$ 412,850                  | \$ 355,949        |
| Medicare supplement                      | 417                          | 912               | 1,588                       | 4,849             |
| Prescription drug plan                   | 203                          | 393               | 481                         | 1,393             |
| Dental, vision, and health               | 1,185                        | 4,150             | 3,203                       | 12,285            |
| Other commission revenue                 | 726                          | 2,339             | 2,162                       | 6,265             |
| Total commission revenue                 | 158,545                      | 184,397           | 420,284                     | 380,741           |
| Total other revenue                      | 26,655                       | 26,576            | 66,257                      | 78,531            |
| <b>Total Senior revenue</b>              | <b>185,200</b>               | <b>210,973</b>    | <b>486,541</b>              | <b>459,272</b>    |
| <b>Healthcare Services:</b>              |                              |                   |                             |                   |
| Total pharmacy revenue                   | 66,948                       | 18,478            | 159,641                     | 31,715            |
| Total other revenue                      | 3,777                        | 4,645             | 9,629                       | 8,468             |
| <b>Total Healthcare Services revenue</b> | <b>70,725</b>                | <b>23,123</b>     | <b>169,270</b>              | <b>40,183</b>     |
| <b>Life:</b>                             |                              |                   |                             |                   |
| Commission revenue:                      |                              |                   |                             |                   |
| Term                                     | 17,678                       | 15,779            | 49,371                      | 48,151            |
| Final expense                            | 13,804                       | 18,851            | 44,357                      | 52,133            |
| Total commission revenue                 | 31,482                       | 34,630            | 93,728                      | 100,284           |
| Total other revenue                      | 5,468                        | 3,995             | 14,052                      | 16,361            |
| <b>Total Life revenue</b>                | <b>36,950</b>                | <b>38,625</b>     | <b>107,780</b>              | <b>116,645</b>    |
| <b>Auto &amp; Home:</b>                  |                              |                   |                             |                   |
| Total commission revenue                 | 7,895                        | 6,539             | 21,940                      | 19,187            |
| Total other revenue                      | 343                          | 613               | 1,188                       | 1,568             |
| <b>Total Auto &amp; Home revenue</b>     | <b>8,238</b>                 | <b>7,152</b>      | <b>23,128</b>               | <b>20,755</b>     |
| <b>Eliminations:</b>                     |                              |                   |                             |                   |
| Total commission revenue                 | (664)                        | (3,802)           | (2,325)                     | (7,684)           |
| Total other revenue                      | (1,051)                      | (1,732)           | (3,324)                     | (4,516)           |
| <b>Total Elimination revenue</b>         | <b>(1,715)</b>               | <b>(5,534)</b>    | <b>(5,649)</b>              | <b>(12,200)</b>   |
| Total commission revenue                 | 197,258                      | 221,764           | 533,627                     | 492,528           |
| Total pharmacy revenue                   | 66,948                       | 18,478            | 159,641                     | 31,715            |
| Total other revenue                      | 35,192                       | 34,097            | 87,802                      | 100,412           |
| <b>Total revenue</b>                     | <b>\$ 299,398</b>            | <b>\$ 274,339</b> | <b>\$ 781,070</b>           | <b>\$ 624,655</b> |

**Contract Balances**—The Company has contract assets related to commissions receivable from its insurance carrier partners, with the movement over time as the policy is renewed between long-term and short-term

commissions receivable and accounts receivable, net being the main activity, along with commission revenue adjustments from changes in estimates.

A roll forward of commissions receivable (current and long-term) is shown below for the period presented:

(in thousands)

|                                                           |           |                |
|-----------------------------------------------------------|-----------|----------------|
| <b>Balance as of June 30, 2022</b>                        | <b>\$</b> | <b>838,626</b> |
| Commission revenue recognized                             |           | 210,561        |
| Net commission revenue adjustment from change in estimate |           | (2,879)        |
| Amounts recognized as accounts receivable, net            |           | (224,774)      |
| <b>Balance as of March 31, 2023</b>                       | <b>\$</b> | <b>821,534</b> |

For the nine months ended March 31, 2023, the \$2.9 million net commission revenue adjustment from change in estimate includes adjustments from the Company's reassessment of each of its cohorts' transaction prices.

The Company's contract liabilities on the condensed consolidated balance sheet represent unamortized upfront payments received as of March 31, 2023, for commission revenue of \$9.7 million for which the performance obligations have not yet been met and are anticipated to be recognized over the next twelve months.

A roll forward of contract liabilities (current) is shown below for the period presented:

(in thousands)

|                                            |           |              |
|--------------------------------------------|-----------|--------------|
| <b>Balance as of June 30, 2022</b>         | <b>\$</b> | <b>3,404</b> |
| Commission revenue recognized              |           | (38,968)     |
| Other revenue recognized                   |           | (26,536)     |
| Amounts recognized as contract liabilities |           | 71,817       |
| <b>Balance as of March 31, 2023</b>        | <b>\$</b> | <b>9,717</b> |

## 11. INCOME TAXES

For the three months ended March 31, 2023 and 2022, the Company recognized income tax expense of \$3.2 million and income tax benefit of \$2.8 million, respectively, representing effective tax rates of 25.4% and 28.8%, respectively. The differences from the federal statutory tax rate to the effective tax rate for the three months ended March 31, 2023, were primarily related to state income taxes, RSU vestings, and the recording of a valuation allowance for state tax attributes that the Company does not expect to utilize prior to expiration. The differences from the federal statutory tax rate to the effective tax rate for the three months ended March 31, 2022, were primarily related to state income taxes.

For the nine months ended March 31, 2023 and 2022, the Company recognized income tax benefits of \$1.1 million and \$66.0 million, respectively, representing effective tax rates of 8.9% and 25.5%, respectively. The differences from the federal statutory tax rate to the effective tax rate for the nine months ended March 31, 2023, were primarily related to state income taxes, RSU vestings, and the recording of a valuation allowance for state tax attributes that the Company does not expect to utilize prior to expiration. The differences from the federal statutory tax rate to the effective tax rate for the nine months ended March 31, 2022, were primarily related to state income taxes.

Assessing the realizability of the Company's deferred tax assets is dependent upon several factors, including analysis of the Company's four sources of future taxable income listed under ASC 740, *Income Taxes*. The Company continues to evaluate the realizability of its net deferred tax assets. As previously disclosed in the

Company's Quarterly Report on Form 10-Q for the period ended December 31, 2022, the Company recorded a valuation allowance on deferred tax balances related to state tax attributes the Company determined would not be utilized prior to expiration. The Company believes all other deferred tax assets are more likely than not to be recognized.

## 12. NET INCOME (LOSS) PER SHARE

The Company calculates net income (loss) per share as defined by ASC 260, *Earnings per Share* ("ASC 260"). Basic net income (loss) per share ("Basic EPS") is computed by dividing net income (loss) attributable to common shareholders by the weighted-average common stock outstanding during the respective period. Diluted net income (loss) per share ("Diluted EPS") is computed by dividing net income (loss) attributable to common and common equivalent shareholders by the total of the weighted-average common stock outstanding and common equivalent shares outstanding during the respective period. For the purpose of calculating the Company's Diluted EPS, common equivalent shares outstanding include common shares issuable upon the exercise of outstanding employee stock options, unvested RSU's, PSU's assuming the performance conditions are satisfied as of the end of the reporting period, PVU's assuming market conditions are satisfied as of the end of the reporting period, and common shares issuable upon the conclusion of each ESPP offering period. The number of common equivalent shares outstanding has been determined in accordance with the treasury stock method for employee stock options, RSU's, PSU's, PVU's, and common stock issuable pursuant to the ESPP to the extent they are dilutive. Under the treasury stock method, the exercise price paid by the option holder and future share-based compensation expense that the Company has not yet recognized are assumed to be used to repurchase shares.

The following table sets forth the computation of net income (loss) per share for the periods presented:

|                                                                                                                           | Three Months Ended March 31, |                  | Nine Months Ended March 31, |                  |
|---------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------|-----------------------------|------------------|
|                                                                                                                           | 2023                         | 2022             | 2023                        | 2022             |
| <i>(in thousands, except per share amounts)</i>                                                                           |                              |                  |                             |                  |
| <b>Basic:</b>                                                                                                             |                              |                  |                             |                  |
| Numerator:                                                                                                                |                              |                  |                             |                  |
| Net income (loss) attributable to common shareholders                                                                     | \$ 9,264                     | \$ (7,025)       | \$ (10,706)                 | \$ (192,820)     |
| Denominator:                                                                                                              |                              |                  |                             |                  |
| Weighted-average common stock outstanding                                                                                 | 166,543                      | 164,083          | 165,951                     | 163,914          |
| <b>Net income (loss) per share—basic:</b>                                                                                 | <u>\$ 0.06</u>               | <u>\$ (0.04)</u> | <u>\$ (0.06)</u>            | <u>\$ (1.17)</u> |
| <b>Diluted:</b>                                                                                                           |                              |                  |                             |                  |
| Numerator:                                                                                                                |                              |                  |                             |                  |
| Net income (loss) attributable to common and common equivalent shareholders                                               | \$ 9,264                     | \$ (7,025)       | \$ (10,706)                 | \$ (192,820)     |
| Denominator:                                                                                                              |                              |                  |                             |                  |
| Weighted-average common stock outstanding                                                                                 | 166,543                      | 164,083          | 165,951                     | 163,914          |
| Stock options outstanding to purchase shares of common stock including unvested RSU's and from the ESPP <sup>(1)(2)</sup> | 1,362                        | —                | —                           | —                |
| Total common and common equivalent shares outstanding                                                                     | 167,905                      | 164,083          | 165,951                     | 163,914          |
| <b>Net income (loss) per share—diluted:</b>                                                                               | <u>\$ 0.06</u>               | <u>\$ (0.04)</u> | <u>\$ (0.06)</u>            | <u>\$ (1.17)</u> |

(1) Excluded from the computation of net income (loss) per share-diluted for the nine months ended March 31, 2023, because the effect would have been anti-dilutive.

(2) Excluded from the computation of net income (loss) per share-diluted for the three and nine months ended March 31, 2022, because the effect would have been anti-dilutive.

The weighted average potential shares of common stock that were excluded from the calculation of net income (loss) per share-diluted because including them would have been anti-dilutive are as follows for the periods presented:

| (in thousands)                                                                                          | Three Months Ended March 31, |       | Nine Months Ended March 31, |       |
|---------------------------------------------------------------------------------------------------------|------------------------------|-------|-----------------------------|-------|
|                                                                                                         | 2023                         | 2022  | 2023                        | 2022  |
| Stock options outstanding to purchase shares of common stock including unvested RSU's and from the ESPP | 4,181                        | 5,393 | 8,338                       | 5,069 |

The weighted average potential shares of common stock that were excluded from the calculation of net income (loss) per share-diluted because the performance or market conditions associated with these awards were not met are as follows for the periods presented:

| (in thousands)                      | Three Months Ended March 31, |            | Nine Months Ended March 31, |            |
|-------------------------------------|------------------------------|------------|-----------------------------|------------|
|                                     | 2023                         | 2022       | 2023                        | 2022       |
| Shares subject to outstanding PVU's | 4,100                        | —          | 4,158                       | —          |
| Shares subject to outstanding PSU's | 10                           | 164        | 7                           | 219        |
| <b>Total</b>                        | <b>4,110</b>                 | <b>164</b> | <b>4,165</b>                | <b>219</b> |

### 13. SEGMENT INFORMATION

The Company's operating and reportable segments have been determined in accordance with ASC 280, *Segment Reporting* ("ASC 280"). Prior to the first quarter of fiscal 2023, the Company had reported financial results under three reportable segments: i) Senior, ii) Life, and iii) Auto & Home. Effective July 1, 2022, as a result of a change in strategic direction established for fiscal year 2023, the financial information available and the operating results that are regularly reviewed by the Company's chief operating decision maker ("CODM") to make decisions about resources to be allocated to the segments and assess its performance have also changed with the financial information related to Healthcare Services, which includes SelectRx and Population Health, now available and reviewed by our CODM separately from the remainder of the Senior reportable segment. As a result, the Company now reflects four reportable segments: i) Senior, ii) Healthcare Services, iii) Life, and iv) Auto & Home, and all prior periods have been restated to reflect four reportable segments.

The Company includes non-operating activity, share-based compensation expense, certain intersegment eliminations, and the costs of providing corporate and other administrative services in its administrative division in Corporate & Eliminations. These services and activities are not directly identifiable with the Company's reportable segments and are shown in the tables below to reconcile the reportable segments to the condensed consolidated financial statements. The Company has not aggregated any operating segments into a reportable segment.

Costs of revenue, cost of goods sold-pharmacy revenue, marketing and advertising, selling, general, and administrative, and technical development operating expenses that are directly attributable to a segment are reported within the applicable segment. Indirect costs of revenue, marketing and advertising, selling, general, and administrative, and technical development operating expenses are allocated to each segment based on varying metrics such as headcount. Adjusted EBITDA is calculated as total revenue for the applicable segment less direct and allocated costs of revenue, cost of goods sold, marketing and advertising, technical development, and selling, general, and administrative operating costs and expenses, excluding depreciation and amortization expense; gain or loss on disposal of property, equipment, and software; share-based compensation expense; and non-recurring expenses such as severance payments and transaction costs. Our CODM does not separately evaluate assets by segment; therefore, assets by segment are not presented.

The following table presents information about the reportable segments for the three months ended March 31, 2023:

| <i>(in thousands)</i>                                    | Senior     | Healthcare<br>Services | Life      | Auto & Home | Corp & Elims              | Consolidated    |
|----------------------------------------------------------|------------|------------------------|-----------|-------------|---------------------------|-----------------|
| Revenue                                                  | \$ 185,200 | \$ 70,725              | \$ 36,950 | \$ 8,238    | \$ (1,715) <sup>(1)</sup> | \$ 299,398      |
| Operating expenses                                       | (126,034)  | (74,091)               | (31,446)  | (5,648)     | (17,947) <sup>(2)</sup>   | (255,166)       |
| Other income (expense), net                              | —          | —                      | (201)     | 1           | (6)                       | (206)           |
| <b>Adjusted EBITDA</b>                                   | \$ 59,166  | \$ (3,366)             | \$ 5,303  | \$ 2,591    | \$ (19,668)               | 44,026          |
| Share-based compensation expense                         |            |                        |           |             |                           | (2,959)         |
| Non-recurring expenses <sup>(3)</sup>                    |            |                        |           |             |                           | (433)           |
| Depreciation and amortization                            |            |                        |           |             |                           | (7,098)         |
| Loss on disposal of property,<br>equipment, and software |            |                        |           |             |                           | (15)            |
| Interest expense, net                                    |            |                        |           |             |                           | (21,105)        |
| Income tax expense                                       |            |                        |           |             |                           | (3,152)         |
| <b>Net income</b>                                        |            |                        |           |             |                           | <b>\$ 9,264</b> |

(1) Revenue in the Corp & Elims division represents intercompany revenue eliminated between segments, including for lead generation referrals from InsideResponse (within Senior) and referrals between the other segments.

(2) Operating expenses in the Corp & Elims division primarily include \$12.6 million in salaries and benefits for certain general, administrative, and IT related departments and \$4.6 million in professional services fees.

(3) These expenses consist of costs related to the Senior Secured Credit Facility and non-restructuring severance expenses.

The following table presents information about the reportable segments for the three months ended March 31, 2022:

| <i>(in thousands)</i>                                    | Senior     | Healthcare<br>Services | Life       | Auto & Home | Corp & Elims              | Consolidated      |
|----------------------------------------------------------|------------|------------------------|------------|-------------|---------------------------|-------------------|
| Revenue                                                  | \$ 210,973 | \$ 23,123              | \$ 38,625  | \$ 7,152    | \$ (5,534) <sup>(1)</sup> | \$ 274,339        |
| Operating expenses                                       | (171,023)  | (30,891)               | (41,287)   | (6,002)     | (12,896) <sup>(2)</sup>   | (262,099)         |
| Other expenses, net                                      | —          | —                      | —          | —           | (23)                      | (23)              |
| <b>Adjusted EBITDA</b>                                   | \$ 39,950  | \$ (7,768)             | \$ (2,662) | \$ 1,150    | \$ (18,453)               | 12,217            |
| Share-based compensation expense                         |            |                        |            |             |                           | (2,143)           |
| Non-recurring expenses <sup>(3)</sup>                    |            |                        |            |             |                           | (703)             |
| Depreciation and amortization                            |            |                        |            |             |                           | (6,679)           |
| Loss on disposal of property,<br>equipment, and software |            |                        |            |             |                           | (384)             |
| Interest expense, net                                    |            |                        |            |             |                           | (12,179)          |
| Income tax benefit                                       |            |                        |            |             |                           | 2,846             |
| <b>Net loss</b>                                          |            |                        |            |             |                           | <b>\$ (7,025)</b> |

(1) Revenue in the Corp & Elims division represents intercompany revenue eliminated between segments primarily for referrals from Senior to the other segments.

(2) Operating expenses in the Corp & Elims division primarily include \$12.0 million in salaries and benefits for certain general, administrative, and IT related departments and \$4.1 million in professional services fees.



(3) These expenses primarily consist of costs related to the change in administrative agent with respect to the Senior Secured Credit Facility and severance expenses.

The following table presents information about the reportable segments for the nine months ended March 31, 2023:

| <i>(in thousands)</i>                                    | Senior     | Healthcare<br>Services | Life       | Auto & Home | Corp & Elims              | Consolidated       |
|----------------------------------------------------------|------------|------------------------|------------|-------------|---------------------------|--------------------|
| Revenue                                                  | \$ 486,541 | \$ 169,270             | \$ 107,780 | \$ 23,128   | \$ (5,649) <sup>(1)</sup> | \$ 781,070         |
| Operating expenses                                       | (347,608)  | (193,726)              | (91,409)   | (15,812)    | (52,270) <sup>(2)</sup>   | (700,825)          |
| Other expenses, net                                      | —          | —                      | —          | (1)         | (117)                     | (118)              |
| <b>Adjusted EBITDA</b>                                   | \$ 138,933 | \$ (24,456)            | \$ 16,371  | \$ 7,315    | \$ (58,036)               | 80,127             |
| Share-based compensation expense                         |            |                        |            |             |                           | (8,525)            |
| Transaction costs <sup>(3)</sup>                         |            |                        |            |             |                           | (3,003)            |
| Depreciation and amortization                            |            |                        |            |             |                           | (21,087)           |
| Loss on disposal of property,<br>equipment, and software |            |                        |            |             |                           | (386)              |
| Interest expense, net                                    |            |                        |            |             |                           | (58,885)           |
| Income tax benefit                                       |            |                        |            |             |                           | 1,053              |
| <b>Net loss</b>                                          |            |                        |            |             |                           | <b>\$ (10,706)</b> |

(1) Revenue in the Corp & Elims division represents intercompany revenue eliminated between segments, including for lead generation referrals from InsideResponse (within Senior) and referrals between the other segments.

(2) Operating expenses in the Corp & Elims division primarily include \$36.8 million in salaries and benefits for certain general, administrative, and IT related departments and \$13.8 million in professional services fees.

(3) These expenses primarily consist of costs related to the Fourth Amendment to the Senior Secured Credit Facility and non-restructuring severance expenses.

The following table presents information about the reportable segments for the nine months ended March 31, 2022:

| <i>(in thousands)</i>                                    | Senior       | Healthcare<br>Services | Life       | Auto & Home | Corp & Elims               | Consolidated        |
|----------------------------------------------------------|--------------|------------------------|------------|-------------|----------------------------|---------------------|
| Revenue                                                  | \$ 459,272   | \$ 40,183              | \$ 116,645 | \$ 20,755   | \$ (12,200) <sup>(1)</sup> | \$ 624,655          |
| Operating expenses                                       | (588,583)    | (60,296)               | (117,346)  | (16,798)    | (41,154) <sup>(2)</sup>    | (824,177)           |
| Other expenses, net                                      | —            | —                      | —          | —           | (177)                      | (177)               |
| <b>Adjusted EBITDA</b>                                   | \$ (129,311) | \$ (20,113)            | \$ (701)   | \$ 3,957    | \$ (53,531)                | (199,699)           |
| Share-based compensation expense                         |              |                        |            |             |                            | (6,252)             |
| Non-recurring expenses <sup>(3)</sup>                    |              |                        |            |             |                            | (2,857)             |
| Depreciation and amortization                            |              |                        |            |             |                            | (17,957)            |
| Loss on disposal of property,<br>equipment, and software |              |                        |            |             |                            | (739)               |
| Interest expense, net                                    |              |                        |            |             |                            | (31,300)            |
| Income tax benefit                                       |              |                        |            |             |                            | 65,984              |
| <b>Net loss</b>                                          |              |                        |            |             |                            | <b>\$ (192,820)</b> |

- 1) Revenue in the Corp & Elims division represents intercompany revenue eliminated between segments primarily for lead generation referrals from InsideResponse (within Senior) to the other segments.
- (2) Operating expenses in the Corp & Elims division primarily include \$33.6 million in salaries and benefits for certain general, administrative, and IT related departments, and \$13.1 million in professional services fees.
- (3) These expenses primarily consist of costs incurred for the Second Amendment, costs related to the acquisitions of Express Med Pharmaceuticals and Simple Meds, costs related to the change in administrative agent with respect to the Senior Secured Credit Facility, and severance expenses.

Revenues from each of the reportable segments are earned from transactions in the United States and follow the same accounting policies used for the Company's condensed consolidated financial statements. All of the Company's long-lived assets are located in the United States. For the three months ended March 31, 2023, three customers accounted for 31% (UHC), 24% (Humana), and 8% (Wellcare) of total revenue, respectively. For the three months ended March 31, 2022, three customers accounted for 25% (Wellcare), 23% (UHC), and 14% (Humana) of total revenue, respectively. For the nine months ended March 31, 2023, three customers accounted for 31% (UHC), 21% (Humana), and 10% (Wellcare) of total revenue, respectively. For the nine months ended March 31, 2022, three customers accounted for 22% (UHC), 18% (Wellcare), and 13% (Humana) of total revenue, respectively. Each of these customers listed above provided revenue to both Senior and Healthcare Services.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion and analysis of our financial condition and result of operations together with our condensed consolidated financial statements and footnotes included elsewhere in this Quarterly Report on Form 10-Q. In addition to historical information, this discussion and analysis contains forward-looking statements that involve risks, uncertainties, and assumptions. The forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions, and projections about our industry, business and future financial results. Please refer to a discussion of the Company's forward-looking statements and associated risks in "Cautionary Note Regarding Forward-Looking Statements" in our 2022 Annual Report. Our actual results may differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the section titled "Risk Factors" in our 2022 Annual Report and in Part II, Item 1A hereof.*

### Correction of Previously Issued Condensed Consolidated Financial Statements

Subsequent to the issuance of the Company's financial statements as of and for the year ended June 30, 2021, the Company determined that the provision for first year commission revenue for certain final expense policies offered by certain of its insurance carrier partners should have been accrued based on a higher lapse rate. This misstatement was initially thought to be isolated to an error in the lapse rate for one of its insurance carrier partners, as disclosed in the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2021. However, during the three months ended June 30, 2022, it was determined that the lapse rate for other insurance carrier partners were also incorrect, resulting in an additional misstatement being identified. See Note 1 to the condensed consolidated financial statements for additional information related to the correction, including descriptions of the misstatements and the impacts to our condensed consolidated financial statements. In addition, we have corrected certain previously reported financial information for the three and nine months ended March 31, 2022, in this Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations.

### Company Overview

*Our Business.* We are a leading technology-enabled, direct-to-consumer ("DTC") distribution platform for insurance products and healthcare services. Our insurance distribution business, which has operated continuously for over 35 years, provides consumers with a transparent and convenient venue to shop for complex senior health, life, and automobile and home insurance policies from a curated panel of the nation's leading insurance carriers. As an insurance distributor, we do not insure the consumer, but rather identify consumers looking to acquire insurance products and place these consumers with insurance carrier partners that provide these products. In return, we earn commissions from our insurance carrier partners for the policies we sell on their behalf. Our proprietary technology

allows us to take a broad funnel approach to marketing by analyzing and identifying high-quality consumer leads sourced from a wide variety of online and offline marketing channels including search engines, radio, television, and third-party marketing partners. We monitor our acquisition costs to dynamically allocate our marketing spend to the most attractive channels, benefiting from over thirty years of data accumulated through our proprietary, purpose-built technologies. Our advanced workflow processing system scores each acquired lead in real time, matching it with a sales agent whom we determine is best suited to meet the consumer's need. Our platform then captures and utilizes our experience to further build upon the millions of data points that feed our marketing algorithms, further enhancing our ability to deploy subsequent marketing dollars efficiently and target more high-quality consumer leads. We have built our business model to maximize commissions collected over the life of an approved policy less the cost of acquiring the business, a metric we refer to as policyholder lifetime value and which is a key component to our overall profitability.

Our unique platform has enabled us to expand our distribution business in recent years to include additional products beyond insurance policies. In interacting with thousands of consumers over the years, we identified a large opportunity to leverage our existing database and distribution model to improve access to healthcare services for our consumers. In addition to improving consumers' health outcomes, this service creates deeper relationships with our insurance carrier partners by increasing policy persistency and, in turn, reducing their overall costs. Additionally, we offer pharmacy services through our closed-door, long-term care pharmacy, which offers essential prescription medications, OTC medications, customized medication packaging, medication therapy management, and other consultative services.

We evaluate our business using the following four segments:

Senior was launched in 2010 and provides unbiased comparison shopping for Medicare Advantage ("MA") and Medicare Supplement ("MS") insurance plans as well as prescription drug and dental, vision, and hearing ("DVH") plans, and critical illness products. We represent approximately 21 leading, nationally-recognized insurance carrier partners, including UnitedHealthcare ("UHC"), Humana, and Wellcare. MA and MS plans accounted for 90% and 83% of our approved Senior policies for the three months ended March 31, 2023 and 2022, respectively, and 90% and 83% for the nine months ended March 31, 2023 and 2022, respectively, with other ancillary type policies accounting for the remainder.

Healthcare Services, launched in 2021, includes SelectRx and Population Health, and was previously included under the Senior segment (refer to Note 13 to the condensed consolidated financial statements for further information on the change in segments). Through SelectRx, we provide simple solutions for prescription drug management and support with a personalized approach to streamline the process of managing multiple medications for seniors with chronic conditions. SelectRx has developed a pill pack solution that is customized to the unique needs of each patient, focusing on individual multi-dosages by day and time. SelectRx uses a high-touch, technology-driven approach to provide superior customer service and achieve improved medication adherence. Population Health contracts with insurance carriers to perform health risk assessments ("HRA") on potential new members to determine how Population Health's value-based care ("VBC") partners can help members improve health outcomes. Consumers receive one-on-one assistance from our customer success agents who help patients understand the benefits available under their health plans and connect them with additional healthcare related resources. We believe that offering these services through SelectRx and Population Health to our existing MA consumers helps drive customer satisfaction and increase policy persistency, which, in turn, reduces costs for our insurance carrier partners.

Life is one of the country's largest and most established DTC insurance distributors for term life insurance, having sold over 2.1 million policies nationwide since our founding in 1985. Our platform provides unbiased comparison shopping for life insurance products such as term life, final expense, and other ancillary products like critical illness, accidental death, and juvenile insurance. We represent approximately 22 leading, nationally-recognized insurance carrier partners, with many of these relationships exceeding 15 years. Term life policies accounted for 48% and 34% of new premium within Life for the three months ended March 31, 2023 and 2022, respectively, with final expense policies accounting for 52% and 66% for the three months ended March 31, 2023 and 2022, respectively. For the nine months ended March 31, 2023 and 2022, term life policies accounted for 45%

and 35% of new premium within Life, respectively, with final expense policies accounting for 55% and 65%, respectively.

Auto & Home was launched in 2011 as an unbiased comparison shopping platform for auto, home, and specialty insurance lines. Our platform provides unbiased comparison shopping for insurance products such as homeowners, auto, dwelling fire, and other ancillary insurance products underwritten by approximately 25 leading, nationally-recognized insurance carrier partners. Homeowners and 12-month auto products accounted for 73% and 74% of new premium within Auto & Home for the three months ended March 31, 2023 and 2022, respectively, and 74% and 76% for the nine months ended March 31, 2023 and 2022, respectively, with six-month auto, dwelling fire, and other products accounting for a majority of the remainder.

The three and nine months ended March 31 referenced throughout the commentary below refers to the third quarter and fiscal year-to-date performance of our fiscal years ending on June 30, 2023 and 2022.

### Key Business and Operating Metrics by Segment

In addition to traditional financial metrics, we rely upon certain business and operating metrics to estimate and recognize revenue, evaluate our business performance, and facilitate our operations. In Senior, our primary product, Medicare Advantage, pays us flat commission rates based on the number of policies we sell on behalf of our insurance carrier partners. Therefore, we have determined that units and unit metrics are the most appropriate measures to evaluate the performance of Senior. For Healthcare Services, our primary source of revenue is pharmacy revenue from SelectRx, so the total number of SelectRx members is the most appropriate measure used to evaluate the performance of Healthcare Services. In Life and Auto & Home, we are typically paid a commission that is a percent of the premium that we generate for our insurance carrier partners. Therefore, we have determined that premium-based metrics are the most relevant measures to evaluate the performance of these segments. Below are the most relevant business and operating metrics for each segment:

#### Senior

##### *Submitted Policies*

Submitted policies are counted when an individual completes an application with our licensed agent and provides authorization to them to submit it to the insurance carrier partner. The applicant may have additional actions to take before the application will be reviewed by the insurance carrier.

The following table shows the number of submitted policies for the periods presented:

|                             | Three Months Ended March 31, |                | Nine Months Ended March 31, |                |
|-----------------------------|------------------------------|----------------|-----------------------------|----------------|
|                             | 2023                         | 2022           | 2023                        | 2022           |
| Medicare Advantage          | 196,372                      | 242,721        | 538,247                     | 678,827        |
| Medicare Supplement         | 675                          | 1,389          | 2,905                       | 6,318          |
| Dental, Vision, and Hearing | 21,175                       | 40,178         | 59,513                      | 122,214        |
| Prescription Drug Plan      | 416                          | 1,079          | 2,082                       | 6,193          |
| Other                       | 1,864                        | 4,907          | 5,402                       | 11,436         |
| <b>Total</b>                | <b>220,502</b>               | <b>290,274</b> | <b>608,149</b>              | <b>824,988</b> |

Total submitted policies for all products decreased 24% for the three months ended March 31, 2023, compared to the three months ended March 31, 2022, in line with our updated operating strategy to reduce the Senior distribution business and focus resources on Healthcare Services. The number of average productive agents decreased 28% during the three months ended March 31, 2023, compared to the three months ended March 31,

2022; however, due to a higher mix of tenured agents and an increased focus on agent training and development, productivity per agent increased 6% and overall close rates increased 12%.

Total submitted policies for all products decreased 26% for the nine months ended March 31, 2023, compared to the nine months ended March 31, 2022, in line with our updated operating strategy to reduce the Senior distribution business and focus resources on Healthcare Services. The number of average productive agents decreased 47% during the nine months ended March 31, 2023, compared to the nine months ended March 31, 2022; however, due to a higher mix of tenured agents and an increased focus on agent training and development, productivity per agent increased 34% and overall close rates increased 28%.

### ***Approved Policies***

Approved policies represents the number of submitted policies that were approved by our insurance carrier partners for the identified product during the indicated period. Not all approved policies will go in force.

The following table shows the number of approved policies for the periods presented:

|                            | <b>Three Months Ended March 31,</b> |                | <b>Nine Months Ended March 31,</b> |                |
|----------------------------|-------------------------------------|----------------|------------------------------------|----------------|
|                            | <b>2023</b>                         | <b>2022</b>    | <b>2023</b>                        | <b>2022</b>    |
| Medicare Advantage         | 165,530                             | 196,377        | 467,540                            | 546,031        |
| Medicare Supplement        | 557                                 | 1,159          | 2,184                              | 4,654          |
| Dental, Vision and Hearing | 16,968                              | 34,486         | 47,940                             | 101,251        |
| Prescription Drug Plan     | 521                                 | 1,095          | 1,794                              | 5,315          |
| Other                      | 1,029                               | 3,836          | 3,932                              | 9,199          |
| <b>Total</b>               | <b>184,605</b>                      | <b>236,953</b> | <b>523,390</b>                     | <b>666,450</b> |

In general, the relationship between submitted policies and approved policies has been steady over time. Therefore, factors impacting the number of submitted policies also impact the number of approved policies.

Total approved policies for all products decreased 22% for the three months ended March 31, 2023, compared to the three months ended March 31, 2022, in line with our updated operating strategy to reduce the Senior distribution business and focus resources on Healthcare Services. Total approved policies decreased by 21% for the nine months ended March 31, 2023, compared to the nine months ended March 31, 2022. Fluctuations in approved policies are normally in direct correlation to submitted policies; however, due to our increased focus on agent training and development and a higher mix of tenured agents, we experienced a 3% and a 7% improvement in the submitted-to-approved conversion rates for the three and nine months ended March 31, 2023, compared to the three and nine months ended March 31, 2022.

### ***Lifetime Value of Commissions per Approved Policy***

The lifetime value of commissions (the “LTV”) per approved policy represents commissions estimated to be collected over the estimated life of an approved policy based on multiple factors, including but not limited to, contracted commission rates, carrier mix, and expected policy persistency with applied constraints. The LTV per approved policy is equal to the sum of the commission revenue due upon the initial sale of a policy, and when applicable, an estimate of future renewal commissions. The estimate of the future renewal commissions is determined using contracted renewal commission rates constrained by a persistency-adjusted 10-year renewal period based on a combination of our historical experience and available insurance carrier historical experience to estimate renewal revenue only to the extent probable that a material reversal in revenue would not be expected to occur. These factors may result in varying values from period to period. The LTV per approved policy represents commissions only from policies sold during the period; it does not include any updated estimates of prior period variable consideration based on actual policy renewals in the current period.

The following table shows the LTV per approved policy for the periods presented:

|                            | Three Months Ended March 31, |        | Nine Months Ended March 31, |        |
|----------------------------|------------------------------|--------|-----------------------------|--------|
|                            | 2023                         | 2022   | 2023                        | 2022   |
| Medicare Advantage         | \$ 965                       | \$ 933 | \$ 888                      | \$ 935 |
| Medicare Supplement        | 871                          | 949    | 994                         | 1,275  |
| Dental, Vision and Hearing | 91                           | 120    | 95                          | 123    |
| Prescription Drug Plan     | 194                          | 229    | 211                         | 235    |
| Other                      | 123                          | 95     | 100                         | 77     |

The LTV per MA approved policy increased 3% for the three months ended March 31, 2023, compared to the three months ended March 31, 2022, primarily due to carrier mix.

The LTV per MA approved policy decreased 5% for the nine months ended March 31, 2023, compared to the nine months ended March 31, 2022. The MA LTV was negatively impacted by carrier mix and lower persistency rates, which includes an increase in constraint and higher provision for renewal year lapse rates, somewhat offset by higher commission rates.

### Healthcare Services

The total number of SelectRx members represents the amount of active customers to which an order has been shipped, as this is the primary key driver of revenue for Healthcare Services.

The following table shows the total number of SelectRx members as of the periods presented:

|                        | March 31, 2023 | March 31, 2022 |
|------------------------|----------------|----------------|
| Total SelectRx Members | 44,993         | 16,991         |

The total number of SelectRx members increased by 165% as of March 31, 2023, compared to March 31, 2022, due to the strategic growth of Healthcare Services.

### Combined Senior and Healthcare Services - Consumer Per Unit Economics

The opportunity to leverage our existing database and distribution model to improve access to healthcare services for our consumers has created a need for us to review our key metrics related to our per unit economics. As we think about the revenue and expenses for Healthcare Services, we note that they are derived from the marketing acquisition costs associated with the sale of an MA or MS policy, some of which costs are allocated directly to Healthcare Services, and therefore determined that our per unit economics measure should include components from both Senior and Healthcare Services. See details of revenue and expense items included in the calculation below.

Combined Senior and Healthcare Services consumer per unit economics represents total MA and MS commissions; other product commissions; other revenues, including revenues from Healthcare Services; and operating expenses associated with Senior and Healthcare Services, each shown per number of approved MA and MS policies over a given time period. Management assesses the business on a per-unit basis to help ensure that the revenue opportunity associated with a successful policy sale is attractive relative to the marketing acquisition cost. Because not all acquired leads result in a successful policy sale, all per-policy metrics are based on approved policies, which is the measure that triggers revenue recognition.

The MA and MS commission per MA/MS policy represents the LTV for policies sold in the period. Other commission per MA/MS policy represents the LTV for other products sold in the period, including DVH prescription drug plan, and other products, which management views as additional commission revenue on our

agents' core function of MA/MS policy sales. Pharmacy revenue per MA/MS policy represents revenue from SelectRx and other revenue per MA/MS policy represents revenue from Population Health, production bonuses, marketing development funds, lead generation revenue, and adjustments from the Company's reassessment of its cohorts' transaction prices. Total operating expenses per MA/MS policy represents all of the operating expenses within Senior and Healthcare Services. The revenue to customer acquisition cost ("CAC") multiple represents total revenue per MA/MS policy as a multiple of total marketing acquisition cost, which represents the direct costs of acquiring leads. These costs are included in marketing and advertising expense within the total operating expenses per MA/MS policy.

The following table shows combined Senior and Healthcare Services consumer per unit economics for the periods presented. Based on the seasonality of Senior and the fluctuations between quarters, we believe that the most relevant view of per unit economics is on a rolling 12-month basis. All per MA/MS policy metrics below are based on the sum of approved MA/MS policies, as both products have similar commission profiles.

| <i>(dollars per approved policy):</i>                                  | Twelve Months Ended March 31, |          |
|------------------------------------------------------------------------|-------------------------------|----------|
|                                                                        | 2023                          | 2022     |
| Medicare Advantage and Medicare Supplement approved policies           | 586,238                       | 636,195  |
| Medicare Advantage and Medicare Supplement commission per MA/MS policy | \$ 886                        | \$ 963   |
| Other commission per MA/MS policy                                      | 15                            | 29       |
| Pharmacy revenue per MA/MS policy                                      | 320                           | 52       |
| Other revenue per MA/MS policy                                         | 66                            | (64)     |
| Total revenue per MA/MS policy                                         | 1,287                         | 980      |
| Total operating expenses per MA/MS policy                              | (1,167)                       | (1,176)  |
| Adjusted EBITDA per MA/MS policy <sup>(1)</sup>                        | \$ 120                        | \$ (196) |
| Adjusted EBITDA Margin per MA/MS policy <sup>(1)</sup>                 | 9 %                           | (20)%    |
| Revenue/CAC multiple                                                   | 3.5X                          | 1.8X     |

(1) These financial measures are not calculated in accordance with GAAP. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures" for information regarding our use of these non-GAAP financial measures and a reconciliation of such measures to their nearest comparable financial measures calculated and presented in accordance with GAAP.

Total revenue per MA/MS policy increased 31% for the twelve months ended March 31, 2023, compared to the twelve months ended March 31, 2022, primarily due to the increase in pharmacy revenue. Total operating expenses per MA/MS policy were nearly flat for the twelve months ended March 31, 2023, compared to the twelve months ended March 31, 2022, driven by a decrease in our marketing and advertising costs, offset by an increase in cost of goods sold-pharmacy revenue for Healthcare Services due to the growth of the business.

## Life

Life premium represents the total premium value for all policies that were approved by the relevant insurance carrier partner and for which the policy document was sent to the policyholder and payment information was received by the relevant insurance carrier partner during the indicated period. Because our commissions are earned based on a percentage of total premium, total premium volume for a given period is the key driver of revenue for Life.

The following table shows term and final expense premiums for the periods presented:

| (in thousands):        | Three Months Ended March 31, |                  | Nine Months Ended March 31, |                   |
|------------------------|------------------------------|------------------|-----------------------------|-------------------|
|                        | 2023                         | 2022             | 2023                        | 2022              |
| Term Premiums          | \$ 17,512                    | \$ 14,933        | \$ 48,433                   | \$ 45,990         |
| Final Expense Premiums | 19,308                       | 28,532           | 58,766                      | 83,718            |
| <b>Total</b>           | <b>\$ 36,820</b>             | <b>\$ 43,465</b> | <b>\$ 107,199</b>           | <b>\$ 129,708</b> |

Total term premiums increased 17% for the three months ended March 31, 2023, compared to the three months ended March 31, 2022, due to a 4% increase in the average premium per policy sold and a 13% increase in the number of policies sold. Final expense premiums decreased 32% for the three months ended March 31, 2023, compared to the three months ended March 31, 2022. The number of policies sold declined 39% driven by a lower average agent headcount, which was somewhat offset by a 10% increase in the average premium per policy sold.

Total term premiums increased 5% for the nine months ended March 31, 2023, compared to the nine months ended March 31, 2022, due to a 9% increase in the average premium per policy sold, somewhat offset by the 3% decrease in the number of policies sold which was driven by a lower average agent headcount. Final expense premiums decreased 30% for the nine months ended March 31, 2023, compared to the nine months ended March 31, 2022. The number of policies sold declined 38% driven by a lower average agent headcount, which was somewhat offset by a 12% increase in the average premium per policy sold.

### Auto & Home

Auto & Home premium represents the total premium value of all new policies that were approved by our insurance carrier partners during the indicated period. Because our commissions are earned based on a percentage of total premium, total premium volume for a given period is the key driver of revenue for Auto & Home.

The following table shows premiums for the periods presented:

| (in thousands): | Three Months Ended March 31, |           | Nine Months Ended March 31, |           |
|-----------------|------------------------------|-----------|-----------------------------|-----------|
|                 | 2023                         | 2022      | 2023                        | 2022      |
| Premiums        | \$ 12,828                    | \$ 12,516 | \$ 36,456                   | \$ 36,358 |

Total premiums remained flat for the three months ended March 31, 2023, compared to the three months ended March 31, 2022. The number of policies sold and the average premium per policy sold both increased by 1%.

Total premiums remained flat for the nine months ended March 31, 2023, compared to the nine months ended March 31, 2022. The number of policies sold decreased 5%, which was offset by a 5.9% increase in the average premium per policy sold.

### Non-GAAP Financial Measures

To supplement our financial statements presented in accordance with GAAP and to provide investors with additional information regarding our GAAP financial results, we have presented in this Quarterly Report on Form 10-Q Adjusted EBITDA and Adjusted EBITDA Margin, which are non-GAAP financial measures. These non-GAAP financial measures are not based on any standardized methodology prescribed by GAAP and are not necessarily comparable to similarly titled measures presented by other companies.

*Adjusted EBITDA.* We define Adjusted EBITDA as income (loss) before interest expense, income tax expense (benefit), depreciation and amortization, and certain add-backs for transaction costs and non-cash or non-recurring expenses, including restructuring, share-based compensation expenses, and any impairment charges. The most directly comparable GAAP measure is net income (loss). We monitor and have presented in this Quarterly Report on Form 10-Q Adjusted EBITDA because it is a key measure used by our management and Board of



Directors to understand and evaluate our operating performance, to establish budgets, and to develop operational goals for managing our business. In particular, we believe that excluding the impact of these expenses in calculating Adjusted EBITDA can provide a useful measure for period-to-period comparisons of our core operating performance.

We believe that this non-GAAP financial measure helps identify underlying trends in our business that could otherwise be masked by the effect of the expenses that we exclude in the calculations of this non-GAAP financial measure. Accordingly, we believe that this financial measure provides useful information to investors and others in understanding and evaluating our operating results, enhancing the overall understanding of our past performance and future prospects.

Adjusted EBITDA is not prepared in accordance with GAAP and should not be considered in isolation of, or as an alternative to, measures prepared in accordance with GAAP. There are a number of limitations related to the use of this non-GAAP financial measure rather than net income (loss), which is the most directly comparable financial measure calculated and presented in accordance with GAAP. These limitations include the fact that Adjusted EBITDA excludes interest expense, depreciation and amortization expense, share-based compensation expense, income tax expense (benefit), and other non-recurring expenses that are one-time in nature. In addition, other companies may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison.

The following tables reconcile Adjusted EBITDA and net loss, the most directly comparable financial measure calculated and presented in accordance with GAAP, for the periods presented:

**Three Months Ended March 31, 2023:**

| <i>(in thousands)</i>                                    | <b>Senior</b>    | <b>Healthcare<br/>Services</b> | <b>Life</b>     | <b>Auto &amp; Home</b> | <b>Corp &amp; Elims</b> | <b>Consolidated</b> |
|----------------------------------------------------------|------------------|--------------------------------|-----------------|------------------------|-------------------------|---------------------|
| Net income                                               |                  |                                |                 |                        |                         | \$ 9,264            |
| Share-based compensation expense                         |                  |                                |                 |                        |                         | 2,959               |
| Non-recurring expenses <sup>(1)</sup>                    |                  |                                |                 |                        |                         | 433                 |
| Depreciation and amortization                            |                  |                                |                 |                        |                         | 7,098               |
| Loss on disposal of property,<br>equipment, and software |                  |                                |                 |                        |                         | 15                  |
| Interest expense, net                                    |                  |                                |                 |                        |                         | 21,105              |
| Income tax expense                                       |                  |                                |                 |                        |                         | 3,152               |
| <b>Adjusted EBITDA</b>                                   | <b>\$ 59,166</b> | <b>\$ (3,366)</b>              | <b>\$ 5,303</b> | <b>\$ 2,591</b>        | <b>\$ (19,668)</b>      | <b>\$ 44,026</b>    |

(1) These expenses consist of costs related to the Senior Secured Credit Facility and non-restructuring severance expenses.

**Three Months Ended March 31, 2022:**

| <i>(in thousands)</i>                                    | <b>Senior</b>    | <b>Healthcare<br/>Services</b> | <b>Life</b>       | <b>Auto &amp; Home</b> | <b>Corp &amp; Elims</b> | <b>Consolidated</b> |
|----------------------------------------------------------|------------------|--------------------------------|-------------------|------------------------|-------------------------|---------------------|
| Net loss                                                 |                  |                                |                   |                        |                         | \$ (7,025)          |
| Share-based compensation expense                         |                  |                                |                   |                        |                         | 2,143               |
| Non-recurring expenses <sup>(1)</sup>                    |                  |                                |                   |                        |                         | 703                 |
| Depreciation and amortization                            |                  |                                |                   |                        |                         | 6,679               |
| Loss on disposal of property,<br>equipment, and software |                  |                                |                   |                        |                         | 384                 |
| Interest expense, net                                    |                  |                                |                   |                        |                         | 12,179              |
| Income tax benefit                                       |                  |                                |                   |                        |                         | (2,846)             |
| <b>Adjusted EBITDA</b>                                   | <b>\$ 39,950</b> | <b>\$ (7,768)</b>              | <b>\$ (2,662)</b> | <b>\$ 1,150</b>        | <b>\$ (18,453)</b>      | <b>\$ 12,217</b>    |

(1) These expenses primarily consist of costs related to the change in administrative agent with respect to the Senior Secured Credit Facility and severance expenses.

**Nine Months Ended March 31, 2023:**

| <i>(in thousands)</i>                                    | <b>Senior</b>     | <b>Healthcare<br/>Services</b> | <b>Life</b>      | <b>Auto &amp; Home</b> | <b>Corp &amp; Elims</b> | <b>Consolidated</b> |
|----------------------------------------------------------|-------------------|--------------------------------|------------------|------------------------|-------------------------|---------------------|
| Net loss                                                 |                   |                                |                  |                        |                         | \$ (10,706)         |
| Share-based compensation expense                         |                   |                                |                  |                        |                         | 8,525               |
| Transaction costs <sup>(1)</sup>                         |                   |                                |                  |                        |                         | 3,003               |
| Depreciation and amortization                            |                   |                                |                  |                        |                         | 21,087              |
| Loss on disposal of property,<br>equipment, and software |                   |                                |                  |                        |                         | 386                 |
| Interest expense, net                                    |                   |                                |                  |                        |                         | 58,885              |
| Income tax benefit                                       |                   |                                |                  |                        |                         | (1,053)             |
| <b>Adjusted EBITDA</b>                                   | <b>\$ 138,933</b> | <b>\$ (24,456)</b>             | <b>\$ 16,371</b> | <b>\$ 7,315</b>        | <b>\$ (58,036)</b>      | <b>\$ 80,127</b>    |

(1) These expenses primarily consist of costs related to the Fourth Amendment to the Senior Secured Credit Facility and non-restructuring severance expenses.

**Nine Months Ended March 31, 2022:**

| <i>(in thousands)</i>                                    | <b>Senior</b>       | <b>Healthcare<br/>Services</b> | <b>Life</b>     | <b>Auto &amp; Home</b> | <b>Corp &amp; Elims</b> | <b>Consolidated</b> |
|----------------------------------------------------------|---------------------|--------------------------------|-----------------|------------------------|-------------------------|---------------------|
| Net loss                                                 |                     |                                |                 |                        |                         | \$ (192,820)        |
| Share-based compensation expense                         |                     |                                |                 |                        |                         | 6,252               |
| Non-recurring expenses <sup>(1)</sup>                    |                     |                                |                 |                        |                         | 2,857               |
| Depreciation and amortization                            |                     |                                |                 |                        |                         | 17,957              |
| Loss on disposal of property,<br>equipment, and software |                     |                                |                 |                        |                         | 739                 |
| Interest expense, net                                    |                     |                                |                 |                        |                         | 31,300              |
| Income tax benefit                                       |                     |                                |                 |                        |                         | (65,984)            |
| <b>Adjusted EBITDA</b>                                   | <b>\$ (129,311)</b> | <b>\$ (20,113)</b>             | <b>\$ (701)</b> | <b>\$ 3,957</b>        | <b>\$ (53,531)</b>      | <b>\$ (199,699)</b> |

(1) These expenses primarily consist of costs incurred for the Second Amendment, costs related to the acquisitions of Express Med Pharmaceuticals and Simple Meds, costs related to the change in administrative agent with respect to the Senior Secured Credit Facility, and severance expenses.

## Key Components of our Results of Operations

The following table sets forth our operating results and related percentage of total revenues for the periods presented:

| (in thousands)                                    | Three Months Ended March 31, |          |       |    | Nine Months Ended March 31, |       |      |          |       |    |           |       |
|---------------------------------------------------|------------------------------|----------|-------|----|-----------------------------|-------|------|----------|-------|----|-----------|-------|
|                                                   | 2023                         |          | 2022  |    | 2023                        |       | 2022 |          |       |    |           |       |
| Revenue                                           |                              |          |       |    |                             |       |      |          |       |    |           |       |
| Commission                                        | \$                           | 197,258  | 66 %  | \$ | 221,764                     | 81 %  | \$   | 533,627  | 68 %  | \$ | 492,528   | 79 %  |
| Pharmacy                                          |                              | 66,948   | 22 %  |    | 18,478                      | 7 %   |      | 159,641  | 20 %  |    | 31,715    | 5 %   |
| Other                                             |                              | 35,192   | 12 %  |    | 34,097                      | 12 %  |      | 87,802   | 12 %  |    | 100,412   | 16 %  |
| Total revenue                                     |                              | 299,398  | 100 % |    | 274,339                     | 100 % |      | 781,070  | 100 % |    | 624,655   | 100 % |
| Operating costs and expenses                      |                              |          |       |    |                             |       |      |          |       |    |           |       |
| Cost of revenue                                   |                              | 79,186   | 26 %  |    | 96,491                      | 35 %  |      | 235,827  | 30 %  |    | 319,469   | 51 %  |
| Cost of goods sold—pharmacy revenue               |                              | 62,302   | 21 %  |    | 19,294                      | 7 %   |      | 154,753  | 20 %  |    | 34,338    | 5 %   |
| Marketing and advertising                         |                              | 90,205   | 31 %  |    | 125,082                     | 46 %  |      | 237,724  | 31 %  |    | 409,005   | 66 %  |
| Selling, general, and administrative              |                              | 27,544   | 9 %   |    | 24,705                      | 9 %   |      | 86,662   | 11 %  |    | 70,495    | 11 %  |
| Technical development                             |                              | 6,434    | 2 %   |    | 6,436                       | 2 %   |      | 18,860   | 2 %   |    | 18,675    | 3 %   |
| Total operating costs and expenses                |                              | 265,671  | 89 %  |    | 272,008                     | 99 %  |      | 733,826  | 94 %  |    | 851,982   | 136 % |
| Income (loss) from operations                     |                              | 33,727   | 11 %  |    | 2,331                       | 1 %   |      | 47,244   | 6 %   |    | (227,327) | (36)% |
| Interest expense, net                             |                              | (21,105) | (7)%  |    | (12,179)                    | (4)%  |      | (58,885) | (7)%  |    | (31,300)  | (5)%  |
| Other income (expense), net                       |                              | (206)    | — %   |    | (23)                        | — %   |      | (118)    | — %   |    | (177)     | — %   |
| Income (loss) before income tax expense (benefit) |                              | 12,416   | 4 %   |    | (9,871)                     | (3)%  |      | (11,759) | (1)%  |    | (258,804) | (41)% |
| Income tax expense (benefit)                      |                              | 3,152    | 1 %   |    | (2,846)                     | (1)%  |      | (1,053)  | — %   |    | (65,984)  | (10)% |
| Net income (loss)                                 | \$                           | 9,264    | 3 %   | \$ | (7,025)                     | (2)%  | \$   | (10,706) | (1)%  | \$ | (192,820) | (31)% |

### Revenue

We earn revenue in the form of commission payments from our insurance carrier customers, for the initial year the policy is in effect (“first year”) and, where applicable, for each subsequent year the policy renews (“renewal year”), as presented in our condensed consolidated statements of comprehensive income as commission revenue. We also receive certain volume-based bonuses from some carriers on first year policies sold based on attaining various predetermined target sales levels or other agreed upon objectives. These bonuses are referred to as “production bonuses” or “marketing development funds” and are included in other revenue in the condensed consolidated statements of comprehensive income. Pharmacy revenue includes revenue from the sale of prescription and OTC medications from SelectRx. Other revenue includes production bonuses and marketing development funds noted above, revenue from Population Health for performing HRAs and making transfers or appointments with VBC partners, and external lead generation revenue from InsideResponse.

Our commission contracts with our insurance carrier partners contain a single performance obligation satisfied at the point in time to which we allocate the total transaction price. The transaction price is identified as the first year commission due upon the initial sale of a policy as well as an estimate of future renewal commissions and production bonus revenue when applicable. After a policy is sold, we have no material additional or recurring obligations to the policyholder or the insurance carrier partner. Therefore, we do not incur any additional expense related to our receipt of future renewal commissions or production bonus revenue. All of the costs associated with

the sale of an individual policy are incurred prior to or at the time of the initial sale of an individual policy. Revenue is recognized at different milestones for Senior, Life, and Auto & Home and is based on the contractual enforceable rights, our historical experience, and established customer business practices. Lead generation revenue is recognized when the generated lead is accepted by our customers, which is the point of sale, and we have no performance obligation after the delivery. Revenues generated from SelectRx are recognized upon shipment. At the time of shipment, we have performed substantially all of our performance obligations and do not experience a significant level of returns or re-shipments. There are no future revenue streams associated as patients have the option to cancel their service at any time with no further payments due. Revenue from Population Health is recognized when the HRA has been performed or the agreed-upon task has been completed for a VBC partner, the transaction price is known based on volume and contractual prices, and we have no further performance obligation.

The following table presents our revenue for the periods presented and the percentage changes from the prior year:

| <i>(dollars in thousands)</i> | <b>Three Months Ended March 31,</b> |                   | <b>Percent Change</b> | <b>Nine Months Ended March 31,</b> |                   | <b>Percent Change</b> |
|-------------------------------|-------------------------------------|-------------------|-----------------------|------------------------------------|-------------------|-----------------------|
|                               | <b>2023</b>                         | <b>2022</b>       | <b>2023 vs. 2022</b>  | <b>2023</b>                        | <b>2022</b>       | <b>2023 vs. 2022</b>  |
| Commission                    | \$ 197,258                          | \$ 221,764        | (11)%                 | \$ 533,627                         | \$ 492,528        | 8%                    |
| Pharmacy                      | 66,948                              | 18,478            | 262%                  | 159,641                            | 31,715            | 403%                  |
| Other                         | 35,192                              | 34,097            | 3%                    | 87,802                             | 100,412           | (13)%                 |
| <b>Total revenue</b>          | <b>\$ 299,398</b>                   | <b>\$ 274,339</b> | <b>9%</b>             | <b>\$ 781,070</b>                  | <b>\$ 624,655</b> | <b>25%</b>            |

**Three Months Ended March 31, 2023 and 2022**—Commission revenue decreased \$24.5 million, or 11%, for the three months ended March 31, 2023, and included decreases in Senior and Life commission revenue of \$25.9 million and \$3.1 million, respectively, and an increase in Auto & Home commission revenue of \$1.4 million. The decrease in Senior revenue was driven by a 22% decrease in approved policies offset by a 10% increase in LTV's and higher commission rates. Life's revenue decrease was primarily driven by a \$5.0 million decrease in final expense revenue, offset by a \$1.9 million increase in term revenue. The \$48.5 million increase in pharmacy revenue was due to the increase in members from March 31, 2022, and the expansion of the SelectRx business. The \$1.1 million increase in other revenue was primarily driven by a \$4.0 million increase in production bonus revenue, partially offset by a \$2.7 million decrease in external lead generation revenue and a decrease in Population Health revenue of \$0.8 million.

**Nine Months Ended March 31, 2023 and 2022**—Commission revenue increased \$41.1 million, or 8%, for the nine months ended March 31, 2023, and included increases in Senior and Auto & Home commission revenue of \$39.5 million and \$2.8 million, respectively, offset by a decrease in Life commission revenue of \$6.6 million. For Senior, excluding the \$145.0 million cohort adjustment recorded during the nine months ended March 31, 2022, commission revenue decreased \$105.5 million during the nine months ended March 31, 2023, which was driven by a 21% decrease in approved policies and a 1% reduction in LTV's, partially offset by higher commission rates. Life's revenue decline was primarily driven by a \$7.8 million decrease in final expense revenue. The \$127.9 million increase in pharmacy revenue was due to the increase in members from March 31, 2022, and the expansion of the SelectRx business. The \$12.6 million decrease in other revenue was primarily driven by an \$11.5 million decrease in external lead generation revenue and a \$2.9 million decrease in production bonus revenue, offset by an increase in Population Health revenue of \$1.8 million.

## Operating Costs and Expenses

### *Cost of Revenue*

Cost of revenue represents the direct costs associated with fulfilling our obligations to our customers in the Senior, Life, Auto & Home, and Population Health divisions, primarily compensation, benefits, and licensing for sales agents, customer success agents, fulfillment specialists, and others directly engaged in serving customers. It

also includes allocations for facilities, telecommunications, and software maintenance costs, which are all based on headcount. Facilities costs include rent and utilities expenses and other costs to maintain our office locations. Telecommunications and software maintenance costs includes costs related to the internal phone systems and various software applications that our agents use to make sales. These costs directly correlate to the number of agents we have as we are primarily charged based on per person usage for the phone systems and software applications.

The following table presents our cost of revenue for the periods presented and the percentage change from the prior year:

| <i>(dollars in thousands)</i> | Three Months Ended March 31, |           | Percent Change | Nine Months Ended March 31, |            | Percent Change |
|-------------------------------|------------------------------|-----------|----------------|-----------------------------|------------|----------------|
|                               | 2023                         | 2022      | 2023 vs. 2022  | 2023                        | 2022       | 2023 vs. 2022  |
| Cost of revenue               | \$ 79,186                    | \$ 96,491 | (18)%          | \$ 235,827                  | \$ 319,469 | (26)%          |

**Three Months Ended March 31, 2023 and 2022**—Cost of revenue decreased \$17.3 million, or 18%, for the three months ended March 31, 2023, primarily due to a \$13.3 million decrease in compensation costs, a \$1.3 million decrease in licensing costs, and \$2.4 million decrease in allocations for facilities, telecommunications, and software maintenance costs, all of which is due to the reduction in our agent headcount.

**Nine Months Ended March 31, 2023 and 2022**—Cost of revenue decreased \$83.6 million, or 26%, for the nine months ended March 31, 2023, primarily due to a \$61.4 million decrease in compensation costs, an \$11.9 million decrease in licensing costs, and a \$10.3 million decrease in allocations for facilities, telecommunications, and software maintenance costs, all of which is due to the reduction in our agent headcount.

#### ***Cost of Goods Sold-Pharmacy Revenue***

Cost of goods sold-pharmacy revenue represents the direct costs associated with fulfilling pharmacy patient orders for SelectRx. Such costs primarily consist of medication costs and compensation and related benefit costs for licensed pharmacists, pharmacy technicians, and other employees directly associated with fulfilling orders such as packaging and shipping clerks. It also includes shipping, supplies, other order fulfillment costs including part of the one-time customer onboarding costs, and certain facilities overhead costs such as rent, maintenance, and depreciation related to the pharmacy production process.

The following table presents our cost of goods sold-pharmacy revenue for the periods presented and the percentage change from the prior year:

| <i>(dollars in thousands)</i>       | Three Months Ended March 31, |           | Percent Change | Nine Months Ended March 31, |           | Percent Change |
|-------------------------------------|------------------------------|-----------|----------------|-----------------------------|-----------|----------------|
|                                     | 2023                         | 2022      | 2023 vs. 2022  | 2023                        | 2022      | 2023 vs. 2022  |
| Cost of goods sold—pharmacy revenue | \$ 62,302                    | \$ 19,294 | 223%           | \$ 154,753                  | \$ 34,338 | 351 %          |

**Three Months Ended March 31, 2023 and 2022**—Cost of goods sold-pharmacy revenue increased \$43.0 million, or 223%, for the three months ended March 31, 2023, due to a \$37.2 million increase in medication costs, a \$1.8 million increase in shipping and fulfillment costs, and a \$2.6 million increase in compensation costs as the number of SelectRx members increased 165% over the prior year.

**Nine Months Ended March 31, 2023 and 2022**—Cost of goods sold-pharmacy revenue increased \$120.4 million, or 351%, for the nine months ended March 31, 2023, due to a \$96.6 million increase in medication costs, a \$5.5 million increase in shipping and fulfillment costs, and a \$14.4 million increase in compensation costs as the number of SelectRx members increased 165% over the prior year.

### Marketing and Advertising

Marketing and advertising expenses consist primarily of the direct costs associated with marketing and advertising of our services, such as television and radio commercials and online advertising. These direct costs generally represent the vast majority of our marketing and advertising expenses. Other costs consist of compensation and other expenses related to marketing, business development, partner management, public relations, carrier relations personnel who support our offerings, and allocations for facilities, telecommunications, and software maintenance costs. Our marketing and advertising costs increase during AEP and OEP to generate more leads during these high-volume periods.

The following table presents our marketing and advertising expenses for the periods presented and the percentage change from the prior year:

| <i>(dollars in thousands)</i> | Three Months Ended March 31, |            | Percent Change | Nine Months Ended March 31, |            | Percent Change |
|-------------------------------|------------------------------|------------|----------------|-----------------------------|------------|----------------|
|                               | 2023                         | 2022       | 2023 vs. 2022  | 2023                        | 2022       | 2023 vs. 2022  |
| Marketing and advertising     | \$ 90,205                    | \$ 125,082 | (28)%          | \$ 237,724                  | \$ 409,005 | (42)%          |

**Three Months Ended March 31, 2023 and 2022**—Marketing and advertising expenses decreased \$34.9 million, or 28%, for the three months ended March 31, 2023, due to a \$34.1 million decrease in lead costs due to the decrease in volume associated with the Company's updated operating strategy, as well as a \$0.8 million decrease in compensation costs. However, we've seen an increase in marketing efficiency as our CAC per approved policy has decreased due to improved agent close rates as a result of increased focus on agent training and development.

**Nine Months Ended March 31, 2023 and 2022**—Marketing and advertising expenses decreased \$171.3 million, or 42%, for the nine months ended March 31, 2023, due to a \$162.4 million decrease in lead costs due to the decrease in volume associated with the Company's updated operating strategy, as well as a \$8.4 million decrease in compensation and benefits. However, we've seen an increase in marketing efficiency as our CAC per approved policy has decreased due to improved agent close rates as a result of increased focus on agent training and development.

### Selling, General, and Administrative

Selling, general, and administrative expenses include compensation and benefits costs for staff working in our executive, finance, accounting, recruiting, human resources, administrative, business intelligence, data science, and part of the SelectRx customer onboarding departments. These expenses also include fees paid for outside professional services, including audit, tax and legal fees and allocations for facilities, telecommunications, and software maintenance costs.

The following table presents our selling, general, and administrative expenses for the periods presented and the percentage change from the prior year:

| <i>(dollars in thousands)</i>        | Three Months Ended March 31, |           | Percent Change | Nine Months Ended March 31, |           | Percent Change |
|--------------------------------------|------------------------------|-----------|----------------|-----------------------------|-----------|----------------|
|                                      | 2023                         | 2022      | 2023 vs. 2022  | 2023                        | 2022      | 2023 vs. 2022  |
| Selling, general, and administrative | \$ 27,544                    | \$ 24,705 | 11%            | \$ 86,662                   | \$ 70,495 | 23%            |

**Three Months Ended March 31, 2023 and 2022**—Selling, general, and administrative expenses increased \$2.8 million, or 11%, for the three months ended March 31, 2023, primarily due to a \$2.7 million increase in compensation costs, mostly related to the expansion of SelectRx.

**Nine Months Ended March 31, 2023 and 2022**—Selling, general, and administrative expenses increased \$16.2 million, or 23%, for the nine months ended March 31, 2023, primarily due to \$14.6 million increase in compensation costs, mostly related to the expansion of SelectRx.

### ***Technical Development***

Technical development expenses consist primarily of compensation and benefits costs for internal and external personnel associated with developing, maintaining, and enhancing our applications, infrastructure and other IT-related functions as well as allocations for facilities, telecommunications and software maintenance costs.

The following table presents our technical development expenses for the periods presented and the percentage change from the prior year:

| <i>(dollars in thousands)</i> | <b>Three Months Ended March 31,</b> |             | <b>Percent Change</b> | <b>Nine Months Ended March 31,</b> |             | <b>Percent Change</b> |
|-------------------------------|-------------------------------------|-------------|-----------------------|------------------------------------|-------------|-----------------------|
|                               | <b>2023</b>                         | <b>2022</b> | <b>2023 vs. 2022</b>  | <b>2023</b>                        | <b>2022</b> | <b>2023 vs. 2022</b>  |
| Technical development         | \$ 6,434                            | \$ 6,436    | —%                    | \$ 18,860                          | \$ 18,675   | 1%                    |

**Three and Nine Months Ended March 31, 2023 and 2022**—Technical development expenses remained flat for the three and nine months ended March 31, 2023.

### ***Interest Expense, Net***

The following table presents our interest expense, net for the periods presented and the percentage changes from the prior year:

| <i>(dollars in thousands)</i> | <b>Three Months Ended March 31,</b> |             | <b>Percent Change</b> | <b>Nine Months Ended March 31,</b> |             | <b>Percent Change</b> |
|-------------------------------|-------------------------------------|-------------|-----------------------|------------------------------------|-------------|-----------------------|
|                               | <b>2023</b>                         | <b>2022</b> | <b>2023 vs. 2022</b>  | <b>2023</b>                        | <b>2022</b> | <b>2023 vs. 2022</b>  |
| Interest expense, net         | \$ (21,105)                         | \$ (12,179) | 73%                   | \$ (58,885)                        | \$ (31,300) | 88%                   |

**Three Months Ended March 31, 2023 and 2022**—Interest expense increased \$8.9 million, or 73%, for the three months ended March 31, 2023, primarily as a result of interest incurred on the Term Loans due to additional principal outstanding and changes under the Fourth Amendment, as well as the amortization of additional deferred financing costs associated with the amendments to the Senior Secured Credit Facility, all of which was partially offset by interest income received from the interest rate swap and on our money market account.

**Nine Months Ended March 31, 2023 and 2022**—Interest expense increased \$27.6 million, or 88%, for the nine months ended March 31, 2023, primarily as a result of interest incurred on the Term Loans due to additional principal outstanding and changes under the Fourth Amendment, as well as the amortization and write-off of additional deferred financing costs associated with the amendments to the Senior Secured Credit Facility, all of which was partially offset by interest income received from the interest rate swap and on our money market account.

### ***Income Taxes***

The following table presents our provision for income taxes for the periods presented and the percentage change from the prior year:



| <i>(dollars in thousands)</i> | <b>Three Months Ended March 31,</b> |             | <b>Percent Change</b> | <b>Nine Months Ended March 31,</b> |             | <b>Percent Change</b> |
|-------------------------------|-------------------------------------|-------------|-----------------------|------------------------------------|-------------|-----------------------|
|                               | <b>2023</b>                         | <b>2022</b> | <b>2023 vs. 2022</b>  | <b>2023</b>                        | <b>2022</b> | <b>2023 vs. 2022</b>  |
| Income tax expense (benefit)  | \$ 3,152                            | \$ (2,846)  | (211)%                | \$ (1,053)                         | \$ (65,984) | (98)%                 |
| Effective tax rate            | 25.4 %                              | 28.8 %      |                       | 8.9 %                              | 25.5 %      |                       |

**Three Months Ended March 31, 2023 and 2022**—For the three months ended March 31, 2023 and 2022, we recognized income tax expense (benefit) of \$3.2 million and \$(2.8) million, respectively, representing effective tax rates of 25.4% and 28.8%, respectively. The differences from our federal statutory tax rate to the effective tax rate for the three months ended March 31, 2023, were primarily related to state income taxes, RSU vestings, and the recording of a valuation allowance for state tax attributes that the Company does not expect to utilize prior to expiration. The differences from our federal statutory tax rate to the effective tax rate for the three months ended March 31, 2022, were primarily related to state income taxes.

**Nine Months Ended March 31, 2023 and 2022**—For the nine months ended March 31, 2023 and 2022, we recognized income tax benefits of \$1.1 million and \$66.0 million, respectively, representing effective tax rates of 8.9% and 25.5%, respectively. The differences from our federal statutory tax rate to the effective tax rate for the nine months ended March 31, 2023, were primarily related to state income taxes, RSU vestings, and the recording of a valuation allowance for state tax attributes that the Company does not expect to utilize prior to expiration. The differences from our federal statutory tax rate to the effective tax rate for the nine months ended March 31, 2022, were primarily related to state income taxes.

### Segment Information

Prior to the first quarter of fiscal 2023, we reported financial results under three reportable segments: i) Senior, ii) Life, and iii) Auto & Home. Effective July 1, 2022, we realigned our reportable segments as a result of the change in strategic direction established for fiscal year 2023. This realignment separated the Healthcare Services business, which includes SelectRx and Population Health, out of the Senior reportable segment and into its own operating and reportable segment. Our chief operating decision maker (“CODM”) reviews discrete financial information for Healthcare Services, separate from Senior, to make operational and financial decisions and allocate resources, consistent with this realignment. As a result, the Company now reflects four reportable segments: i) Senior, ii) Healthcare Services, iii) Life, and iv) Auto & Home, and all prior periods have been restated to reflect the new presentation. In addition, we account for non-operating activity, share-based compensation expense, certain intersegment eliminations, and the costs of providing corporate and other administrative services in our administrative division, Corporate & Eliminations. These services are not directly identifiable with our reportable segments and are shown in the tables below to reconcile the reportable segments to the condensed consolidated financial statements. We have not aggregated any operating segments together to represent a reportable segment.

Costs of revenue, cost of goods sold-pharmacy revenue, marketing and advertising, selling, general, and administrative, and technical development operating expenses that are directly attributable to a segment are reported within the applicable segment. Indirect costs of revenue, marketing and advertising, selling, general, and administrative, and technical development operating expenses are allocated to each segment based on varying metrics such as headcount. Adjusted EBITDA is calculated as total revenue for the applicable segment less direct and allocated costs of revenue, cost of goods sold, marketing and advertising, technical development, and selling, general, and administrative operating costs and expenses, excluding depreciation and amortization expense; gain or loss on disposal of property, equipment, and software; share-based compensation expense; and non-recurring expenses such as severance payments and transaction costs. Our CODM does not separately evaluate assets by segment; therefore, assets by segment are not presented.

The following tables present information about the reportable segments for the periods presented:

**Three Months Ended March 31, 2023:**

| <i>(in thousands)</i>                                    | Senior           | Healthcare<br>Services | Life            | Auto & Home     | Corp & Elims              | Consolidated    |
|----------------------------------------------------------|------------------|------------------------|-----------------|-----------------|---------------------------|-----------------|
| Revenue                                                  | \$ 185,200       | \$ 70,725              | \$ 36,950       | \$ 8,238        | \$ (1,715) <sup>(1)</sup> | \$ 299,398      |
| Operating expenses                                       | (126,034)        | (74,091)               | (31,446)        | (5,648)         | (17,947) <sup>(2)</sup>   | (255,166)       |
| Other income (expense), net                              | —                | —                      | (201)           | 1               | (6)                       | (206)           |
| <b>Adjusted EBITDA</b>                                   | <b>\$ 59,166</b> | <b>\$ (3,366)</b>      | <b>\$ 5,303</b> | <b>\$ 2,591</b> | <b>\$ (19,668)</b>        | <b>44,026</b>   |
| Share-based compensation expense                         |                  |                        |                 |                 |                           | (2,959)         |
| Non-recurring expenses <sup>(3)</sup>                    |                  |                        |                 |                 |                           | (433)           |
| Depreciation and amortization                            |                  |                        |                 |                 |                           | (7,098)         |
| Loss on disposal of property,<br>equipment, and software |                  |                        |                 |                 |                           | (15)            |
| Interest expense, net                                    |                  |                        |                 |                 |                           | (21,105)        |
| Income tax expense                                       |                  |                        |                 |                 |                           | (3,152)         |
| <b>Net income</b>                                        |                  |                        |                 |                 |                           | <b>\$ 9,264</b> |

(1) Revenue in the Corp & Elims division represents intercompany revenue eliminated between segments, including for lead generation referrals from InsideResponse (within Senior) and referrals between the other segments.

(2) Operating expenses in the Corp & Elims division primarily include \$12.6 million in salaries and benefits for certain general, administrative, and IT related departments and \$4.6 million in professional services fees.

(3) These expenses consist of costs related to the Senior Secured Credit Facility and non-restructuring severance expenses.

**Three Months Ended March 31, 2022:**

| <i>(in thousands)</i>                                    | Senior           | Healthcare<br>Services | Life              | Auto & Home     | Corp & Elims              | Consolidated      |
|----------------------------------------------------------|------------------|------------------------|-------------------|-----------------|---------------------------|-------------------|
| Revenue                                                  | \$ 210,973       | \$ 23,123              | \$ 38,625         | \$ 7,152        | \$ (5,534) <sup>(1)</sup> | \$ 274,339        |
| Operating expenses                                       | (171,023)        | (30,891)               | (41,287)          | (6,002)         | (12,896) <sup>(2)</sup>   | (262,099)         |
| Other expenses, net                                      | —                | —                      | —                 | —               | (23)                      | (23)              |
| <b>Adjusted EBITDA</b>                                   | <b>\$ 39,950</b> | <b>\$ (7,768)</b>      | <b>\$ (2,662)</b> | <b>\$ 1,150</b> | <b>\$ (18,453)</b>        | <b>12,217</b>     |
| Share-based compensation expense                         |                  |                        |                   |                 |                           | (2,143)           |
| Non-recurring expenses <sup>(3)</sup>                    |                  |                        |                   |                 |                           | (703)             |
| Depreciation and amortization                            |                  |                        |                   |                 |                           | (6,679)           |
| Loss on disposal of property,<br>equipment, and software |                  |                        |                   |                 |                           | (384)             |
| Interest expense, net                                    |                  |                        |                   |                 |                           | (12,179)          |
| Income tax benefit                                       |                  |                        |                   |                 |                           | 2,846             |
| <b>Net loss</b>                                          |                  |                        |                   |                 |                           | <b>\$ (7,025)</b> |

(1) Revenue in the Corp & Elims division represents intercompany revenue eliminated between segments primarily for referrals from Senior to the other segments.

(2) Operating expenses in the Corp & Elims division primarily include \$12.0 million in salaries and benefits for certain general, administrative, and IT related departments and \$4.1 million in professional services fees.

(3) These expenses primarily consist of costs related to the change in administrative agent with respect to the Senior Secured Credit Facility and severance expenses.

### Nine Months Ended March 31, 2023:

| <i>(in thousands)</i>                                 | Senior            | Healthcare<br>Services | Life             | Auto & Home     | Corp & Elims              | Consolidated       |
|-------------------------------------------------------|-------------------|------------------------|------------------|-----------------|---------------------------|--------------------|
| Revenue                                               | \$ 486,541        | \$ 169,270             | \$ 107,780       | \$ 23,128       | \$ (5,649) <sup>(1)</sup> | \$ 781,070         |
| Operating expenses                                    | (347,608)         | (193,726)              | (91,409)         | (15,812)        | (52,270) <sup>(2)</sup>   | (700,825)          |
| Other income (expense), net                           | —                 | —                      | —                | (1)             | (117)                     | (118)              |
| <b>Adjusted EBITDA</b>                                | <b>\$ 138,933</b> | <b>\$ (24,456)</b>     | <b>\$ 16,371</b> | <b>\$ 7,315</b> | <b>\$ (58,036)</b>        | <b>80,127</b>      |
| Share-based compensation expense                      |                   |                        |                  |                 |                           | (8,525)            |
| Transaction costs <sup>(3)</sup>                      |                   |                        |                  |                 |                           | (3,003)            |
| Depreciation and amortization                         |                   |                        |                  |                 |                           | (21,087)           |
| Loss on disposal of property, equipment, and software |                   |                        |                  |                 |                           | (386)              |
| Interest expense, net                                 |                   |                        |                  |                 |                           | (58,885)           |
| Income tax benefit                                    |                   |                        |                  |                 |                           | 1,053              |
| <b>Net loss</b>                                       |                   |                        |                  |                 |                           | <b>\$ (10,706)</b> |

(1) Revenue in the Corp & Elims division represents intercompany revenue eliminated between segments, including for lead generation referrals from InsideResponse (within Senior) and referrals between the other segments.

(2) Operating expenses in the Corp & Elims division primarily include \$36.8 million in salaries and benefits for certain general, administrative, and IT related departments and \$13.8 million in professional services fees.

(3) These expenses primarily consist of costs related to the Fourth Amendment to the Senior Secured Credit Facility and non-restructuring severance expenses.

### Nine Months Ended March 31, 2022:

| <i>(in thousands)</i>                                 | Senior              | Healthcare<br>Services | Life            | Auto & Home     | Corp & Elims               | Consolidated        |
|-------------------------------------------------------|---------------------|------------------------|-----------------|-----------------|----------------------------|---------------------|
| Revenue                                               | \$ 459,272          | \$ 40,183              | \$ 116,645      | \$ 20,755       | \$ (12,200) <sup>(1)</sup> | \$ 624,655          |
| Operating expenses                                    | (588,583)           | (60,296)               | (117,346)       | (16,798)        | (41,154) <sup>(2)</sup>    | (824,177)           |
| Other expenses, net                                   | —                   | —                      | —               | —               | (177)                      | (177)               |
| <b>Adjusted EBITDA</b>                                | <b>\$ (129,311)</b> | <b>\$ (20,113)</b>     | <b>\$ (701)</b> | <b>\$ 3,957</b> | <b>\$ (53,531)</b>         | <b>(199,699)</b>    |
| Share-based compensation expense                      |                     |                        |                 |                 |                            | (6,252)             |
| Non-recurring expenses <sup>(3)</sup>                 |                     |                        |                 |                 |                            | (2,857)             |
| Depreciation and amortization                         |                     |                        |                 |                 |                            | (17,957)            |
| Loss on disposal of property, equipment, and software |                     |                        |                 |                 |                            | (739)               |
| Interest expense, net                                 |                     |                        |                 |                 |                            | (31,300)            |
| Income tax benefit                                    |                     |                        |                 |                 |                            | 65,984              |
| <b>Net loss</b>                                       |                     |                        |                 |                 |                            | <b>\$ (192,820)</b> |

(1) Revenue in the Corp & Elims division represents intercompany revenue eliminated between segments primarily for lead generation referrals from InsideResponse (within Senior) to the other segments.

(2) Operating expenses in the Corp & Elims division primarily include \$33.6 million in salaries and benefits for certain general, administrative, and IT related departments and \$13.1 million in professional services fees.

(3) These expenses primarily consist of costs incurred for the Second Amendment, costs related to the acquisitions of Express Med Pharmaceuticals and Simple Meds, costs related to the change in administrative agent with respect to the Senior Secured Credit Facility, and severance expenses.

The following table depicts the disaggregation of revenue by segment and product for the periods presented:

| (dollars in thousands)                   | Three Months Ended March 31, |                   |                  |              | Nine Months Ended March 31, |                   |                   |              |
|------------------------------------------|------------------------------|-------------------|------------------|--------------|-----------------------------|-------------------|-------------------|--------------|
|                                          | 2023                         | 2022              | \$               | %            | 2023                        | 2022              | \$                | %            |
| <b>Senior:</b>                           |                              |                   |                  |              |                             |                   |                   |              |
| Commission revenue:                      |                              |                   |                  |              |                             |                   |                   |              |
| Medicare advantage                       | \$ 156,014                   | \$ 176,603        | \$ (20,589)      | (12)%        | \$ 412,850                  | \$ 355,949        | \$ 56,901         | 16 %         |
| Medicare supplement                      | 417                          | 912               | (495)            | (54)%        | 1,588                       | 4,849             | (3,261)           | (67)%        |
| Prescription drug plan                   | 203                          | 393               | (190)            | (48)%        | 481                         | 1,393             | (912)             | (65)%        |
| Dental, vision, and health               | 1,185                        | 4,150             | (2,965)          | (71)%        | 3,203                       | 12,285            | (9,082)           | (74)%        |
| Other commission revenue                 | 726                          | 2,339             | (1,613)          | (69)%        | 2,162                       | 6,265             | (4,103)           | (65)%        |
| Total commission revenue                 | 158,545                      | 184,397           | (25,852)         | (14)%        | 420,284                     | 380,741           | 39,543            | 10 %         |
| Total other revenue                      | 26,655                       | 26,576            | 79               | — %          | 66,257                      | 78,531            | (12,274)          | (16)%        |
| <b>Total Senior revenue</b>              | <b>185,200</b>               | <b>210,973</b>    | <b>(25,773)</b>  | <b>(12)%</b> | <b>486,541</b>              | <b>459,272</b>    | <b>27,269</b>     | <b>6 %</b>   |
| <b>Healthcare Services:</b>              |                              |                   |                  |              |                             |                   |                   |              |
| Total pharmacy revenue                   | 66,948                       | 18,478            | 48,470           | 262 %        | 159,641                     | 31,715            | 127,926           | 403 %        |
| Total other revenue                      | 3,777                        | 4,645             | (868)            | (19)%        | 9,629                       | 8,468             | 1,161             | 14 %         |
| <b>Total Healthcare Services revenue</b> | <b>70,725</b>                | <b>23,123</b>     | <b>47,602</b>    | <b>206 %</b> | <b>169,270</b>              | <b>40,183</b>     | <b>129,087</b>    | <b>321 %</b> |
| <b>Life:</b>                             |                              |                   |                  |              |                             |                   |                   |              |
| Commission revenue:                      |                              |                   |                  |              |                             |                   |                   |              |
| Term                                     | 17,678                       | 15,779            | 1,899            | 12 %         | 49,371                      | 48,151            | 1,220             | 3 %          |
| Final expense                            | 13,804                       | 18,851            | (5,047)          | (27)%        | 44,357                      | 52,133            | (7,776)           | (15)%        |
| Total commission revenue                 | 31,482                       | 34,630            | (3,148)          | (9)%         | 93,728                      | 100,284           | (6,556)           | (7)%         |
| Total other revenue                      | 5,468                        | 3,995             | 1,473            | 37 %         | 14,052                      | 16,361            | (2,309)           | (14)%        |
| <b>Total Life revenue</b>                | <b>36,950</b>                | <b>38,625</b>     | <b>(1,675)</b>   | <b>(4)%</b>  | <b>107,780</b>              | <b>116,645</b>    | <b>(8,865)</b>    | <b>(8)%</b>  |
| <b>Auto &amp; Home:</b>                  |                              |                   |                  |              |                             |                   |                   |              |
| Total commission revenue                 | 7,895                        | 6,539             | 1,356            | 21 %         | 21,940                      | 19,187            | 2,753             | 14 %         |
| Total other revenue                      | 343                          | 613               | (270)            | (44)%        | 1,188                       | 1,568             | (380)             | (24)%        |
| <b>Total Auto &amp; Home revenue</b>     | <b>8,238</b>                 | <b>7,152</b>      | <b>1,086</b>     | <b>15 %</b>  | <b>23,128</b>               | <b>20,755</b>     | <b>2,373</b>      | <b>11 %</b>  |
| <b>Eliminations:</b>                     |                              |                   |                  |              |                             |                   |                   |              |
| Total commission revenue                 | (664)                        | (3,802)           | 3,138            | (83)%        | (2,325)                     | (7,684)           | 5,359             | (70)%        |
| Total other revenue                      | (1,051)                      | (1,732)           | 681              | (39)%        | (3,324)                     | (4,516)           | 1,192             | (26)%        |
| <b>Total Elimination revenue</b>         | <b>(1,715)</b>               | <b>(5,534)</b>    | <b>3,819</b>     | <b>(69)%</b> | <b>(5,649)</b>              | <b>(12,200)</b>   | <b>6,551</b>      | <b>(54)%</b> |
| Total commission revenue                 | 197,258                      | 221,764           | (24,506)         | (11)%        | 533,627                     | 492,528           | 41,099            | 8 %          |
| Total pharmacy revenue                   | 66,948                       | 18,478            | 48,470           | 262 %        | 159,641                     | 31,715            | 127,926           | 403 %        |
| Total other revenue                      | 35,192                       | 34,097            | 1,095            | 3 %          | 87,802                      | 100,412           | (12,610)          | (13)%        |
| <b>Total revenue</b>                     | <b>\$ 299,398</b>            | <b>\$ 274,339</b> | <b>\$ 25,059</b> | <b>9 %</b>   | <b>\$ 781,070</b>           | <b>\$ 624,655</b> | <b>\$ 156,415</b> | <b>25 %</b>  |

### ***Revenue by Segment***

**Three Months Ended March 31, 2023 and 2022**—Revenue from Senior was \$185.2 million for the three months ended March 31, 2023, a \$25.8 million, or 12%, decrease compared to revenue of \$211.0 million for the three months ended March 31, 2022. The decrease was due to an \$25.9 million, or 14%, decrease in commission revenue and a \$3.4 million decrease in lead generation revenue earned, partially offset by a \$2.9 million increase in marketing development funds received.

Revenue from Healthcare Services was \$70.7 million for the three months ended March 31, 2023, a \$47.6 million, or 206%, increase compared to revenue of \$23.1 million for the three months ended March 31, 2022, primarily due to a \$48.5 million increase in SelectRx pharmacy revenue.

Revenue from Life was \$37.0 million for the three months ended March 31, 2023, a \$1.7 million, or 4%, decrease compared to revenue of \$38.6 million for the three months ended March 31, 2022, in line with our updated operating strategy to stabilize our distribution business.

Revenue from Auto & Home was \$8.2 million for the three months ended March 31, 2023, a \$1.1 million, or 15%, increase compared to revenue of \$7.2 million for the three months ended March 31, 2022, in line with our updated operating strategy to stabilize our distribution business.

**Nine Months Ended March 31, 2023 and 2022**—Revenue from Senior was \$486.5 million for the nine months ended March 31, 2023, a \$27.3 million, or 6%, increase compared to revenue of \$459.3 million for the nine months ended March 31, 2022. The increase was due to a \$39.5 million, or 10%, increase in commission revenue, partially offset by a \$12.6 million decrease in lead generation revenue.

Revenue from Healthcare Services was \$169.3 million for the nine months ended March 31, 2023, a \$129.1 million, or 321%, increase compared to revenue of \$40.2 million for the nine months ended March 31, 2022, primarily due to a \$127.9 million increase in SelectRx pharmacy revenue.

Revenue from Life was \$107.8 million for the nine months ended March 31, 2023, a \$8.9 million, or 8%, decrease compared to revenue of \$116.6 million for the nine months ended March 31, 2022, in line with our updated operating strategy to stabilize our distribution business.

Revenue from Auto & Home was \$23.1 million for the nine months ended March 31, 2023, a \$2.4 million, or 11%, increase compared to revenue of \$20.8 million for the nine months ended March 31, 2022, in line with our updated operating strategy to stabilize our distribution business.

### ***Adjusted EBITDA by Segment***

**Three Months Ended March 31, 2023 and 2022**—Adjusted EBITDA from Senior was \$59.2 million for the three months ended March 31, 2023, a \$19.2 million increase compared to Adjusted EBITDA of \$40.0 million for the three months ended March 31, 2022. The increase was due to a \$25.8 million decrease in revenue and a \$45.0 million decrease in operating costs and expenses, primarily due to a \$30.0 million reduction in marketing and advertising costs, a \$11.4 million reduction in compensation costs, and a \$1.1 million reduction in licensing fees, all of which support our updated operating strategy.

Adjusted EBITDA from Healthcare Services was \$(3.4) million for the three months ended March 31, 2023, a \$4.4 million increase compared to Adjusted EBITDA of \$(7.8) million for the three months ended March 31, 2022. The increase was due to a \$43.2 million increase in operating costs and expenses primarily as a result of the \$37.2 million increase in medication costs and a \$3.8 million increase in compensation costs in support of the growth of Healthcare Services. The increase in operating costs and expenses was offset by the \$47.6 million increase in revenue as discussed above.

Adjusted EBITDA from Life was \$5.3 million for the three months ended March 31, 2023, a \$8.0 million increase compared to Adjusted EBITDA of \$(2.7) million for the three months ended March 31, 2022. The increase was due to a \$9.8 million decrease in operating costs and expenses primarily due to a \$7.8 million reduction in marketing and advertising costs, which supports our updated operating strategy. The decrease in operating costs and expenses was offset by the \$1.7 million decrease in revenue as discussed above.

Adjusted EBITDA from Auto & Home was \$2.6 million for the three months ended March 31, 2023, a \$1.4 million, or 125%, increase compared to Adjusted EBITDA of \$1.2 million for the three months ended March 31, 2022. The increase was due to a \$1.1 million increase in revenue and a \$0.4 million decrease in operating costs and expenses primarily due to a \$0.3 million decrease in marketing and advertising costs, which supports our updated operating strategy.

**Nine Months Ended March 31, 2023 and 2022**—Adjusted EBITDA from Senior was \$138.9 million for the nine months ended March 31, 2023, a \$268.2 million increase compared to Adjusted EBITDA of \$(129.3) million for the nine months ended March 31, 2022. The increase was due to a \$27.3 million increase in revenue and a \$241.0 million decrease in operating costs and expenses primarily due to a \$148.6 million reduction in marketing and advertising costs, a \$68.8 million reduction in compensation costs, and a \$10.2 million reduction in licensing fees, all of which support our updated operating strategy.

Adjusted EBITDA from Healthcare Services was \$(24.5) million for the nine months ended March 31, 2023, a \$4.3 million decrease compared to Adjusted EBITDA of \$(20.1) million for the nine months ended March 31, 2022. The decrease was due to a \$133.4 million increase in operating costs and expenses primarily as a result of the \$96.6 million increase in medication costs, \$27.9 million increase in compensation costs, and \$5.3 million increase in fulfillment costs in support of the growth of Healthcare Services. The increase in operating costs and expenses was offset by the \$129.1 million increase in revenue as discussed above.

Adjusted EBITDA from Life was \$16.4 million for the nine months ended March 31, 2023, a \$17.1 million increase compared to Adjusted EBITDA of \$(0.7) million for the nine months ended March 31, 2022. The increase was due to a \$25.9 million decrease in operating costs and expenses primarily due to a \$21.3 million reduction in marketing and advertising costs and a \$3.8 million reduction in compensation costs, all of which support our updated operating strategy. The decrease in operating costs and expenses was offset by the \$8.9 million decrease in revenue as discussed above.

Adjusted EBITDA from Auto & Home was \$7.3 million for the nine months ended March 31, 2023, a \$3.4 million, or 85%, increase compared to Adjusted EBITDA of \$4.0 million for the nine months ended March 31, 2022. The increase was due to a \$2.4 million increase in revenue and a \$1.0 million decrease in operating costs and expenses due to a \$1.1 million reduction in marketing and advertising costs and a \$0.2 million reduction in compensation costs, partially offset by an increase in fulfillment costs of \$0.4 million, all of which support our updated operating strategy.

## **Liquidity and Capital Resources**

Our liquidity needs primarily include working capital and debt service requirements. We believe that the cash available under the Senior Secured Credit Facility will be sufficient to meet our projected operating and debt service requirements for at least the next 12 months. To the extent that our current liquidity is insufficient to fund future activities, we may need to raise additional funds. If we raise additional funds by issuing equity securities, the ownership of our existing stockholders will be diluted. The incurrence of additional debt financing would result in debt service obligations, and any future instruments governing such debt could provide for operating and financing covenants that could restrict our operations.

### *Cash Flows*

As of March 31, 2023, and June 30, 2022, our cash and cash equivalents totaled \$92.0 million and \$141.0 million, respectively. Additionally, the following table presents a summary of our cash flows for the periods presented below:

| (in thousands)                                      | Nine Months Ended March 31, |              |
|-----------------------------------------------------|-----------------------------|--------------|
|                                                     | 2023                        | 2022         |
| Net cash used in operating activities               | \$ (12,835)                 | \$ (284,362) |
| Net cash used in investing activities               | (6,860)                     | (40,012)     |
| Net cash (used in) provided by financing activities | (29,254)                    | 237,279      |

### ***Operating Activities***

Net cash used in operating activities primarily consists of net income, adjusted for certain non-cash items including depreciation; amortization of intangible assets and internally developed software; deferred income taxes; share-based compensation expense; impairment charges; and the effect of changes in working capital and other activities.

Collection of commissions receivable depends upon the timing of our receipt of commission payments and associated commission statements from our insurance carrier partners. If we were to experience a delay in receiving a commission payment from an insurance carrier partner within a quarter, our operating cash flows for that quarter could be adversely impacted.

A significant portion of our marketing and advertising expenses is driven by the number of leads required to generate the insurance applications we submit to our insurance carrier partners. Our marketing and advertising costs are expensed and generally paid as incurred and since commission revenue is recognized upon approval of a policy but commission payments are paid to us over time, there are working capital requirements to fund the upfront cost of acquiring new policies. During AEP, we experience an increase in the number of submitted Senior insurance applications and marketing and advertising expenses compared to periods outside of AEP. The timing of AEP affects the positive or negative impacts of our cash flows during each quarter.

**Nine Months Ended March 31, 2023**—Net cash used in operating activities was \$12.8 million, consisting of net loss of \$10.7 million, adjustments for non-cash items of \$47.1 million, and cash used in operating assets and liabilities of \$49.2 million. Adjustments for non-cash items primarily consisted of \$21.1 million of depreciation and amortization, \$8.5 million of share-based compensation expense, \$8.5 million of accrued interest payable in kind on the Term Loans, \$6.3 million of amortization of debt issuance costs and debt discount as a result of amendments to the Senior Secured Credit Facility, and \$3.1 million of non-cash lease expense, offset by \$1.4 million in deferred income taxes. The cash decrease resulting from changes in net operating assets and liabilities primarily consisted of an increase of \$62.7 million in accounts receivable, net and a decrease of \$8.9 million in other liabilities, partially offset by a decrease of \$17.1 million in commissions receivable and an increase of \$6.4 million in accounts payable and accrued expenses.

**Nine Months Ended March 31, 2022**—Cash used in operating activities was \$284.4 million, consisting of net loss of \$192.8 million, adjustments for non-cash items of \$34.1 million, and cash used in operating assets and liabilities of \$57.4 million. Adjustments for non-cash items primarily consisted of \$66.4 million in deferred income taxes, offset by \$18.0 million of depreciation and amortization related to additional fixed assets purchases to accommodate our growth in headcount, internally developed software in service, and SelectRx infrastructure, \$6.3 million of share-based compensation expense, \$4.2 million of amortization of debt issuance costs and debt discount as a result of amendments to the Senior Secured Credit Facility, and \$3.1 million of non-cash lease expense. The cash decrease resulting from changes in net operating assets and liabilities primarily consisted of increases of \$59.8 million in accounts receivable and \$8.3 million in other assets related to an increase in inventory for SelectRx and an increase in prepaid expenses, partially offset by a decrease of \$7.6 million in commissions receivable and increases of \$8.1 million in accounts payable and accrued expenses, all driven by the increased marketing and personnel costs for AEP and OEP.



### ***Investing Activities***

Our investing activities primarily consist of purchases of property, equipment, and software and capitalized salaries related to the development of internal-use software.

***Nine Months Ended March 31, 2023***—Net cash used in investing activities of \$6.9 million was due to \$1.1 million of purchases of property and equipment, primarily to support the growth of SelectRx infrastructure, and \$5.8 million in purchases of software and capitalized internal-use software development costs.

***Nine Months Ended March 31, 2022***—Net cash used in investing activities of \$40.0 million was due to \$24.5 million of purchases of property and equipment primarily to support AEP and OEP and the growth of SelectRx infrastructure, \$7.6 million in purchases of software and capitalized internal-use software, \$6.9 million of net cash paid to acquire Simple Meds, and a \$1.0 million non-controlling interest equity investment.

### ***Financing Activities***

Our financing activities primarily consist of payments of debt and related issuance costs and proceeds and payments related to share-based compensation.

***Nine Months Ended March 31, 2023***—Net cash used in financing activities of \$29.3 million was primarily due to \$10.1 million of debt issuance costs related to the Fourth Amendment to the Senior Secured Credit Facility, \$17.8 million of principal payments on the Term Loans, and \$2.3 million of holdback remitted as part of the Express Med acquisition, partially offset by \$1.2 million in proceeds from common stock options exercised and the employee stock purchase plan.

***Nine Months Ended March 31, 2022***—Net cash provided by financing activities of \$237.3 million was primarily due to \$242.0 million in net proceeds from the DDTL Facility and \$3.2 million in proceeds from common stock options exercised and the employee stock purchase plan, partially offset by a holdback settlement of \$5.5 million for acquisition of a lead distribution company, principal payments of \$1.8 million and \$0.0 million on the Term Loans and DDTL Facility, respectively, and \$0.3 million in debt issuance costs related to the Second Amendment and Third Amendment to the Senior Secured Credit Facility.

### ***Senior Secured Credit Facility***

We entered into the Senior Secured Credit Facility to provide access to cash, in a variety of methods, when necessary to fund the operations of the business. There were no amounts outstanding under the Revolving Credit Facility as of March 31, 2023. As of March 31, 2023, there was \$703.9 million outstanding under the Term Loans. Refer to Note 7 to the condensed consolidated financial statements for further details.

Our risk management strategy includes entering into interest rate swap agreements to protect against unfavorable interest rate changes relating to forecasted debt transactions. The Company's Amended Interest Rate Swap is designated as a cash flow hedge of the interest payments on \$325.0 million in principal of the Term Loans. Refer to Note 7 to the condensed consolidated financial statements for further details.

### ***Contractual Obligations***

Other than the discussions in Note 8 and Note 10 to the condensed consolidated financial statements, as of March 31, 2023, there have been no material changes to our contractual obligations as previously described in our Annual Report.

### ***Off-Balance Sheet Arrangements***

We did not have any off-balance sheet arrangements during the period covered by this report.

## **Recent Accounting Pronouncements**

For a discussion of new accounting pronouncements recently adopted and not yet adopted, see the notes to our condensed consolidated financial statements.

## **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS**

We are primarily exposed to the market risk associated with unfavorable movements in interest rates. The risk inherent in our market risk-sensitive instruments and positions is the potential loss or increased expense arising from adverse changes in those factors. There have been no material changes to our market risk policies or our market risk-sensitive instruments and positions as described in our Annual Report.

## **ITEM 4. CONTROLS AND PROCEDURES**

### **Evaluation of Our Disclosure Controls and Procedures**

The Company completed an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), carried out by our management, with the participation of our chief executive officer (principal executive officer), chief financial officer (principal financial officer), and chief accounting officer (principal accounting officer). Based upon our management's evaluation, our chief executive officer and our chief financial officer concluded that as of the end of the period covered by this report, our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms and (ii) accumulated and communicated to our management, including our chief executive officer and chief financial officer, to allow timely decisions regarding required disclosure.

As previously disclosed in our Annual Report, management identified a design deficiency in internal control over financial reporting that resulted in a material weakness. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. The Company obtains and uses relevant information from third party carriers related to final expense policyholder lapses and did not evaluate it on a timely basis to ensure the carrier and policy information utilized to determine the first year commission revenue provision was complete and accurate, which could have resulted in a material misstatement of the Company's consolidated financial statements. The material weakness did contribute to an actual error related to Life first year commission revenue provision for certain final expense policies that was not material to the consolidated financial statements for the year ended June 30, 2021, and for the three months ended September 30, 2021, December 31, 2021, and March 31, 2022.

In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only a reasonable level of assurance of achieving their desired control objectives, and our management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

### ***Management's Remediation of the Material Weakness***

As a result of this material weakness, we designed, implemented, and operated new controls as part of our remediation measures which included:

- a control to review final expense aged receivables on a timely basis;
- a control to evaluate the completeness and accuracy of the final expense third party carrier information received, including verification of lapse status; and
- a control to evaluate the completeness and accuracy of the information used in the review of provision rates used to develop estimates of first year commission revenue provision.

As a result of the remediation activities and controls described above, as previously disclosed in the Company's Quarterly Report on Form 10-Q as of December 31, 2022, we have remediated the material weakness. However, completion of remediation does not provide assurance that our remediated controls will continue to operate properly or that our financial statements will be free from error.

***Changes in Internal Control over Financial Reporting***

Except for the remediation of the material weakness and changes described above, there have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## **PART II OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS**

A discussion of legal proceedings to which the Company is a party is included in Part I, Item 1 hereof under “Note 8, Commitments and Contingencies – Legal Contingencies and Obligations,” which is incorporated herein by reference.

### **ITEM 1A. RISK FACTORS**

Other than as set forth below, there have been no material changes to the risk factors set forth in our Annual Report and subsequent periodic filings. Before investing in our securities, we recommend that investors carefully consider the risks described in our Annual Report, including those under the heading “Risk Factors.” Realization of any of these risks and any additional risks and uncertainties not currently known to us or that we have deemed to be immaterial could have a material adverse effect on our business, financial condition, or results of operations.

*Our Senior segment is subject to a complex legal and regulatory framework, and non-compliance with or changes in laws and regulations governing the marketing and sale of Medicare plans and other healthcare-related products and services could harm our business, operating results, financial condition and prospects.*

Our Senior segment is subject to a complex legal and regulatory framework, and the laws and regulations governing the marketing and sale of Medicare plans, particularly with respect to regulations and guidance issued by CMS related to Medicare Advantage and Medicare Part D prescription drug plans, change frequently. For example, in April 2023, CMS finalized rules that could increase compliance costs and otherwise impact our business results by, among other things, requiring new disclosures that could make certain forms of marketing less practicable and potentially requiring a 48-hour waiting period between initial contact with a beneficiary and enrolling that beneficiary. These and any other changes to the laws, regulations and guidelines relating to Medicare plans, their interpretation or the manner in which they are enforced could harm our business, operating results, financial condition and prospects.

In addition, changes to laws, regulations, CMS guidance or the enforcement or interpretation of CMS guidance applicable to our Senior segment could cause insurance carriers or state departments of insurance to object to or not to approve aspects of our marketing materials and processes. As a result, those authorities may determine that certain aspects of our Senior segment are not in compliance with the current legal and regulatory framework. Any such determinations could delay or halt the operation of our Senior segment, which would harm our business, operating results, financial condition and prospects, particularly if such delay or halt occurred during the Medicare annual or open enrollment periods.

### **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

Not applicable.

### **ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

Not applicable.

### **ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

### **ITEM 5. OTHER INFORMATION**

On May 5, 2023, the Company entered into the Fifth Amendment to the Senior Secured Credit Facility. For further information about the Fifth Amendment, see “*Senior Secured Credit Facility*” under Note 7 to the condensed consolidated financial statements above.

## ITEM 6. EXHIBITS

The following documents listed below are incorporated by reference or are filed or furnished, as applicable, with this Quarterly Report on Form 10-Q.

| Exhibit Number        | Exhibit Description                                                                                                                                                                                      |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <a href="#">10.1</a>  | Fifth Amendment to Credit Agreement, dated as of May 5, 2023, by and among SelectQuote, Inc., the lenders and other parties thereto, and Wilmington Trust, National Association, as administrative agent |
| <a href="#">10.2#</a> | Executive Employment Agreement, dated as of February 10, 2023, by and between SelectQuote Insurance Services and Ryan M. Clement*                                                                        |
| <a href="#">31.1</a>  | Certification of Chief Executive Officer of SelectQuote, Inc. Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002                                                                                  |
| <a href="#">31.2</a>  | Certification of Chief Financial Officer of SelectQuote, Inc. Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002                                                                                  |
| <a href="#">32.1†</a> | Certification of Chief Executive Officer of SelectQuote, Inc. Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002                                   |
| <a href="#">32.2†</a> | Certification of Chief Financial Officer of SelectQuote, Inc. Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002                                   |
| 101.INS               | XBRL Instance Document - The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document                                           |
| 101.SCH               | Inline XBRL Taxonomy Extension Schema Document                                                                                                                                                           |
| 101.CAL               | Inline XBRL Taxonomy Extension Calculation Linkbase Document                                                                                                                                             |
| 101.LAB               | Inline XBRL Taxonomy Extension Labels Linkbase Document                                                                                                                                                  |
| 101.PRE               | Inline XBRL Taxonomy Extension Presentation Linkbase Document                                                                                                                                            |
| 101.DEF               | Inline XBRL Taxonomy Extension Definition Linkbase Document                                                                                                                                              |
| 104                   | Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)                                                                                                                 |

# Indicates management contract or compensatory plan.

\* Portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K.

† The certifications attached as Exhibits 32.1 and 32.2 that accompany this Quarterly Report on Form 10-Q, are not deemed filed with the SEC and are not to be incorporated by reference into any filing of SelectQuote, Inc. under the Securities Act or the Exchange Act, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

May 10, 2023

**SELECTQUOTE, INC.**

By: /s/ Tim Danker

Name: Tim Danker

Title: Chief Executive Officer

By: /s/ Ryan Clement

Name: Ryan Clement

Title: Chief Financial Officer

## FIFTH AMENDMENT TO CREDIT AGREEMENT

THIS FIFTH AMENDMENT TO CREDIT AGREEMENT (this “**Agreement**”) is entered into as of May 5, 2023, by and among SELECTQUOTE, INC., a Delaware corporation, as the Borrower, the other Credit Parties party hereto, the Consenting Lenders (as defined below) and WILMINGTON TRUST, NATIONAL ASSOCIATION, as Administrative Agent for the Lenders.

### WITNESSETH:

**WHEREAS**, the Borrower, the other Credit Parties party thereto, the Lenders from time to time party thereto, the Administrative Agent and UMB Bank, N.A., as Revolver Agent are parties to that certain Credit Agreement, dated as of November 5, 2019 (as amended by that certain First Amendment dated as of February 24, 2021, that certain Second Amendment dated as of November 2, 2021, that certain Third Amendment, dated as of December 23, 2021, that certain Successor Agent Agreement dated as of February 24, 2022 and that certain Fourth Amendment to Credit Agreement, dated as of August 26, 2022, the “**Credit Agreement**”, and as further amended by this Agreement, the “**Amended Credit Agreement**”);

**WHEREAS**, the Borrower has requested that the Administrative Agent and the Lenders party hereto which constitute Required Lenders under the Credit Agreement immediately prior to the effectiveness of this Agreement (the “**Consenting Lenders**”) consent, and the Administrative Agent and the Consenting Lenders have agreed pursuant to Section 9.1 of the Credit Agreement to so consent, to the amendment of certain terms and provisions of the Credit Agreement as set forth herein and thereby agree to be bound by the terms of the Amended Credit Agreement;

**NOW, THEREFORE**, in consideration of the mutual agreements, provisions and covenants contained herein, the parties hereto agree as follows:

SECTION 1. **Terms Generally.** The rules of construction set forth in Section 11.2 of the Amended Credit Agreement shall apply *mutatis mutandis* to this Agreement. This Agreement shall be a “Loan Document” for all purposes of the Credit Agreement, the Amended Credit Agreement and the other Loan Documents. Capitalized terms used but not defined herein have the meanings assigned thereto in the Amended Credit Agreement.

SECTION 2. **[Reserved].**

SECTION 3. **Amendments to Credit Agreement.** Effective as of the Fifth Amendment Effective Date (as defined below), in reliance upon the representations and warranties of the Credit Parties set forth in the Amended Credit Agreement, the other Loan Documents and this Agreement, the Credit Agreement is hereby amended as follows:

- (i) Section 6.1 of the Credit Agreement is hereby amended to (a) delete the reference to “1.646:1.00” appearing opposite “March 31, 2024” in the table appearing therein and (b) insert “1.480:1.00” in lieu thereof.

Each of the Consenting Lenders party hereto, who collectively constitute the Required Lenders, hereby authorizes and directs the Administrative Agent to execute this Agreement.

SECTION 1. **Conditions to Effectiveness of the Amendments Set Forth in the Amended Credit Agreement.** This Agreement and the amendments set forth in the Amended Credit Agreement shall become effective on the first date when each of the following conditions precedent shall have been satisfied:

- (i) Borrower shall have reimbursed the Administrative Agent and the Consenting Lenders for all reasonable and documented fees, costs and expenses incurred in connection with



the Credit Agreement and this Agreement, to the extent invoiced at least one (1) Business Day prior to the Fifth Amendment Effective Date.

- (ii) This Agreement shall have been duly executed and delivered by the Borrower, the Administrative Agent and each Consenting Lender.
- (iii) The representations and warranties by any Credit Party contained herein, in the Amended Credit Agreement or in any other Loan Document shall be true and correct in all material respects as of the Fourth Amendment Effective Date with the same effect as though made on and as of such date, except to the extent that such representation or warranty expressly relates to an earlier date, in which event such representations and warranties shall be true and correct in all material respects on and as of such earlier date; *provided, however*, that, any representation or warranty that is qualified as to “materiality,” “Material Adverse Effect” or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on such respective dates.
- (iv) No Default or Event of Default has occurred and is continuing or would result from giving effect to the transactions set forth in this Agreement.

The first date on which all the forgoing conditions set forth in this Section 4 shall have been satisfied shall be the “**Fifth Amendment Effective Date**”.

SECTION 1. **Representations and Warranties**. As of the date hereof, each Credit Party hereto hereby represents and warrants to the Administrative Agent and each Lender that is party to this Agreement as follows:

- (i) Each Credit Party and each of its Subsidiaries is a corporation, limited liability company or limited partnership, as applicable, duly organized or formed, as applicable, validly existing and in good standing under the laws of the jurisdiction of its incorporation, organization or formation, as applicable.
- (ii) The execution and delivery of this Agreement, and performance of this Agreement and the Amended Credit Agreement by each of the Credit Parties party thereto:
  - (a) have been duly authorized by all necessary action;
  - (b) do not contravene the terms of any of that Credit Party’s Organization Documents;
  - (c) do not (x) conflict with or result in any breach or contravention of or (y) result in the creation of any Lien under, in each case, any document (other than under the Collateral Documents or as permitted under the Amended Credit Agreement) evidencing any material Contractual Obligation to which such Person is a party or any order, injunction, writ or decree of any Governmental Authority to which such Person or its Property is subject; and
  - (d) do not violate any Requirement of Law;

except in each case referred to in clause (c) or clause (d), to the extent that such conflict, breach, contravention or violation would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

(iii) No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority is necessary or required in connection with the execution and delivery or performance by, or enforcement against, any Credit Party of this Agreement or the Amended Credit Agreement, except for (a) recordings and filings in connection with the Liens granted to the Administrative Agent under the Collateral Documents, (b) those obtained or made on or prior to the Fifth Amendment Effective Date or (c) those approvals, consents, exemptions, authorizations, or other actions,

notices or filings, the failure of which to obtain or make would not reasonably be expected to have a Material Adverse Effect.

(iv) This Agreement and the Amended Credit Agreement constitute the legal, valid and binding obligations of each such Person which is a party thereto, enforceable against such Person in accordance with their respective terms, except as enforceability may be limited by (a) applicable bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability and (b) the need for recordings and filings in connection with the Liens granted to the Administrative Agent under the Collateral Documents.

SECTION 1. **No Modification.** Except as expressly set forth herein, nothing contained herein shall be deemed to constitute a waiver of compliance with any term or condition contained in the Credit Agreement or any of the other Loan Documents or constitute a course of conduct or dealing among the parties. Except as expressly stated herein, the Administrative Agent and the Lenders reserve all rights, privileges and remedies under the Loan Documents. Except as amended or consented to hereby, the Credit Agreement and other Loan Documents remain unmodified and in full force and effect. All references in the Loan Documents to the Credit Agreement shall be deemed to be, from and after the Fifth Amendment Effective Date, references to the Amended Credit Agreement.

SECTION 2. **Counterparts.** This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart. Delivery of an executed signature page of this Agreement by facsimile transmission or Electronic Transmission shall be as effective as delivery of a manually executed counterpart hereof. The words "execution," "signed," "signature," and words of like import in this Agreement shall be deemed to include electronic signatures or the keeping of electronic records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

SECTION 3. **Successors and Assigns.** This Agreement shall be binding on and shall inure to the benefit of each Credit Party, the Administrative Agent, the Revolver Agent, the Lenders and their respective successors and assigns, except as otherwise provided in the Amended Credit Agreement and the other Loan Documents; *provided* that any assignment by any Lender shall be subject to the provisions of Section 9.9 of the Amended Credit Agreement; *provided, further*, that no Credit Party may assign, transfer, hypothecate or otherwise convey its rights, benefits, obligations or duties hereunder except as permitted under the Amended Credit Agreement.

SECTION 4. **Governing Law and Jurisdiction.**

(i) **Governing Law.** The laws of the State of New York shall govern all matters arising out of, in connection with or relating to this Agreement, including its validity, interpretation, construction, performance and enforcement (including any claims sounding in contract or tort law arising out of the subject matter hereof and any determinations with respect to post-judgment interest).

(ii) **Submission to Jurisdiction.** Any legal action or proceeding with respect to this Agreement shall be brought exclusively in the courts of the State of New York located in the City of New York, Borough of Manhattan, or of the United States of America sitting in the Southern District of New York and, by execution and delivery of this Agreement, each of the parties hereto executing this Agreement hereby accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. The parties hereto hereby irrevocably waive any objection, including any objection to the laying of venue or based on the grounds of forum non conveniens, that any of them may now or hereafter have to the bringing of any such action or proceeding in such jurisdictions.

(iii) **Service of Process.** Each party hereto hereby irrevocably waives personal service of any and all legal process, summons, notices and other documents and other service of process of any kind and consents to such service in any suit, action or proceeding brought in the United States of America with respect to or otherwise arising out of or in connection with this Agreement by any means permitted by applicable Requirements of Law, including by the mailing thereof (by registered or certified mail, postage prepaid) to the address of such party specified in the Amended Credit Agreement (and shall be effective when such mailing shall be effective, as provided therein). Each party hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(iv) **Non-Exclusive Jurisdiction.** Nothing contained in this Section 9 shall affect the right of any Agent or any Lender to serve process in any other manner permitted by applicable Requirements of Law or commence legal proceedings or otherwise proceed against any Credit Party in any other jurisdiction.

**SECTION 5. Waiver of Jury Trial.** THE PARTIES HERETO, TO THE FULLEST EXTENT PERMITTED UNDER APPLICABLE LAW, WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING ARISING OUT OF, IN CONNECTION WITH OR RELATING TO, THIS AGREEMENT AND ANY TRANSACTION CONTEMPLATED HEREBY. THIS WAIVER APPLIES TO ANY ACTION, SUIT OR PROCEEDING WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE.

**SECTION 6. Severability.** The illegality or unenforceability of any provision of this Agreement or any instrument or agreement required hereunder shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Agreement or any instrument or agreement required hereunder.

**SECTION 7. Captions.** The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

**SECTION 8. Reaffirmation.** Each of the Credit Parties hereby (i) ratifies and reaffirms all of its payment and performance obligations, contingent or otherwise, under each of the Loan Documents to which it is a party (after giving effect to this Agreement) and (ii) to the extent such Credit Party granted liens on or security interests in any of its property pursuant to any such Loan Document as security for or otherwise guaranteed the Obligations under or with respect to the Loan Documents, ratifies and reaffirms such guarantee and grant of security interests and liens and confirms and agrees that such security interests and liens hereafter secure all of the Obligations (after giving effect to this Agreement). Each of the Credit Parties party hereto hereby consents to this Agreement and acknowledges that each of the Loan Documents remains in full force and effect and is hereby ratified and reaffirmed. Except as expressly set forth herein, the execution of this Agreement shall not operate as a waiver of any right, power or remedy of the Administrative Agent, the Revolver Agent, the L/C Issuer or the Lenders, constitute a waiver of any provision of any of the Loan Documents or serve to effect a novation of the Obligations.

**SECTION 9. Release.**

(i) As of the date of this Agreement, each Credit Party and each of their respective Subsidiaries (collectively, the “**Releasors**”), to the fullest extent permitted by law, hereby releases, and discharges the Administrative Agent, the Revolver Agent, each Lender and each of its or their respective trustees, officers, directors, participants, beneficiaries, agents, attorneys, affiliates and employees, and the successors and assigns of the foregoing (collectively, the “**Released Parties**”), from any and all claims, actions, causes of action, suits, defenses, set-offs against the Obligations, and liabilities of any kind or character whatsoever, known or unknown, contingent or matured, suspected or unsuspected, anticipated or unanticipated, liquidated or unliquidated, claimed or unclaimed, in contract or in tort, at law or in equity, or otherwise, including, without limitation, claims or defenses relating to allegations of usury, which relate, in whole or in part, directly or indirectly, to the Loans, the Loan Documents, the Obligations, the Collateral or this Agreement, in each case, which existed, arose or occurred at any time

prior to the date of this Agreement, including, without limitation, the negotiation, execution, performance or enforcement of the Loan Documents and this Agreement, any claims, causes of action or defenses based on the negligence of any of the Released Parties or on any "lender liability" theories of, among others, unfair dealing, control, misrepresentation, omissions, misconduct, overreaching, unconscionability, disparate bargaining position, reliance, equitable subordination, or otherwise, and any claim based upon illegality or usury (collectively, the "**Released Claims**"). No Releasor shall intentionally, willfully or knowingly commence, join in, prosecute, or participate in any suit or other proceeding in a position which is adverse to any of the Released Parties, arising directly or indirectly from any of the Released Claims. The Released Claims include, but are not limited to, any and all unknown, unanticipated, unsuspected or misunderstood claims and defenses which existed, arose or occurred at any time prior to the date of this Agreement, all of which are released by the provisions hereof in favor of the Released Parties.

(ii) Each Releasor acknowledges and agrees that it has no defenses, counterclaims, offsets, cross-complaints, causes of action, rights, claims or demands of any kind or nature whatsoever, including, without limitation, any usury or lender liability claims or defenses, arising out of the Loan Documents or this Agreement, that can be asserted either to reduce or eliminate all or any part of any of the Releasors' liability to the Administrative Agent, the Revolver Agent and the Lenders under the Loan Documents, or to seek affirmative relief or damages of any kind or nature from the Administrative Agent, the Revolver Agent or the Lenders, for or in connection with the Loans or any of the Loan Documents. Each Releasor further acknowledges that, to the extent that any such claim does in fact exist, it is being fully, finally and irrevocably released by them as provided in this Agreement.

(iii) Each Releasor hereby waives the provisions of any applicable laws restricting the release of claims which the releasing parties do not know or suspect to exist as of the date of this Agreement, which, if known, would have materially affected the decision to agree to these releases. Accordingly, each Releasor hereby agrees, represents and warrants to the Administrative Agent, the Revolver Agent and each Lender that it understands and acknowledges that factual matters now unknown may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which are presently unknown, unanticipated and unsuspected, and each Releasor further agrees, represents and warrants that the releases provided herein have been negotiated and agreed upon, and in light of, that realization and that each Releasor nevertheless hereby intends to release, discharge and acquit the parties set forth hereinabove from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which are in any manner set forth in or related to the Released Claims and all dealings in connection therewith.

(iv) In making the releases set forth in this Agreement, each Releasor acknowledges that it has not relied upon any representation of any kind made by any Released Party.

(v) It is understood and agreed by the Releasors and the Released Parties that the acceptance of delivery of the releases set forth in this Agreement shall not be deemed or construed as an admission of liability by any of the Released Parties and each of the Administrative Agent and the Revolver Agent, on behalf of itself and the other Released Parties, hereby expressly denies liability of any nature whatsoever arising from or related to the subject of such releases.

*[Remainder of Page Intentionally Left Blank; Signature Pages Follow]*

**IN WITNESS WHEREOF**, each of the undersigned has executed this Agreement as of the date set forth above.

**SELECTQUOTE, INC.**, a Delaware corporation,  
as the Borrower

By: /s/ Robert Grant  
Name: Robert Grant  
Title: President

**CHOICEMARK INSURANCE SERVICES,  
INC.  
EXPRESS MED PHARMACEUTICALS, INC.  
INSIDERESPONSE LLC  
POPULATION HEALTH, INC.  
SELECTQUOTE AUTO & HOME  
INSURANCE SERVICES, LLC  
SELECTQUOTE INSURANCE SERVICES  
SELECTQUOTE VENTURES, INC.  
SIMPLE MEDS, LLC  
TIBURON INSURANCE SERVICES,**  
as Subsidiary Guarantors

By: /s/ Daniel A.  
Boulware  
Name: Daniel A. Boulware  
Title: Secretary

---

**WILMINGTON TRUST, NATIONAL ASSOCIATION,**  
as the Administrative Agent

By: /s/ Joseph B. Fell  
Name: Joseph B. Fell  
Title: Vice President

SLQT – Fifth Amendment to Credit Agreement

---

**GSO ORCHID FUND LP,**  
as a Consenting Lender

By: GSO Orchid Associates LLC, its general partner

By: /s/ Marisa J. Beeney  
Name: Marisa J. Beeney  
Title: Authorized Signatory

**DIAMOND CLO 2019-1 LTD.,**  
as a Consenting Lender

By: Blackstone Alternative Credit Advisors LP, as  
Collateral Manager

By: /s/ Marisa J. Beeney  
Name: Marisa J. Beeney  
Title: Authorized Signatory

**GSO DIAMOND PORTFOLIO HOLDCO LLC,**  
as a Consenting Lender

By: GSO Diamond Portfolio Fund LP, its managing member  
By: GSO Diamond Portfolio Associates LLC, its general partner

By: /s/ Marisa J. Beeney  
Name: Marisa J. Beeney  
Title: Authorized Signatory

**BLACKSTONE SECURED LENDING FUND,**  
as a Consenting Lender

By: Blackstone Credit BDC Advisors LLC, as  
investment advisor

By: /s/ Marisa J. Beeney  
Name: Marisa J. Beeney  
Title: Authorized Signatory

**BGSL BIG SKY FUNDING LLC,**  
each as a Consenting Lender

By: Blackstone Secured Lending Fund, its sole member  
By: Blackstone Credit BDC Advisors LLC, as  
investment advisor

By: /s/ Marisa J. Beeney  
Name: Marisa J. Beeney  
Title: Authorized Signatory

**BLACKSTONE PRIVATE CREDIT FUND,**  
as a Consenting Lender

By: Blackstone Credit BDC Advisors LLC, as  
investment advisor

By: /s/ Marisa J. Beeney  
Name: Marisa J. Beeney  
Title: Authorized Signatory

**BCRED BARD PEAK FUNDING LLC,**  
as a Consenting Lender

By: Blackstone Private Credit Fund, its sole member  
By: Blackstone Credit BDC Advisors LLC, as  
investment advisor

By: /s/ Marisa J. Beeney  
Name: Marisa J. Beeney  
Title: Authorized Signatory



**BCRED MML CLO 2021-1 LLC,**  
as a Consenting Lender

By: Blackstone Private Credit Fund, its collateral manager

By: /s/ Marisa J. Beeney  
Name: Marisa J. Beeney  
Title: Authorized Signatory

**ARES CAPITAL CORPORATION,**  
as a Consenting Lender

By: /s/ M. Kort Schnabel  
Name: M. Kort Schnabel  
Title: Partner

**ION ARES DIVERSIFIED CREDIT FUND,**  
as a Consenting Lender

By: /s/ M. Kort Schnabel  
Name: M. Kort Schnabel  
Title: Partner

**ARES CENTRE STREET PARTNERSHIP, L.P.,**  
as a Consenting Lender

By: Ares Center Street GP, Inc., as general partner

By: /s/ M. Kort Schnabel  
Name: M. Kort Schnabel  
Title: Partner

**ARES ND CSF HOLDINGS LLC,**  
as a Consenting Lender

By: Ares Capital Management LLC, as servicer

By: /s/ M. Kort Schnabel  
Name: M. Kort Schnabel  
Title: Partner

**ARES CREDIT STRATEGIES INSURANCE DEDICATED FUND SERIES INTERESTS  
OF THE SALI MULTI-SERIES FUND, L.P.,**  
as a Consenting Lender

By: Ares Management LLC, its investment subadvisor

By: Ares Capital Management LLC, as subadvisor

By: /s/ M. Kort Schnabel  
Name: M. Kort Schnabel  
Title: Partner

**ARES SENIOR DIRECT LENDING PARALLEL FUND (U), L.P.,**  
as a Consenting Lender

By: Ares Capital Management LLC, its investment manager

By: /s/ M. Kort Schnabel  
Name: M. Kort Schnabel  
Title: Partner

**AC AMERICAN FIXED INCOME IV, L.P.,**  
as a Consenting Lender

By: Ares Capital Management LLC, its investment manager

By: /s/ M. Kort Schnabel  
Name: M. Kort Schnabel  
Title: Partner

**AO MIDDLE MARKET CREDIT L.P.,**  
as a Consenting Lender

By: OCM Middle Market Credit G.P. Inc., its general partner

By: /s/ K. Patel  
Name: K. Patel  
Title: Director

By: /s/ J. Eljich  
Name: J. Eljich  
Title: Director

**FEDERAL INSURANCE COMPANY,**  
as a Consenting Lender

By: Ares Capital Management LLC, its investment manager

By: /s/ M. Kort Schnabel  
Name: M. Kort Schnabel  
Title: Partner

**GREAT AMERICAN INSURANCE COMPANY,**  
as a Consenting Lender

By: Ares Capital Management LLC, its investment manager

By: /s/ M. Kort Schnabel  
Name: M. Kort Schnabel  
Title: Partner

**GREAT AMERICAN LIFE INSURANCE  
COMPANY,**  
as a Consenting Lender

By: Ares Capital Management LLC, its investment manager

By: /s/ M. Kort Schnabel  
Name: M. Kort Schnabel  
Title: Partner

**BOWHEAD IMC LP,**  
as a Consenting Lender

By: Ares Capital Management LLC, its investment manager

By: /s/ M. Kort Schnabel  
Name: M. Kort Schnabel  
Title: Partner

**SWISS REINSURANCE AMERICA CORPORATION,**  
as a Consenting Lender

By: Ares Capital Management LLC, its investment manager

By: /s/ M. Kort Schnabel  
Name: M. Kort Schnabel  
Title: Partner

**ADF I HOLDINGS LLC,**  
as a Consenting Lender

By: Ares Capital Management LLC, as servicer

By: /s/ M. Kort Schnabel  
Name: M. Kort Schnabel  
Title: Partner

**ARES SENIOR DIRECT LENDING PARALLEL  
FUND (U) B, L.P.,**  
as a Consenting Lender

By: Ares Capital Management LLC, its investment manager

By: /s/ M. Kort Schnabel  
Name: M. Kort Schnabel  
Title: Partner

**ARES SFERS HOLDINGS LLC,**  
as a Consenting Lender

By: Ares Capital Management LLC, as servicer

By: /s/ M. Kort Schnabel  
Name: M. Kort Schnabel  
Title: Partner

**DIVERSIFIED LOAN FUND – PRIVATE DEBT A  
S.A.R.L.,**  
as a Consenting Lender

By: Ares Management Limited, its portfolio  
manager

By: Ares Capital Management LLC, its subadvisor

By: /s/ M. Kort Schnabel  
Name: M. Kort Schnabel  
Title: Partner

**SA REAL ASSETS 20 LIMITED,**  
as a Consenting Lender

By: Ares Management LLC, its investment manager

By: Ares Capital Management LLC, as subadvisor

By: /s/ M. Kort Schnabel  
Name: M. Kort Schnabel  
Title: Partner

**SDL FINANCE 1 LP,**  
as a Consenting Lender

By: Ares Capital Management LLC, as servicer

By: /s/ M. Kort Schnabel  
Name: M. Kort Schnabel  
Title: Partner

**SDL FINANCE 2 LP,**  
as a Consenting Lender

By: Ares Capital Management LLC, as servicer

By: /s/ M. Kort Schnabel  
Name: M. Kort Schnabel  
Title: Partner

**IVY HILL MIDDLE MARKET CREDIT FUND IV, LTD.,** as a Consenting Lender

By: Ivy Hill Asset Management, L.P., as Portfolio Manager

By: /s/Shelly Cleary  
Name: Shelly Cleary  
Title: Authorized Signatory

**IVY HILL MIDDLE MARKET CREDIT FUND V, LTD.,** as a Consenting Lender

By: Ivy Hill Asset Management, L.P., as Portfolio Manager

By: /s/Shelly Cleary  
Name: Shelly Cleary  
Title: Authorized Signatory

**IVY HILL MIDDLE MARKET CREDIT FUND VII, LTD.,** as a Consenting Lender

By: Ivy Hill Asset Management, L.P., as Asset Manager

By: /s/Shelly Cleary  
Name: Shelly Cleary  
Title: Authorized Signatory

**IVY HILL MIDDLE MARKET CREDIT FUND VIII, LTD.,** as a Consenting Lender

By: Ivy Hill Asset Management, L.P., as Collateral Manager

By: /s/Shelly Cleary  
Name: Shelly Cleary  
Title: Authorized Signatory

**IVY HILL MIDDLE MARKET CREDIT FUND XII, LTD.,** as a Consenting Lender

By: Ivy Hill Asset Management, L.P., as Asset Manager

By: /s/Shelly Cleary  
Name: Shelly Cleary  
Title: Authorized Signatory

**IVY HILL MIDDLE MARKET CREDIT FUND XIV, LTD.,** as a Consenting Lender

By: Ivy Hill Asset Management, L.P., as Asset Manager

By: /s/Shelly Cleary  
Name: Shelly Cleary  
Title: Authorized Signatory

**IVY HILL MIDDLE MARKET CREDIT FUND XVI, LTD.,** as a Consenting Lender

By: Ivy Hill Asset Management, L.P., as Portfolio Manager

By: /s/Shelly Cleary  
Name: Shelly Cleary  
Title: Authorized Signatory

**IVY HILL MIDDLE MARKET CREDIT FUND XVII, LTD.,** as a Consenting Lender

By: Ivy Hill Asset Management, L.P., its Servicer

By: /s/Shelly Cleary  
Name: Shelly Cleary  
Title: Authorized Signatory



**IVY HILL MIDDLE MARKET CREDIT FUND XVIII, LTD.,** as a Consenting Lender

By: Ivy Hill Asset Management, L.P., its Asset Manager

By: /s/Shelly Cleary  
Name: Shelly Cleary  
Title: Authorized Signatory

**PRIVATE DEBT STRATEGIES FUND III, L.P.,** as a Consenting Lender

By: Ivy Hill Asset Management, L.P., as Manager

By: /s/Shelly Cleary  
Name: Shelly Cleary  
Title: Authorized Signatory

**IVY HILL MIDDLE MARKET CREDIT FUND  
IX-R, LLC,** as a Consenting Lender

By: Ivy Hill Asset Management, L.P., as Asset Manager

By: /s/Shelly Cleary  
Name: Shelly Cleary  
Title: Authorized Signatory

**CDPQ REVENU FIXE AMÉRICAIN V INC.,**  
as a Consenting Lender

By: /s/ Thomas Cockburn  
Name: Thomas Cockburn  
Title: Authorized Signatory

By: /s/ Jerome Marquis  
Name: Jerome Marquis  
Title: Authorized Signatory

SLQT – Fifth Amendment to Credit Agreement

Information identified as “[\*\*\*]” has been excluded from this exhibit because it is both immaterial and the type the Company treats as private or confidential.

### **EXECUTIVE EMPLOYMENT AGREEMENT**

EXECUTIVE EMPLOYMENT AGREEMENT (this “Agreement”) by and between SelectQuote Insurance Services (the “Company”) and Ryan Clement (the “Executive”), dated as of February 10, 2023 (the “Agreement”).

1. Employment Period. The Company hereby agrees to employ the Executive, and the Executive hereby agrees to serve the Company, subject to the terms and conditions of this Agreement, for the period commencing on the date hereof and ending on the third anniversary thereof (the “Employment Period”); provided, that as of the expiration date of each of the initial Employment Period and any Renewal Period (as defined below), the Employment Period will automatically be extended for an additional year (each such one-year period, a “Renewal Period”), unless either party gives at least 90 days written notice prior to such expiration date of its intention not to renew the Employment Period; but, provided, further, that the Company may not give a notice of non-renewal during the two-year period following a Change of Control (as defined below) or in anticipation of a specific potential Change of Control. Notwithstanding the foregoing, the Employment Period shall immediately terminate upon any termination of the Executive’s employment with the Company and its subsidiaries pursuant to Section 3.

2. Terms of Employment.

(a) Title. During the Employment Period, the Executive shall serve as *Chief Financial Officer* and such other position(s) and title(s) as bestowed during the Employment Period, shall devote the Executive’s full business attention and time to the business and affairs of the Company, and shall use the Executive’s best efforts to perform faithfully and efficiently such responsibilities.

(b) Compensation and Employee Benefits.

(i) Annual Base Salary. During the Employment Period, the Executive shall receive an annual base salary (the “Annual Base Salary”) of no less than \$375,000, less applicable withholding and payroll deductions, payable in accordance with the Company’s regular payroll practices (beginning with the February 1, 2023 payroll cycle). The Annual Base Salary will be reviewed at least annually by the Company’s Compensation Committee of the Board (the “Compensation Committee”) for increase but not decrease, provided that there is no guarantee that any annual review will result in an increase.

(ii) Annual Bonus Opportunity. During the Employment Period, the Executive shall participate in the Company’s annual bonus program for executives as in effect from time to time, pursuant to which the Executive will have the opportunity to earn, for each fiscal year of the Company, an annual bonus (the “Annual Bonus”), with a target Annual Bonus opportunity equal to 50% of the Annual Base Salary (the “Target Bonus”). The actual amount of the Annual Bonus paid for each applicable fiscal year, if any, shall be determined pursuant to metrics set by the Compensation Committee in its discretion. Payment of any Annual Bonus shall be subject to the Executive’s continued employment through the applicable payment date, except as provided herein. Further, the Annual Bonus will be reviewed at least annually by the Compensation Committee for increase but not decrease, provided that there is no guarantee that

---

any annual review will result in an increase. For FY23 only, the Annual Bonus will be prorated based off of a February 1, 2023 effective date.

(iii) Equity Awards. During the Employment Period, the Executive shall participate in the Company's then in effect equity program from time to time, pursuant to which the Executive will have the opportunity to be awarded an equity grant ("Annual LTI Grant") with a value of no less than \$800,000 annually. The Annual LTI Grant will be reviewed at least annually by the Compensation Committee for increase but not decrease, provided that there is no guarantee that any annual review will result in an increase.

In February 2023, the Executive will also be eligible for a one-time equity grant of 62,500 RSUs pursuant to the Company's 2020 Omnibus Incentive Plan. The Company will in reasonable good faith prepare an award agreement for this one-time award set forth above in greater detail. The Executive acknowledges that he will not be eligible for any further equity compensation awards prior to the Company's 2024 fiscal year annual grant cycle.

(iv) Special Bonus. In addition to the Annual Bonus, the Executive will be entitled to receive a one-time special bonus in accordance with the terms of the Special Bonus Agreement attached hereto as Exhibit C.

(v) Employee Benefits. During the Employment Period, the Executive shall be entitled to participate in the employee benefit plans, practices, policies and programs generally applicable to other senior executives of the Company.

### 3. Termination of Employment.

(a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. If the Company determines in good faith that the Disability of the Executive has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may provide the Executive with written notice in accordance with Section 8(c) of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 30<sup>th</sup> day after the Executive's receipt of such notice (the "Disability Effective Date"); provided that, within the 30 days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" shall mean a condition that has resulted, or is reasonably expected to result, in the absence of the Executive from the Executive's duties with the Company for 60 days within a 365-day period as a result of incapacity due to mental or physical illness.

(b) Cause. The Company may terminate the Executive's employment during the Employment Period either with or without Cause. For purposes of this Agreement, "Cause" shall mean the Executive's:

(i) willful refusal to perform in any material respect the Executive's duties or responsibilities for the Company and its affiliates or to comply in any material respect with material policies and procedures of the Company and its affiliates;

---

misdemeanor);

- (ii) conviction of or entry of a plea of guilty or *nolo contendere* to a crime (other than a vehicular
- (iii) material breach of this Agreement; or
- (iv) fraud or other illegal conduct in the performance of the Executive's duties for the Company and its affiliates;

provided, however, that the Executive's termination of employment shall not be deemed to be for Cause unless (A) the Company has delivered to the Executive written notice describing the occurrence of one or more Cause events, (B) the Executive has, to the extent such event or events are curable, failed to cure such event or events within 10 days after his/her receipt of such written notice and (C) the Company has delivered to the Executive a Notice of Termination within 30 days after the expiration of the 10-day cure period.

(c) Good Reason. The Executive's employment may be terminated by the Executive either with or without Good Reason. For purposes of this Agreement, "Good Reason" shall mean the Executive's voluntary resignation after any of the following actions are taken by the Company without the Executive's consent:

- (i) a material breach by the Company of this Agreement;
- (ii) a relocation of the Executive's principal place of employment of more than 50 miles;
- (iii) a reduction of the Annual Base Salary or a material reduction in the Target Bonus;
- (iv) a material diminution of the Executive's position, duties and responsibilities; or
- (v) a notice of non-renewal of the Employment Period given by the Company pursuant to Section 1;

provided, however, that the Executive's termination of employment shall not be deemed to be for Good Reason unless (A) the Executive has delivered to the Company written notice describing the occurrence of one or more Good Reason events within 90 days of such occurrence, (B) the Company fails to cure such event or events within 30 days after its receipt of such written notice and (C) the Executive has delivered to the Company a Notice of Termination within 30 days after the expiration of the 30-day cure period.

(d) Notice of Termination. Any termination by the Company with or without Cause, or by the Executive with or without Good Reason, shall be communicated by a Notice of Termination to the other party hereto given in accordance with Section 8(c). For purposes of this Agreement, a "Notice of Termination" means a written notice that (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the

---

Executive's employment under the provision so indicated and (iii) specifies the Date of Termination, which date shall be not more than 30 days after the delivery of such notice.

(e) Date of Termination. "Date of Termination" means (i) if the Executive's employment is terminated by the Company with or without Cause, or by the Executive with or without Good Reason, the date of receipt of the Notice of Termination or any later date specified therein that is within 30 days following the date of notice, as the case may be (except that in the case of a termination by the Executive, the Company may in its sole discretion change any such later date to a date of its choosing between the date of such receipt and such later date, and such acceleration shall for the avoidance of doubt not constitute a Termination by the Company), or (ii) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as applicable. Effective as of the Date of Termination, the Executive shall resign from all offices and positions he may hold with the Company and its affiliates. The Executive agrees to execute any documentation necessary to effectuate the provisions of the foregoing sentence.

#### 4. Obligations of the Company Upon Termination.

(a) Good Reason; Other than for Cause, Death or Disability. If, during the Employment Period, the Company terminates the Executive's employment without Cause (other than due to death or Disability) or the Executive terminates his employment for Good Reason, then, subject, in the case of clauses (ii), and (iv) below, to the Executive executing a release of claims in a form to be provided by the Company that is consistent in all material respects with the form of release set forth as Exhibit A hereto (as such form may be reasonably updated by the Company to reflect changes in law or in customary market practice), and such release becoming irrevocable in accordance with its terms prior to the 60th day following the Date of Termination (the "Release Date"), the Company shall pay or provide to the Executive the following:

(i) the portion of the Executive's Annual Base Salary due for the period through the Date of Termination, reimbursement for business expenses incurred, (together, the "Accrued Obligations"), and any Annual Bonus earned for a fiscal year that concluded prior to the Date of Termination, in all cases, to the extent not theretofore paid, which obligations shall be paid in a lump sum in cash within 60 days following the Date of Termination or as otherwise required by law;

(ii) a prorated bonus for the year during which occurs the Date of Termination, payable on the same date that bonuses are paid to Company executives generally (but in no event later than September 15 of the year that follows the year during which the Date of Termination occurs), equal to the product of (A) the Target Bonus multiplied by (B) a fraction, the numerator of which is the number of days elapsed during such year through the Date of Termination, and the denominator of which is 365 (366, if such year is a leap year);

(iii) a cash severance payment, payable within ten days of the Release Date, in an amount equal to one (1.5, if the Date of Termination occurs during the 90-day period prior to a Change of Control or during the two-year period commencing on a Change of Control (any such termination, a "Change of Control Termination")) (as applicable, the "Severance Multiple") times the sum of (A) the Annual Base Salary and (B) the Target Bonus (the "Severance Payment"); and

---

(iv) in the event the Executive elects continued medical and dental benefit coverage pursuant to Section 4980B(f) of the Internal Revenue Code of 1986, as amended (the “Code”) and complies with all terms and conditions of the applicable plans, then until the earliest of (A) the end of the Severance Period (as defined below), (B) the 18-month anniversary of the Date of Termination, and (C) such time as the Executive becomes eligible to receive medical and dental benefits under another employer-provided plan, the Company shall reimburse the Executive for the excess of the monthly cost of premiums associated with such coverage over the portion of the monthly premiums for such coverage payable by a similarly situated active employee, with each reimbursement paid on or prior to the 10<sup>th</sup> day of the month to which the applicable premium relates; provided, however, that all such reimbursements that would otherwise be provided during the period between the Date of Termination and the Release Date shall be accumulated and paid within 10 days following the Release Date.

In addition, to the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive, in accordance with the terms of the applicable plan, program, policy, practice or contract, any other amounts or benefits required to be paid or provided or that the Executive is eligible to receive under any plan, program, policy, practice or contract of the Company (including, without limitation, any vacation policy) through the Date of Termination (such other amounts and benefits shall be hereinafter referred to as the “Other Benefits”). Other than as set forth in this Section 4(a), in the event of a termination of the Executive’s employment by the Company without Cause (other than due to death or Disability) or by the Executive for Good Reason, the Company shall have no further obligation to the Executive under this Agreement. For the avoidance of doubt, if the Executive does not execute a release of claims in a form to be provided by the Company that is consistent in all material respects with the form of release set forth as Exhibit A hereto (as such form may be reasonably updated by the Company to reflect changes in law) or such release does not become irrevocable in accordance with its terms prior to the Release Date, then the Company shall have no obligation to pay or provide the payment and benefits set forth in Section 4(a)(ii-iv).

(b) Other Termination. If the Executive’s employment is terminated during the Employment Period for a reason other than those governed by Section 4(a), the Employment Period shall terminate without further obligations to the Executive under this Agreement, other than for payment of the Accrued Obligations within 60 days following the Date of Termination and the timely payment or provision of Other Benefits.

(c) Certain Definitions and Rules. For purposes hereof, (i) the “Severance Period” shall be a period of months commencing on the Date of Termination equal to the product of the applicable Severance Multiple multiplied by 12, (ii) a “Change of Control” shall mean either of (A) any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934) becoming the beneficial owner of 50% or more of the combined voting power of the then-outstanding voting securities of the Company (the “Outstanding Company Voting Securities”); provided, that the following acquisitions shall not constitute a Change of Control: (1) any acquisition directly from the Company, (2) any acquisition by the Company, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its affiliates, or (4) any acquisition pursuant to a Non-Control Transaction (as defined below), or (B) the consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company

---

or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or securities of another entity by the Company or any of its subsidiaries (each, a “Business Combination”), in each case unless, following such Business Combination, all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the combined voting power of the then-outstanding voting securities of the ultimate parent entity resulting from such Business Combination in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Voting Securities, as the case may be (a Business Combination satisfying this exception, a “Non-Control Transaction”), (iii) if a termination described in Section 4(a) occurs during the 90- day period preceding a Change of Control but the Severance Payment is made prior to consummation of such Change of Control, the Company shall make the initial Severance Payment (based on the Severance Multiple that would apply for a Date of Termination not proximate to a Change of Control) and shall thereafter make an additional payment (no later than the earlier of the 91<sup>st</sup> day following the Date of Termination and the 74<sup>th</sup> day after such consummation) equal to the excess of the amount that would have been payable had the enhanced Severance Multiple been utilized for the initial Severance Payment over the amount actually paid pursuant to the Initial Severance Payment.

5. No Mitigation. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of any amounts payable to the Executive under Section 4(a) and such amounts shall not be reduced whether or not the Executive obtains other employment.

6. Exclusive Service and Duty of Loyalty.

(a) Devotion of Time. While employed with the Company, Executive will provide Executive’s full working time exclusively to the service of the Company, and agrees not to provide services to another employer for compensation without advance notice and written approval from the Company to do so because same would create a conflict of interest with Executive’s obligations of exclusive service under this Agreement. Notwithstanding the foregoing, nothing herein shall prohibit Executive from engaging in nonprofit volunteer service activities, or serving on civic or community boards in a volunteer capacity so long as such activities do not create a conflict of interest or adversely affect the performance of Executive’s duties to the Company.

(b) Duty of Loyalty. While employed by the Company, Executive will have a duty of loyalty to the Company that includes the obligation to: (a) devote Executive’s best efforts to Executive’s employment duties and to further the interests of the Company, (b) to promptly notify the Company of business opportunities related to the Company’s line of business and not to pursue them independently for personal gain without the written authorization of the Company, (c) to avoid conflicts of interest, with the understanding that among other things it will be a conflict of interest for Executive to engage in competition with the Company or assist any party in efforts to pursue business activities that would compete with the business of the Company, or to hold a material or controlling interest in any business that is engaged in competition with the Company, without prior written approval of the Company, and (d) an obligation not to interfere with the business relationships between the Company and the customers, employees, suppliers and vendors the Company has ongoing business relationships

---



with for the benefit of any person or entity who is engaged in, or preparing to engage in a competing business enterprise. The forgoing is referred to as my "Duty of Loyalty."

7. Restrictive Covenants. In consideration of the Company's commitments and promises hereunder, and the provision of trade secrets and other Confidential Information to Executive, the Executive agrees to the obligations and agreements set forth in Exhibit B (Restrictive Covenants) (the "Restrictive Covenants"), which are incorporated herein by reference in full. The Restrictive Covenants have been negotiated by sophisticated commercial parties. The Executive acknowledges and agrees that the Restrictive Covenants are reasonable in light of all of the circumstances, are sufficiently limited to protect the legitimate interests of the Company and its affiliates, impose no undue hardship on the Executive, and are not injurious to the public. In light of the foregoing acknowledgements, the Executive agrees not to challenge or contest the reasonableness, validity or enforceability of the Restrictive Covenants or of any other limitations and obligations contained in this Agreement.

8. Successors. This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive other than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets which assumes and agrees to perform this Agreement by operation of law, or otherwise.

9. Miscellaneous.

(a) Governing Law and Forum. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to principles of conflict of laws.

(b) Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR OTHER PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT.

(c) Notices. All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party, by email or facsimile (with confirmation of receipt) or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive: To the most recent address, email, or facsimile number on file with the Company.

If to the Company:

SelectQuote Insurance Services  
6800 W. 115<sup>th</sup> St., Suite 2511  
Overland Park, KS 66211

---

Attention: Legal Department  
Email Address: [legal.notices@selectquote.com](mailto:legal.notices@selectquote.com)

or to such other address, email address or facsimile number as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(d) Invalidity. If any term or provision of this Agreement or the Employee Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement and the Employee Agreement or the application of such term or provision to persons or circumstances other than those to which it is invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement and of the Employee Agreement shall be valid and be enforced to the fullest extent permitted by law.

(e) Survivability. The provisions of this Agreement that by their terms call for performance subsequent to the termination of either the Executive's employment or this Agreement (including the terms of Section 6 and of the Employee Agreement) shall so survive such termination.

(f) Section Headings; Construction. The section headings used in this Agreement are included solely for convenience and shall not affect, or be used in connection with, the interpretation hereof. For purposes of this Agreement, the term "including" shall mean "including, without limitation."

(g) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

(h) Tax Withholding. The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(i) Section 409A.

(i) General. It is intended that payments and benefits made or provided under this Agreement shall not result in penalty taxes or accelerated taxation pursuant to Section 409A of the Code ("Section 409A"). Any payments that qualify for the "short-term deferral" exception, the separation pay exception or another exception under Section 409A shall be paid under the applicable exception. Each payment of compensation under this Agreement shall be treated as a separate payment of compensation for purposes of applying the exclusion under Section 409A for short-term deferral amounts, the separation pay exception or any other exception or exclusion under Section 409A. All payments of nonqualified deferred compensation to be made upon a termination of employment under this Agreement may only be made upon a "separation from service" under Section 409A to the extent necessary in order to avoid the imposition of penalty taxes on the Executive pursuant to Section 409A. In no event may the Executive, directly or indirectly, designate the calendar year of any payment under this Agreement.

---

(ii) Reimbursements and In-Kind Benefits. Notwithstanding anything to the contrary in this Agreement, all reimbursements and in-kind benefits provided under this Agreement that are subject to Section 409A shall be made in accordance with the requirements of Section 409A, including, where applicable, the requirement that (A) any reimbursement is for expenses incurred during the Executive's lifetime (or during a shorter period of time specified in this Agreement); (B) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year; (C) the reimbursement of an eligible expense shall be made no later than the last day of the calendar year following the year in which the expense is incurred; and (D) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(iii) Delay of Payments. Notwithstanding anything to the contrary in this Agreement, if the Executive is considered a "specified employee" for purposes of Section 409A (as determined in accordance with the methodology established by the Company as in effect on the Date of Termination), any payment on account of the Executive's separation from service that constitutes nonqualified deferred compensation within the meaning of Section 409A and that is otherwise due to the Executive under this Agreement during the six-month period immediately following the Executive's separation from service (as determined in accordance with Section 409A) shall be accumulated and paid to the Executive on the first business day of the seventh month following the Executive's separation from service (the "Delayed Payment Date"). If the Executive dies during the postponement period, the amounts and entitlements delayed on account of Section 409A shall be paid to the personal representative of the Executive's estate on the first to occur of the Delayed Payment Date or 30 days after the date of the Executive's death.

(j) Parachute Payments. In the event that any payments or benefits received or to be received by the Executive pursuant to this Agreement or otherwise (i) constitute "parachute payments" within the meaning of Section 280G of the Code, as determined by the accounting firm that audited the Company prior to the relevant "change in ownership or control" within the meaning of Section 280G of the Code or another nationally known accounting or employee benefits consulting firm selected by the Company prior to such change in ownership or control (the "Accounting Firm") and (ii) but for this Section 9(j), would, in the judgment of the Accounting Firm, be subject to the excise tax imposed by Section 4999 of the Code by reason of Section 280G of the Code, then the Executive's benefits under this Agreement shall be payable either: (A) in full, or (B) as to such lesser amount which would result in no portion of such payments or benefits being subject to the excise tax under Section 4999 of the Code, as determined by the Accounting Firm, whichever of the foregoing amounts, taking into account the applicable federal, state and local income and employment taxes and the excise tax imposed by Section 4999 of the Code, results in the receipt by Executive, on an after-tax basis, of the greatest amount of payments and benefits under this Agreement, as determined by the Accounting Firm, notwithstanding that all or some portion of such payments and benefits may be taxable under Section 4999 of the Code. In the event that a lesser amount is paid under clause (ii)(B) above, then the elements of Executive's payments hereunder shall be reduced in such order (1) as the Company determines, in its sole discretion, has the least economic detriment to the Executive and (2) which does not result in the imposition of any tax penalties under Section 409A on the Executive. To the extent the economic impact of reducing payments from one or more elements

---

is equivalent, and subject to clause (2) of the preceding sentence, the reduction may be made pro rata by the Company in its sole discretion. In connection with making determinations hereunder, the Accounting Firm shall take into account the value of any reasonable compensation for services to be rendered by the Executive before or after the 280G CIC, including any noncompetition provisions that may apply to the Executive (whether set forth in this Agreement or otherwise), and the Company shall cooperate in the valuation of any such services, including any noncompetition provisions.

(k) Amendments. No provision of this Agreement shall be modified or amended except by an instrument in writing duly executed by the parties hereto. No custom, act, payment, favor or indulgence shall grant any additional right to the Executive or be deemed a waiver by the Company of any of the Executive's obligations hereunder or release the Executive therefrom or impose any additional obligation upon the Company. No waiver by any party of any breach by the other party of any term or provision hereof shall be deemed to be an assent or waiver by any party to or of any succeeding breach of the same or any other term or provision.

(l) Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto on the subject matter hereof and supersedes and cancels in their entirety all prior understandings, agreements and commitments, whether written or oral, relating to the terms and conditions of employment between the Executive and the Company (but not, for the avoidance of doubt, the Employee Agreement).

[Signature page follows]

---

IN WITNESS WHEREOF, this Executive and the Company have executed this Agreement as of the date first above written.

**EXECUTIVE:**

/s/ Ryan M. Clement  
Ryan M. Clement

**COMPANY:**

By: /s/ Tim Danker  
Name: Tim Danker  
Title: Chief Executive Officer

*Signature Page to Executive Employment Agreement*

---

## **EXHIBIT A**

### **FORM OF RELEASE**

#### **SEPARATION AGREEMENT AND RELEASE OF CLAIMS**

I [will be leaving] [ceased] employment with Select Quote, Inc. (together with its parent and affiliated organizations, and its past and present officers, directors, agents, and employees, the “Company”) on \_\_\_\_\_. In conjunction with my departure from the Company and as required by the Executive Employment Agreement between SelectQuote Insurance Services and me, dated \_\_\_\_\_, 20\_\_ (the “Employment Agreement”) as a condition of my receipt of severance benefits pursuant to Section 4(a) thereof, I would like to resolve any differences I may have with the Company. Accordingly, I voluntarily enter into this separation agreement (this “Agreement”).

I understand that, whether or not I sign this Agreement, the Company will pay me the benefits described in Section 4(a)(i) of the Employment Agreement. In addition and only in exchange for signing this Agreement, the Company will provide me the benefits set forth in Sections 4(a)(ii iv) of the Employment Agreement (the “Additional Consideration”). I realize that I am not otherwise entitled to the Additional Consideration, but am receiving it only because I am entering into this Agreement. I also understand that I will receive the Additional Consideration only if I do not revoke this Agreement (as described below) and remain in compliance with this Agreement. I further understand that this Agreement is not an admission of liability or wrongdoing on behalf of either the Company or me.

In exchange for the Additional Consideration from the Company, I, on behalf of myself, my heirs, executors, administrators, trustees, legal representatives, and assigns (collectively, the “Releasors”) hereby waive, release, and forever discharge SelectQuote, Inc. and its subsidiaries and affiliates (which includes SelectQuote Insurance Services), and its and their respective divisions, branches, predecessors, successors, assigns, and past or present directors, officers, employees, agents, partners, members, stockholders, representatives, attorneys, consultants, independent contractors, trustees, administrators, insurers, and fiduciaries, in their individual and representative capacities (collectively, the “Releasees”) from any actions, causes of action, complaints, charges, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims, and demands (including attorneys’ fees, costs, and disbursements actually incurred), whether known or unknown, at law or in equity, suspected or unsuspected, of every kind and nature whatsoever, that any Releasor may have against any Releasee. I understand that among the claims hereby released are any claims under the Age Discrimination in Employment Act, 29 U.S.C. section 621 et. Seq (“ADEA”). I also understand that the Releasors are releasing all claims of any kind against the Releasees, including, but not limited to, claims (x) arising under any federal, state or local constitution, law, statute, regulation or ordinance, including, without limitation, Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; ADEA; the National Labor Relations Act; the Fair Labor Standards Act; the Americans With Disabilities Act; the Family Medical Leave Act; the Employee Retirement Income Security Act; the Reconstruction Era Civil Rights Act, each as amended, and any other claim of discrimination, harassment, or retaliation in employment (whether based on federal,

state, or local law, statutory or decisional), (y) claims that the restrictions set forth in my Executive Employment Agreement (inclusive of those in Exhibit B (Restrictive Covenants) are not reasonable, necessary and enforceable as written (which are claims I also covenant not to assert in any legal proceeding), and (z) claims based on the law of contracts, torts or intentional torts. Notwithstanding the foregoing, this paragraph shall not release any Releasee from any claim that may not lawfully be waived.

I understand that, although I am releasing any claims I may now have against the Releasees, nothing in this Agreement will prevent me from filing a charge or complaint with, reporting possible violations of any law or regulation to, providing information or documents to, or participating in any investigation or proceeding conducted by, the National Labor Relations Board, Equal Employment Opportunity Commission, the Securities and Exchange Commission, or any other governmental authority charged with the enforcement of any laws, and nothing in this Agreement prevents me from exercising my right to engage in protected concerted activity with other employees under the National Labor Relations Act. However, to the extent permitted by applicable law, by signing this Agreement I am waiving any right to individual relief based on claims asserted in such a charge or complaint, or asserted by any third-party on my behalf, except for any right I may have to receive payment from a government agency (and not from the Company) for information provided to the government agency.

I acknowledge that I have: (i) reported to the Company any and all work-related injuries or occupational disease incurred during employment by the Company; (ii) been properly provided any leave requested under the FMLA or similar state/local laws and have not been subjected to any improper treatment, conduct or actions due to a request for or taking such leave; (iii) had the opportunity to provide the Company with written notice of any and all concerns regarding suspected ethical and compliance issues or violations on the part of the Company or any other released person or entity; and (iv) reported any pending judicial and administrative complaints, claims, or actions filed against the Company or any other released person or entity.

I agree not to disclose the terms of this Agreement to anyone except my spouse, attorney, or tax advisor, or as otherwise provided in this Agreement. I also agree that I will not make disparaging statements about the Company and the Company will instruct its directors and officers not to make disparaging statements about me.

I reaffirm my obligations under Section 6 of the Employment Agreement and under the Employee Agreement (as defined in the Employment Agreement).

I understand that I may take up to 21 days to decide whether to sign this Agreement. I also understand that, by way of this Agreement, the Company has advised me to consult with an attorney before signing this Agreement.

I understand that, even if I sign this Agreement, I can change my mind and revoke this Agreement within 7 days after I sign it by notifying the Company in writing of my decision to revoke. I realize that, if I do not revoke this Agreement during that 7-day period, the Agreement will become enforceable on the eighth day after I sign it (the "Effective Date"), and the Company

will pay the Additional Consideration described above on the terms, and at the times, set forth in the Employment Agreement.

My signature below indicates that I have carefully considered the terms of this Agreement, and have signed it voluntarily.

\_\_\_\_\_

[EXECUTIVE NAME]

Date: \_\_\_\_\_

Acknowledged and Agreed on behalf of SelectQuote Insurance Services:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



## EXHIBIT B

### RESTRICTIVE COVENANTS

References in this Exhibit B to “this Agreement” are a reference to the Executive Employment Agreement to which this Exhibit B is attached, and any agreements incorporated therein. In this Exhibit B, “I” and “me” refer to the Executive identified in the Executive Employment Agreement.

I acknowledge and agree that SelectQuote Insurance Services, inclusive of its Affiliates (defined below), collectively referred to herein as the “Company”, have invested significant time, money, and human resources in developing confidential information (inclusive of trade secrets), products, services, business relationships and related goodwill, innovative business methods and other intellectual property that are of special value to it. They are a critical factor in the Company’s success, and are of immeasurable and irreplaceable value.

A Company wishes to retain me as an employee in a position of special trust and confidence with a Company business where I will be entrusted with one or more of the following: (a) Confidential Information (defined below) related to my position, (b) special access to suppliers, customers, and other valuable business relationships of the Company, and/or (c) specialized training, and I wish to be retained in such a position. I agree that the foregoing investment in me by the Company would give me an unfair competitive advantage if my activities were not restricted as provided for in this Agreement during my employment and for a reasonable time after the date my employment ends (my “**Termination Date**”). Accordingly, I agree as follows:

#### **1. Confidential Information.**

**1.1. Nondisclosure Obligation.** I agree that during my employment and for so long thereafter as the information qualifies as “Confidential Information” under the terms of this Agreement, I will not engage in any use or disclosure of Confidential Information except where it is authorized and necessary in the performance of my job duties for the Company. I will comply with all Company policies and directives concerning my use, storage, and transfer of Confidential Information. Within the Company, I will not disclose Confidential Information to anyone who does not have a need to know it to perform their work duties. I will retain no records of Confidential Information after my employment ends. I will not disclose Confidential Information to the public or persons outside the Company without written approval of an authorized member of Company management. However, my nondisclosure obligations under this Agreement shall not prohibit any Protected Conduct (defined below).

**1.2. Definition of Confidential Information.** In this Agreement “**Confidential Information**” means an item or compilation of information in any form (tangible or intangible) related to the Company’s business and of value to it that I first gained access to and/or gain knowledge of as a consequence of my employment with the Company if (a) the Company has not authorized public disclosure of it and (b) it is not readily available through lawful and proper means to the public or other persons outside the Company who can lawfully use it. Confidential shall be presumed to include (but is not limited to) nonpublic: information concerning the Company’s innovative business methods, and business plans; financial data; customer and prospective customer information (including customer lists and contract proposals); source code and computer programs; technical data and specifications; marketing research and planning; pricing and cost information and variables; supplier and vendor terms and agreements; data analytics, research, and compilations; research and development information regarding Company products and services; notes and internal records related to intellectual property developed by the Company; and trade secrets. An item of Confidential Information need not be marked “confidential” or otherwise labeled in a particular way to qualify as Confidential Information.

Due to its special value and utility as a compilation, a confidential compilation (like a customer list) will remain protected as Confidential Information even if some items in it are public. Private disclosure of otherwise Confidential Information to parties the Company is doing business with for business purposes shall not cause the information to lose its protected status under this Agreement. Information that is entrusted to Company by third parties in confidence ("Third Party Confidential Information") will also be handled by me in confidence, and in careful compliance with terms under which it is entrusted to the Company and any applicable laws and regulations related to such information (such as the Health Insurance Portability and Accountability Act (HIPAA), and other regulations concerning personal identifying information and nonpublic personal information). Irrespective of whether this information is Company property, I will handle Third Party Confidential Information as a form of Confidential Information protected by this Agreement.

**2. Company Records & Property.** I will handle all Company property in compliance with Company policies regarding such property. All records related to the Company's business received or created by me in the course of employment (such as but not limited to, email, notes, files, contact lists, drawings, maps, specifications, and calendars) will be the property of the Company. My authorization to access the Company's computer systems is limited and use of such systems to compete or prepare to compete is not authorized use. A violation of this limitation may result in criminal or civil penalties. When my employment with the Company ends, or at the earlier request of the Company, I will return to the Company all Company property and records (including anything containing Confidential Information), without retaining any copies that I am not expressly authorized by the Company in writing to retain. Upon request, I will provide the Company reasonable means to access and verify that no Company records or other property has been retained by me on personal computers, cell phones, email, or cloud storage accounts, or in any other place that is subject to my ownership or control. Upon Company's request, I will identify the steps taken by me to ensure that I have not retained any Confidential Information and will provide a sworn verification that all such information has been removed from my personal computers, accounts, and other places of storage where it might be located in accordance with the Company's instructions.

**3. Restrictive Covenants.** To avoid activities that are likely to result in interference with the Company's business relationships, improper conversion of goodwill, probable use and/or disclosure of trade secrets and other Confidential Information, and the irreparable harm to the Company such events would cause, I agree to the following "Restrictive Covenants":

**3.1 Noncompete.** During my employment and for a period of twelve (12) months after my Termination Date, I will not provide services to a Competitor in any role or position (as an employee, consultant or otherwise) within or related to the Restricted Area that would involve Competitive Activity. This is my "Noncompete" covenant.

**3.2. Customer Nonsolicit.** During my employment and for a period of eighteen (18) months after my Termination Date, I will not, directly or through assistance to others, solicit a Covered Customer for the benefit of a Competitor, or for the purpose of causing or encouraging the Covered Customer to cease or reduce the extent to which the customer does business with the Company. This paragraph as my "Customer Nonsolicit" covenant.

**3.3 Employee Nonsolicit.** During my employment and for a period of eighteen (18) months after my Termination Date, I will not, (a) for the benefit of a Competitor, directly or through others, solicit or assist others in their efforts to solicit or recruit participate in soliciting a Covered Employee to leave the employment of the Company or to provide services to a Competitor, or (b) assist another business in efforts to hire away a Covered Employee. This is my "Employee Nonsolicit" covenant.

**3.4 Key Relationship Interference.** During my employment and for a period of eighteen (18) months after my Termination Date, I will not, for the benefit of a Competitor, directly or through others, participate in soliciting a Key Relationship holder to do business with a Competitor that it was not already doing, or to end or modify to the Company's detriment an existing business relationship with the Company. This is my "Key Relationships" covenant.

**3.5 Definitions & Understandings.** For purposes of the foregoing Restrictive Covenants, the following definitions and understandings will apply:

a. **"Competitor"** refers to a person or entity who is engaged in providing (or is planning to provide) Competitive Products in the markets where the Company does business. By way of example, and not limitation, the following are Competitors: eHealth, GoHealth, Goosehead, Assurance, HealthIQ, ExactCare, PillPack, DivvyDOSE, and [\*\*\*]. I understand that the forgoing list of Competitors is not all of the Competitors covered by this Agreement, and that other Competitors will be covered by this Agreement.

b. **"Competitive Activity"** means job duties or other business-related activities (as an employee, consultant, director, partner, owner or otherwise) that involve (i) services that are the same as or similar in function or purpose to those I performed, supervised or managed for the Company in the Look Back Period, (ii) the development or improvement of Competitive Products, (iii) interference with the Company's customer relationships or Key Relationships, or (iv) duties or responsibilities that would otherwise be likely (whether intentional or not) to require or result in the use or disclosure of Confidential Information for the benefit of a Competitor.

c. **"Competitive Product"** refers to goods or services of the type conducted, authorized, offered, or provided by the Company within two years prior to my Termination Date that Company remains in the business of providing and that would displace business opportunities for the Company's goods or services (existing or under development) that I had involvement with or was provided Confidential Information about in the Look Back Period. The products and services provided by the Company are currently understood to be direct-to-consumer insurance distribution business, including lines of business, but not limited to, Medicare, Life, Final Expense, Property and Casualty, as well as population health and other healthcare partnerships and activities, including, but not limited to long term care pharmaceutical services. I agree that the scope and nature of the Company's products and services with which I have involvement is likely to evolve and change over time such that new products and services will be added to the definition of "Competitive Product." I stipulate that through my position of employment I will naturally be informed of such changes without any need for amendment or modification of this Agreement.

d. **"Covered Customer"** means a customer of the Company that I had material contact with in the Look Back Period. Material contact will be presumed present if in the Look Back Period I (or persons under my supervision) had contact with the customer, or I was provided Confidential Information about the customer, or I received commissions or other beneficial credit for business conducted with the customer. Unless it would make the applicable restriction unenforceable, customers will be presumed to include active customer prospects as of the Termination Date that I have material contact with, and will not be limited to the end user or purchaser of the Company's products or services, but shall also be understood to include buying groups, brokers, and comparable intermediaries who control, negotiate or have a material role in determining the purchaser's terms for doing business with the Company.

e. **"Covered Employee"** means an employee that I worked with, gained knowledge of, or was provided Confidential Information about as a result of my employment with Company during the Look Back Period. It will be presumed that a Covered Employee

remains a Covered Employee for a period of ninety (90) days after termination if the employee's employment ends as a result of his or her resignation from the Company.

f. **"Key Relationships"** refers to strategic business relationships the loss or disruption of which would risk irreparable harm to the Company such as, but not limited to, insurance carriers, pharmacy and drug distribution contacts and resources, healthcare-related contacts and resources, brokers affiliated with the Company, suppliers the Company regularly does business with, independent contractors and sales representatives of the Company, and key technology service and product providers that the Company has an ongoing business relationship with that the Company does business with.

g. **"Look Back Period"** means the last two (2) years of my employment with the Company (including any predecessor entities) or any lesser period of my employment if employed less than two years.

h. **"Restricted Area"** is each state and county within the United States where the Company did business during the Look Back Period that I had material involvement in or was provided Confidential Information about based upon my job responsibilities and Confidential Information access as described below:

(i) if I am in a position where my responsibilities are not geographically limited to a specific geographic area (such as, by way of example but not limitation, senior management positions, engineers and software developers) or where I am provided Confidential Information that is not geographically limited (such as, by way of example but not limitation, management positions, researchers and developers, marketers, finance employees, human resources employees and engineers), then my assigned territory is the United States and every other country the Company is doing business in and/or marketing its goods or services to that I have some involvement with or access to Confidential Information about during the Look Back Period;

(ii) if I am in a position involving responsibilities and Confidential Information that is limited to a specific geographic area during the Look Back Period, then my assigned territory shall be the specific geographic area assigned to me during the Look Back Period based on the county, state, or other geographic boundary indicators used by the Company for such assignments in the ordinary course of business; and

(iii) in the rare event that neither (i) or (ii) apply, then the my assigned territory is the county or counties (and those counties contiguous to them) that I performed services in or assisted in performing services in for the Company, during the Look Back Period, which shall be presumed to include the state where I last resided when employed with the Company and those counties that fall (in whole or in part) within a one hundred (100) mile radius of any location at which I worked for the Company on either a regular or occasional basis during the Look Back Period; so long as Company continues to do business therein. I understand that I am responsible for seeking clarification from the Company's Human Resources Leader or General Counsel if the scope of my assigned territory is unclear to me at any time. State and county references used herein include their equivalents.

i. **Solicitation Understandings.** It will be presumed that to "solicit" means to interact with another person or entity with the purpose or foreseeable result being to cause or induce the person or entity to engage in some responsive action, irrespective of who first initiated contact. It shall not include general advertising (such as "help wanted" ads) that are not targeted at the Company's employees or customers. My Employee, Customer Nonsolicit and Key Relationship covenants are understood to be reasonably and logically limited by geography to those places or locations where the Covered Employees, Covered Customers, and Key

Relationship parties are located and available for solicitation or interference and I agree that no other geographic limitation is logical or necessary to make the restrictions reasonable.

j. **Limitations.** Nothing in this Agreement or my Duty of Loyalty will prohibit me from owning a non-controlling interest consisting of two percent (2%) or less of any class of securities in any publicly traded company or from holding a passive investment through an independently controlled fund such as a mutual fund, provided that I am not a controlling person of, or a member of a group that controls, the business I am invested in, and further provided that I do not otherwise participate in any conduct prohibited under this Agreement. In addition, nothing herein shall be construed to prohibit my employment in a non-competitive, independently operated subsidiary or business unit of a diversified company that would not be a Competitor but for common ownership with a Competitor so long as I provide written assurances regarding the non-competitive nature of my position that are satisfactory to the Company.

k. **Fairness Extension.** If I violate one of the post-employment restrictions in this Agreement that contains a time limitation, the time period for the restriction at issue shall be extended by the greater of either: (i) one day for each day I remain in violation of the restriction, or (ii) the length of the legal proceedings necessary to secure enforcement of the restriction; provided, however, that this extension of time shall be capped so that it does not exceed the length of time originally proscribed for the restriction or a maximum of two years, and if this extension would make the restriction unenforceable under applicable law it will not be enforced. This is referred to as the "Fairness Extension."

4. **Protected Activity.** Nothing in this Agreement prohibits me from opposing or reporting to the relevant law-enforcement agency (such as the Securities and Exchange Commission) an event that I reasonably and in good faith believe is a violation of law, requires notice to or approval from Company before doing so, or prohibits me from cooperating in an investigation conducted by such a government agency. I acknowledge notice that the Defend Trade Secrets Act provides that no individual will be held criminally or civilly liable under Federal or State trade secret law for the disclosure of a trade secret that: (a) is made in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and made solely for the purpose of reporting or investigating a suspected violation of law; or, (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal so that it is not made public. It also provides that an individual who pursues a lawsuit for retaliation by an employer for reporting a suspected violation of the law may in pursuing such lawsuit disclose trade secrets to his/her attorney and use trade secrets in court submissions so long as documents containing the trade secret are filed under seal and do not disclose trade secrets except as permitted by court order.

5. **Severability and Application of Presumptions.** If an adjudicator (court or binding arbitrator) determines that a restriction provided for herein cannot be enforced as written due to over breadth (such as time, scope of activity, or geography) within the relevant adjudicator's jurisdiction, the adjudicator will (for purposes of that jurisdiction) enforce the restrictions to such lesser extent as is allowed by law and/or reform the restriction where such is necessary to make it enforceable to protect the legitimate business interests of the Company. If, despite the foregoing, any provision in this Agreement is adjudicated to be void, illegal or unenforceable, then it shall be severed, and all other provisions contained in this Agreement shall remain in full force and effect as if the offending provision was never contained in this Agreement. A presumption provided for in this Agreement may only be overcome through clear and convincing evidence and shall not apply to a provision of the Agreement where its application would make the provision at issue unenforceable.

6. **Special Remedies.** A violation of this Agreement by me would cause not only actual and compensable damage, but also irreparable harm and continuing injury to the Company for

which there would not be an adequate remedy at law. Accordingly, if I should breach or threaten to breach this Agreement, the Company shall be entitled to temporary and permanent injunctive relief to enforce this Agreement in addition to, and not in lieu of, any and all other legal remedies to which it would otherwise be entitled. No bond will be required if an injunction is sought to enforce any of the covenants set forth herein; provided, however, that if a bond is deemed necessary for issuance of injunctive relief, a bond of \$1,000 shall be presumed sufficient. In addition to, and not in lieu of injunctive relief to prevent further violations, the Company will have the right to recover from me a sum equal to thirty percent of the annual compensation of any Covered Employee that the Company loses as a result of (in whole or in part) my breach of the Duty of Loyalty and/or Employee Nonsolicit covenants in my Agreement. Company shall be deemed the prevailing party for all purposes if any relief is granted to it, irrespective of whether some relief requested by the Company is also denied. In the event that the Company pursues legal action to enforce the terms of this Agreement due to a breach or threatened breach by me, the Company shall be entitled to recover from me all costs and expenses, including without limitation, reasonable attorneys' and paralegals' fees and costs incurred by the Company in connection with any such litigation, in addition to any and all other rights and remedies; provided, however, that if controlling law would convert this recovery of attorney's fees provision to a reciprocal obligation where either prevailing party can recover fees and costs, then the foregoing will not apply and each party will bear its own attorneys' fees and costs.

**7. Beneficiaries, Successors, and Assigns.** "Affiliate" refers to any entity under common ownership or control with SelectQuote, Inc., or a successor thereof, within the meaning of Rule 405 of the Securities Act of 1933. This Agreement shall automatically inure the benefit of, and may be enforced by, SelectQuote, Inc., Affiliates, and their successors, and assigns, who have a protectable interest covered by the Agreement. If my employment is transferred to an Affiliate, the Affiliate will assume the same position and rights as the original employing Company entity under this Agreement without the need for any further agreement by me. I agree to the assignment of this Agreement by Company and all rights and obligations hereunder, including, but not limited to, an assignment in connection with any merger, sale, transfer, or acquisition consummated by Company relating to all or part of their assets. I understand that my obligations under this Agreement are personal in nature and may not be assigned by me to someone else.

## EXHIBIT C

### SPECIAL BONUS AGREEMENT

I, Ryan Clement (the “Associate”), understand that I am eligible for a special bonus in the amount of \$200,000, less applicable taxes and withholdings (the “Special Bonus”), if I remain employed with SelectQuote Insurance Services (the “Company”) through February 9, 2024 (the “Bonus Date”) and otherwise satisfy the terms and conditions of this Special Bonus Agreement, provided for below. I acknowledge that the Company’s decision to provide me with this Special Bonus opportunity is a discretionary decision of the Company, separate and apart from my salary and compensation for my services, and is provided as a benefit of remaining employed with the Company through the defined Bonus Date and devoting my full business time and efforts to the Company during that period.

1. Distribution Schedule. I understand that the full amount of the Special Bonus shall be due and payable through the normal payroll run following [\*\*\*].

No further distributions will be applicable after the Bonus Date.

2. Earning Requirements. In order to earn the full Special Bonus, I must both: (i) remain employed with the Company through the Bonus Date and (ii) [\*\*\*]. Should I [\*\*\*] but not remain employed through the Bonus Date, I shall be entitled to retain \$100,000 of the Special Bonus. I understand my compliance with this commitment is the “Earning Requirement” for the Special Bonus. I agree not to accept employment with another employer, quit, abandon, resign or otherwise terminate my employment relationship with the Company prior to the Bonus Date, and agree to avoid engaging in conduct that would be “cause” (as defined in the Executive Employment Agreement, dated as of the date hereof, between the Company and me (the “Employment Agreement”)) to terminate my employment through the Bonus Date. The Special Bonus is not earned incrementally. Remaining employed for any portion of time prior to the Bonus Date will not entitle me to a portion of the Special Bonus. Notwithstanding the above, if my employment is terminated by me for any reason or the Company for cause prior to the Bonus Date, the Special Bonus will be unearned in its entirety.

3. Purpose. I understand that the purpose of this Special Bonus Agreement is to [\*\*\*], stay employed with the Company through the Bonus Date, and to avoid any conduct or performance failure that would constitute “cause” (as defined in the Employment Agreement) to terminate my employment. I understand that the Company will be making significant investments in me such as providing me with certain confidential information and/or trade secrets related to my job, and/or will be paying me to develop key business relationships and goodwill for the benefit of the Company that have significant value in the industry. I further understand that these investments are made based upon my promise to remain with the Company through the Bonus Date and [\*\*\*]. If I do not do so, the Company will lose the value of its investments in me, the loss of which I acknowledge would be equal to if not greater than the value of the Special Bonus.

4. Repayment/Reimbursement Obligation. If I receive the Special Bonus in advance of the Bonus Date and do not comply with the Earning Requirement through the Bonus Date, then upon written demand by the Company, I will reimburse the Company a sum of money equal to the payments (on a pre-tax basis) I have received that I am not entitled to retain, as further set forth in Section 2 above (such amounts, the “Reimbursement Payments”). I will deliver the Reimbursement Payments to the Company within thirty (30) days after a written demand for payment is made upon me.

5. Default. If I fail to make any of the Reimbursement Payments referred to in Section 4 above, I will be in default of this Agreement. In such event, all amounts due and owing under this Agreement will become immediately due and owing in their entirety without need for any further notice, demand, or other action by the Company. In the event of a default by me, the Company will also be entitled to (a) collect from me the full amount of the Special Bonus received by me (before taxes and withholdings) plus interest in the amount of 7% per annum, and (b) all reasonable and necessary attorneys' fees, costs and expenses incurred by the Company.
6. Employment Status. I understand that this Agreement does not alter my employment status with the Company.
7. Governing Law and Venue. The law of the State of Kansas shall control the interpretation, application and enforcement of this Agreement and all claims related to or arising from it without reference to the conflict of law principles of Kansas or any other state that would provide to the contrary. Any legal claim or cause of action arising from or related to this Agreement that can be pursued in a court of law shall be pursued exclusively in a court of competent subject matter jurisdiction located in Johnson County, Kansas; and I consent to the exercise of personal jurisdiction over me by such courts and waive any objections I may have to the location of legal proceedings in Johnson County, Kansas, whether based on cost, convenience, location of witnesses or evidence, or otherwise.
8. Severability. My obligations under this Agreement are severable. Should any of the provisions of this Agreement be declared illegal, invalid or unenforceable by a court or other tribunal of competent jurisdiction, the determination shall not affect the enforceability of the remaining provisions of this Agreement.
9. Integration. I agree that I am not relying upon any representations (oral or written) by the Company or any other party that are not included in this document in making the decision to enter into this Agreement with the Company. This Agreement contains the full and complete understanding of the parties with regard to the terms and matters addressed in this Agreement.
10. No Waiver. No waiver of a breach of any provision of this Agreement will be construed to be a waiver of any other breach of this Agreement, whether of a similar or dissimilar nature. Neither this Agreement nor any provision herein may be changed, waived, discharged or terminated orally. Any change, waiver or discharge must be in writing, signed by the party who is waiving or giving up an existing right or rights under the Agreement.

*[Remainder of Page Intentionally Blank – Signature Page Follows]*



WHEREFORE, intending to be legally bound, I indicate my full, knowing and voluntary agreement to the terms of this Agreement by my signature below.

Agreed:

**Associate**

/s/ Ryan Clement  
Signature

Date: February 10, 2023

Ryan Clement  
Associate Name

Address: [\*\*\*]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Company**

**SELECTQUOTE INSURANCE SERVICES**

By: /s/ Timothy Danker  
Name: Timothy Danker  
Title: Chief Executive Officer

**Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Tim Danker, certify that:

1. I have reviewed this quarterly report on Form 10-Q of SelectQuote, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

---

Date: May 10, 2023

/s/ Tim Danker

---

Name: Tim Danker

Title: Chief Executive Officer  
(Principal Executive Officer)

**Certification of Chief Financial Officer Pursuant to Section  
302 of the Sarbanes-Oxley Act of 2002**

I, Ryan Clement, certify that:

1. I have reviewed this quarterly report on Form 10-Q of SelectQuote, Inc.;
  2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
  3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
  4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
  5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.
-

Date: May 10, 2023

/s/ Ryan Clement

---

Name: Ryan Clement

Title: Chief Financial Officer  
(Principal Financial Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO 18 U.S.C. § 1350, AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002**

I, Tim Danker, the chief executive officer of SelectQuote, Inc. (the “Company”), certify for the purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

a. the Quarterly Report of the Company on Form 10-Q for the period ended March 31, 2023 (the “Report”), fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

b. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 10, 2023

/s/ Tim Danker

---

Name: Tim Danker

Title: Chief Executive Officer

(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO 18 U.S.C. § 1350, AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002**

I, Ryan Clement, the chief financial officer of SelectQuote, Inc. (the “Company”), certify for the purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- a. the Quarterly Report of the Company on Form 10-Q for the period ended March 31, 2023 (the “Report”), fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- b. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 10, 2023

/s/ Ryan Clement

---

Name: Ryan Clement  
Title: Chief Financial Officer  
(Principal Financial Officer)