

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

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the year ended June 30, 2023

☐ 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)
6800 West 115th Street
Suite 2511
Overland Park KS 66211
(Address of Principal Executive Offices)
(913) 599-9225
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:		
Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	SLQT	New York Stock Exchange

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes ☐ No ☒

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 Regulations 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	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☒
		Emerging growth company	☐

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 has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐

The aggregate market value of the outstanding common stock held by non-affiliates of the Registrant as of December 31, 2022, the last business day of our most recently completed second fiscal quarter, based on the closing price of \$0.67 reported by the New York Stock Exchange on that date, was \$91,438,532. Solely for the purposes of this calculation, the Registrant has excluded shares held by the Registrant's directors and executive officers as of December 31, 2022. Such exclusion shall not be deemed a determination by the Registrant that all such individuals are, in fact, affiliates of the Registrant.

The registrant had outstanding 167,693,131 shares of common stock as of August 31, 2023.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant’s Definitive Proxy Statement for the 2023 Annual Meeting of Stockholders (its “2023 Proxy Statement”), which is expected to be filed within 120 days after the Company’s fiscal year ended June 30, 2023, are incorporated by reference into Part III of this Annual Report on Form 10-K to the extent stated herein.

SELECTQUOTE, INC. AND SUBSIDIARIES
FORM 10-K
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PART I

ITEM 1. BUSINESS

Overview

SelectQuote, Inc. (together with its subsidiaries, “SelectQuote”, the “Company”, “we”, “us”) is a leading technology-enabled, direct-to-consumer (“DTC”) distribution and engagement platform for insurance products and healthcare services. Our insurance distribution business, which has operated continuously for over 35 years, allows consumers to transparently and conveniently shop for 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 digital marketing, 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 35 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 proprietary routing and workflow system is a key competitive advantage and driver of our business performance. Our systems analyze and intelligently route consumer leads to agents and allow us to monitor, segment, and enhance our agents’ performance. This technological advantage also allows us to rapidly conduct a needs-based, tailored analysis for each consumer that maximizes sales, enhances customer retention, and ultimately maximizes policyholder lifetime revenues. Our expertise and value add stems from the coupling of our technology with our skilled agents, which provides greater transparency in pricing terms and choice and an overall better consumer experience. When customers are satisfied, their propensity to switch policies decreases, thereby improving retention rates (“persistence”), increasing policyholder lifetime values and, ultimately, optimizing our financial performance.

SelectQuote has a long history of successful DTC product distribution and consumer engagement, and we bring this same capability to healthcare. We saw a large opportunity to leverage our existing customer base and distribution model to improve access to healthcare services for our consumers and to create value for SelectQuote shareholders. Our value lies in our ability to engage the consumer, capture critical self-reported information in real-time, and then take action on that information to offer each consumer personalized solutions. We seek to provide senior consumers with a wide breadth of products supporting their needs and helping our partners accelerate growth. Through SelectRx, our accredited Patient-Centered Pharmacy Home (“PCPH”) pharmacy, we have demonstrated the ability to leverage SelectQuote’s consumer engagement to drive immediate value. We are well-positioned to drive value due to SelectQuote’s existing operational infrastructure. We are focused on identifying opportunities that provide significant value to the consumer at high revenue/margin profile.

Our Business Model

We operate in an attractive segment of the insurance value chain, distributing insurance products on behalf of our insurance carrier partners who, in return, pay us commissions. Accordingly, we do not currently generate significant revenues directly from the consumers with whom we interact. In addition, because we are not the issuer of the insurance policy to the consumer, we bear no underwriting risks.

Founded over 35 years ago as what we believe was the first DTC term life insurance exchange platform in the United States, our technology-driven, differentiated model allows consumers to easily compare pricing and policy options from over 70 of the nation's leading insurance carriers. Working in tandem, our agents and technology systems are the foundation of our business. Our highly trained licensed agents are subject matter experts in the products they sell, and this, in combination with our purpose-built software and business process, differentiates the service we provide to consumers relative to other insurance distributors or "online only" offerings. We believe providing personalized advice and guidance from policy research to enrollment is a key differentiator in the senior health market as consumers tend to prefer or require more personalized attention to navigate increasingly complex and ever-changing coverage options. Our agents are trained to offer unbiased advice in order to be more aligned to the specific needs of each customer.

As a technology-enabled distributor of scale in our end markets, we believe that we are well-positioned to capitalize on the accelerating trend of digital transformation across the insurance distribution landscape. Under the traditional insurance distribution model, consumers are often unaware of their full range of coverage options and are at risk of receiving opaque, "one size fits all" recommendations primarily intended to maximize agent commissions over their needs. In contrast, the insurance distribution landscape today is one in which consumers of insurance demand greater choice, seek more transparency in pricing, and use the internet to self-research their insurance options. Recent technological innovations, including the proliferation of smart mobile devices as a means of consumer purchasing, consumer demand for price transparency and comparison shopping, and the development of machine learning for business applications, continue to transform the insurance distribution landscape. As the composition of the U.S. population gradually shifts to the mobile-first generation, consumers are becoming more tech-savvy and increasingly comfortable shopping online. We believe our ability to offer multiple carriers' policies, proprietary technology platform, vast datasets and use of machine learning in key aspects of our business positions us well to take advantage of these consumer trends.

DTC distribution is becoming an increasingly important part of the overall distribution strategies of insurance carriers as they drive to lower customer acquisition costs. Internet and mobile devices enable distributors to target and reach consumers directly in a highly controlled and efficient manner. Our software allows our agents to have more effective interactions with customers, driving agent productivity, sales volume, and providing an attractive distribution alternative for our insurance carrier partners. While traditional insurance distributors use a time-intensive, in-person purchasing process, consumers are increasingly researching insurance policies for their needs online and, ultimately, purchasing through DTC channels. Platforms like ours are well positioned to serve these customers as we allow consumers to compare insurance in a transparent manner, without having to solicit individual quotes from carriers in the market or rely on the options presented by a traditional insurance distributor and to do so from the comfort of their homes.

Our systems allow us to gain valuable insights from the rich sources of consumer information we have gathered over more than three decades, and we use data analytics and proprietary algorithms to enhance our sales and marketing strategies in an effort to maximize our return on our marketing spend and enhance our agents' close rates. As we have grown, we have continued to gather valuable data that has allowed us to further enhance our algorithms. Accordingly, we have been able to improve our lead acquisition efficiency and scoring and workflow processing capabilities, which has enabled us to serve customers more efficiently and has improved the value proposition we offer to our insurance carrier partners. As our value proposition has grown, our insurance carrier partners have come to rely more on our distribution capabilities and have partnered with us more deeply in product design, helping fuel our growth. We expect this virtuous cycle to continue as we execute on our mission.

Additionally, in recent years, we have been able to capitalize on the adaptability of our proprietary technology and the thousands of consumers we connect with daily by offering additional healthcare services to improve patient's health outcomes while deepening the relationship with our insurance carrier partners.

Our Agents

The insurance products we sell are often complicated, and each consumer's situation is unique. We believe the most effective method for matching products with each consumer's needs requires the attention of highly trained and skilled agents, and we believe this training and expertise differentiates us from the traditional distribution model. Each of our lines of business has dedicated licensed agents who are subject matter experts in that line, which allows them to provide deep expertise and helpful advice that are specific to a client's needs. We have developed what we believe is a best-in-class talent management system that allows us to recruit from across the United States and build and retain top agents. We provide each new agent with up to 10 weeks of proprietary in-house training, which is later supplemented by ongoing training during the agent's full-time employment. Our training is designed to ensure that every agent is well-equipped with a deep understanding of the products they sell and the customer service and sales skills necessary to best service the customer. A goal of ours is that every agent in whom we invest will build a long and rewarding career with us.

Our agents are segmented into multiple levels based on their productivity, with the most productive agents given first access to the highest quality leads. In our Senior segment, level one agents demonstrate higher productivity, close rates, retention rates, and lower attrition than similarly situated Senior agents in levels below them. Essentially, this process allows us to match a lead with the appropriate agent and to optimize our agent's most valuable asset: time. Each agent guides the potential customer through tailored policy options and provides education on complex senior health, life, and auto & home products, thereby helping consumers select the option that best suits their needs and circumstances. This personalized approach enhances the customer experience, and when customers are satisfied, their propensity to switch policies decreases, which extends the renewal revenue stream paid to us by our insurance carrier partners and enhances the lifetime value of policyholder relationships. Our processes and technologies come together to drive strong economic results, allowing us to reward top agents with market-leading pay.

In addition to the agents who sell insurance products, we have added customer success agents ("CSA") to work with our consumers in our healthcare services business. CSA's enroll members into our free Population Health service and then capture critical self-reported information in real-time and use that data to take a proactive and personalized approach to healthcare. CSA's address gaps in care and social determinants of health to help consumers understand the benefits available under their health plans, complete health risk assessments ("HRA") on members, transfer them to value-based care ("VBC") providers for a variety of healthcare-related services, and introduce them to the pharmacy services we offer through SelectRx. Our agents are also proactive in their outreach throughout the year which creates a deeper relationship with our consumers.

Our Technology

Our proprietary technology permeates our business process, from lead generation to scoring and routing, product selection and eventually to customer conversion, post-sale management, and cross-selling opportunities. Applying information gathered since our founding more than 35 years ago to drive sophisticated attribution modeling, we have continued to optimize our decision-making and advance our goal of maximizing policyholder lifetime value and profitability.

Lead Acquisition: We utilize a broad policyholder acquisition funnel strategy, generating new business leads through a wide variety of online and offline marketing channels, such as digital marketing, television, radio advertising and third-party marketing partners. Our software continuously monitors the cost of acquiring customers and uses our algorithm to dynamically adjust our bids for specific leads based on our expectation of the lead's lifetime value. As we continue to operate, these algorithms feed a vast and ever growing pool of millions of data points, which, with the assistance of our team of highly skilled data scientists, enhances our ability to more accurately estimate a new lead's lifetime value and enables us to make more informed decisions when generating leads. Our data science team creates algorithms that support lead buying, scoring and routing and consumer lifecycle management of closed leads. We believe what sets us apart from our competitors is our more than 35 years of proprietary data that our data scientists use as part of our bidding strategy for purchased leads, grouping phone and web leads by likelihood to purchase specific products, scoring phone and web leads using historical performance of similar leads based on demographics, tiering leads for routing to the corresponding agent levels, and performing predictive analysis of current customers' persistency.

Lead Management & Routing: Regardless of how a lead is generated, our proprietary software will score the lead in real time based on multiple factors, then route the lead to the most appropriate agent to maximize expected policyholder lifetime value. This works in tandem with our customized, purpose-built lead routing and workflow management technology. Based on lead score, agent level, and agent availability, our software quickly assigns these leads to a licensed agent. We believe that our use of proprietary technology to monitor, segment and enhance agent performance, such as through real-time lead routing to the most effective agents, is a key driver of our business performance.

Sales: Once assigned a lead, our highly skilled, licensed agents utilize their training and experience and our proprietary software and systems to rapidly conduct a customized needs-based analysis for each consumer. This coupling of our technology with our skilled agents provides the consumer with greater transparency in pricing terms and choice, and an overall better consumer experience that maximizes sales, enhances customer retention and, ultimately, maximizes our policyholder lifetime revenues.

Customer Engagement & Lifecycle Management: We use advanced algorithms informed by over 1 billion consumer and third-party data points to enrich our consumer engagement strategy. Our dedicated retention-focused customer care (“CCA”) team leverages this technology to help consumers successfully onboard and to identify customers we determine to be likely to purchase additional products, thereby improving the likelihood that a consumer retains his or her policy and identifying cross-sell opportunities.

Our Products

The core products we distribute on behalf of our insurance carrier partners are needs-based and critical to the overall financial well-being of consumers and the protection of their most valued assets: their families, their health and their property. Increasing household financial obligations, rising healthcare costs, importance of health and well-being, and government and lender mandates for certain insurance coverage drive the need for the insurance products we distribute. These products are underwritten by our carefully selected insurance carrier partners across our three insurance distribution segments: Senior, Life, and Auto & Home. Additionally, through our Healthcare Services segment, we offer pharmaceutical and other healthcare-related services.

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 25 leading, nationally-recognized insurance carrier partners, including UnitedHealthcare (“UHC”), Humana, and Wellcare. MA and MS plans accounted for 89% of our approved Senior policies for the year ended June 30, 2023, with other ancillary type policies accounting for the remainder.

Life is one of the country’s largest and most established DTC insurance distributors for term life insurance, having sold over 2.2 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 20 leading, nationally-recognized insurance carrier partners, with many of these relationships exceeding 15 years. Term life policies accounted for 47% of new premium within Life for the year ended June 30, 2023, with final expense policies accounting for 53%.

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 74% of new premium within the Auto & Home segment for the year ended June 30, 2023, with six-month auto, dwelling fire, and other products accounting for a majority of the remainder.

Healthcare Services, launched in 2021, includes SelectRx and Population Health, and was previously included under the Senior segment (refer to Note 16 to the consolidated financial statements for further information)

on the change in segments). SelectRx focuses on providing specialized services to medically complex Medicare Advantage patients managing polypharmacy and multiple chronic conditions in their home. SelectRx engages virtually with patients to ensure accurate prescription records are maintained and to improve prescription drug adherence through customized engagement. SelectRx provides a personalized clinical approach driven by our technology platform to track adherence with the pharmaceutical packing and distribution facility. Population Health engages the consumer to capture self-reported information in real-time and use that data to take a proactive and personalized approach to healthcare. We seek to provide senior consumers with a wide breadth of products supporting their needs and helping our partners accelerate growth. Population Health contracts with insurance carriers to complete HRA's on members, partners with VBC providers for a variety of healthcare-related services, and introduces members to the pharmacy services we offer through SelectRx. We believe that offering these services enables healthcare to be more accessible, convenient, and personalized for Medicare-eligible members.

Our Partners

We maintain long-standing, deeply integrated relationships with approximately 70 of the nation's leading insurance carriers, who have some of the industry's most widely recognizable brands, including approximately 25 insurance carrier partners in our Senior segment, approximately 20 insurance carrier partners in our Life segment, and approximately 25 insurance carrier partners in our Auto & Home segment. During our most recent fiscal years, our primary insurance carrier partners in our Senior segment were carriers owned by UnitedHealthcare, Humana, WellCare, and Aetna, the primary insurance carrier partners in our Life segment were carriers owned by Mutual of Omaha, CUNA, and Pacific Life, and the primary insurance carrier partners in our Auto & Home segment were Travelers, SafeCo, and Progressive. These high-quality relationships have resulted in strong insurance carrier retention rates and the fact that we have never been dropped by an insurance carrier partner. We believe carriers see our method of acquiring customers as scalable and efficient and, ultimately, as cost advantageous compared to their own models, and provide us, in some cases, with marketing development funds as additional compensation to deliver policies. Marketing development funds are similar to production bonuses in that they are based on attaining various predetermined target sales levels or other agreed-upon objectives for individual insurance carrier partners. Our insurance carrier partners are responsible for paying our commissions and, for these purposes, act as our customers. We do not currently generate significant revenues directly from the consumers to whom we sell insurance policies on behalf of our insurance carrier partners.

Separate from our comparison-shopping platform, we have established several carrier-specific sales platform arrangements with several of our insurance carrier partners, which we call "pods." These arrangements give us access to various marketing assets from our insurance carrier partners, such as use of the insurance carrier's brand, which allows us to target customers for specific insurance carrier partners to give us access to incremental sales volume. Consumers directed to a pod agent come from either leads that are not branded as SelectQuote or come directly from an insurance carrier-affiliated channel. The number of insurance carrier partners with which we have pod relationships can vary quarter to quarter depending on the insurance carrier partner and the segment.

As we continue to grow Population Health, we have also formed partnerships with several value-based care providers as well as providers of social resources that support improved health outcomes. Example Population Health partners include primary care providers OakStreet, ChenMed, and One Medical, as well as several other providers of various services.

Our Market Opportunity

We estimate that the total addressable market for the insurance products we distribute is greater than \$180 billion. We base our market opportunity estimates on third-party demographic data, our historical policy revenue experience, and customer retention expectations. According to the Kaiser Family Foundation, the number of Medicare beneficiaries is projected to grow from 63 million in 2020 to over 93 million in 2060. We believe this addressable market, which is the core focus of the products we distribute, presents an annual commission revenue opportunity of approximately \$30 billion for our Senior segment. Further, we estimate the total addressable market for Healthcare Services to be in excess of \$1 trillion. We expect these markets will continue to grow, in part due to a number of highly attractive demographic trends. The products marketed by our Life and Auto & Home segments

also address large markets that present additional opportunities for growth, with annual commission revenue opportunities of approximately \$105 billion and \$47 billion, respectively. In each of our four segments, we estimate our market share to be less than 2.5%, and we believe we can benefit from greater market penetration in addition to underlying market growth. For additional information about our growth opportunities, see below under the heading “Our Growth Strategy.”

Senior Market

Demand for senior insurance products in the U.S. is underpinned by powerful demographic trends. The number of people reaching retirement each year took a step-change in 2011 as the first wave of the post-war “Baby Boomer” generation turned 65. The proportion of the population that is age 65 or higher increased from 13% in 2010 to 17% in 2020 and is expected to reach 21% in 2030, according to the United States Census Bureau. On average, 11,000 “Baby Boomers” are expected to turn 65 every day, or nearly 4.2 million per year, through the end of the decade. As a result, Medicare enrollment is growing steadily, with the number of Medicare enrollees expected to grow from 63 million in 2021 (up from 59 million in 2018) to approximately 75 million in 2030, according to the Centers for Medicare & Medicaid Services in June 2023.

Research from the Center for Disease Control and Prevention shows almost half of seniors need more information and assistance to better manage their care. Health literacy is the degree to which individuals have the ability to find, understand, and use information and services to inform health-related decisions and actions for themselves and others. According to the Center for Health Care Strategies, nearly 36% of adults in the U.S. have low health literacy, resulting in greater healthcare use and cost, compared to those with proficient health literacy. Not only is the population of people age 65 and higher growing, according to the Pew Research Center, internet usage among this group has risen, with 75% using the internet in 2021 compared to 40% in 2009. This group is also transacting more online, with 59% of people over age 65 making online purchases.

Within the growing Medicare market, Medicare Advantage plans are gaining prominence, as these private market solutions displace the traditional, government Medicare program. According to the Kaiser Family Foundation, in 2022, there were more than 28 million Medicare Advantage enrollees, representing approximately 48% penetration of the Medicare market. From 2007 to 2022, Medicare Advantage enrollment as a share of the eligible Medicare population has more than doubled from 19% to 48%. According to estimates, Medicare Advantage is likely to surpass 50% penetration for all Medicare-eligible individuals in 2023 and could reach as high as 60% in 2030.

The degree to which we will realize a corresponding increase in revenue will be determined by our ability to continue to successfully place new Medicare policies for this enlarged potential consumer base. Despite our scale, we account for only a fraction of the total market for Medicare Advantage plans, with only 0.8 million of the 28 million total enrollment for such plans in 2022, providing ample opportunity for growth. From 2021 to 2022, our Medicare Advantage active policy count grew 25.1%. Accordingly, we can benefit not only from broad growth in Medicare and the increasing penetration of Medicare Advantage plans, but we can also achieve growth through market share gains in the distribution of Medicare Advantage and Medicare Supplement products.

Healthcare Services Market

We believe the healthcare market also presents a significant opportunity to grow our business by offering additional products and resources through our distribution platform. We entered the prescription drug market in 2021 through our acquisition of two boutique pharmaceutical operations, combined under the brand “SelectRx.” We estimate the total addressable pharmaceutical market in the United States to be over \$500 billion. From 2006 to 2017, Medicare’s share of retail drug spending in the United States increased from 18% to 30%, amounting to more than \$100 billion in 2017 alone. SelectRx, our accredited Patient-Centered Pharmacy Home pharmacy, focusing on Medicare patients with more than one chronic health condition, reached more than 49,000 active members as of June 30, 2023. Our production facilities currently have the capacity to support approximately 75,000 members, offering ample opportunity to increase revenues as SelectRx continues to grow.

The Medicare market also offers the opportunity to grow our business by connecting seniors with additional healthcare related products and services, including value-based care providers and resources for addressing social needs. We estimate the total value-based care market for Medicare Advantage patients to be over \$600 billion. Further, with more than half of MA beneficiaries living below 200% of the federal poverty level, many of our consumers need help accessing social resources that impact health outcomes. In recognition of this need, MA plan providers are increasingly focused on benefits aimed at addressing social determinants of health like transportation, nutrition, and social isolation. Population Health is well positioned to support these efforts by connecting seniors to a centralized collection of healthcare and other resources offered through our partnerships with service providers throughout the United States.

Life Market

DTC sales of life insurance are becoming more prevalent as an increasing proportion of consumers are conducting self-directed online research prior to buying policies. Due to the typically more complex and longer-term nature of life insurance products, we expect agent expertise and consultation to continue as a prominent aspect of the sales process prior to ultimate purchase. Our dedicated, high-touch agents coupled with our user-friendly online platform caters to these evolving consumer preferences, which we believe favorably positions us to capture an increasing share of the overall market. Our approach to consumer engagement provides transparency and, we believe, an overall better experience that generates higher conversion rates than achievable by other forms of distribution, creating a cost advantage for our distribution platform relative to others.

Auto & Home Market

Property & Casualty insurance is a large addressable market in which policyholders often have a government or lender-mandated need for coverage. The DTC channel for sales of these products is well established and growing, driven by continued adoption of online sources for research and quotes. We believe the combination of our technology and agents is an important differentiator that better enables us to help potential policyholders compare and choose between multiple products, and also to give valuable advice on bundled options that provide more holistic coverage across multiple risks. We differentiate ourselves from carrier captive agents and traditional insurance distributors on the basis of choice, convenience and consumer experience.

Our Competitive Strengths

Leading technology-based sales platform. Our primary focus is to provide best-in-class service to bring policyholders value through greater choice and transparency. Since 1985, we have helped over three million policyholders save time and money on critical insurance purchases. Since our founding in 1985, we have been pioneers of insurance distribution, and, through our technology-driven sales model, we believe we are well placed to support policyholders and insurance carrier partners as consumers continue shifting toward online channels to make purchasing decisions for their insurance needs. We believe that our data and our technology are key competitive advantages and drivers of our business performance. We continue to upgrade and optimize our technology as new opportunities are identified by our Information Technology and Analytics teams. SelectCare is our core overarching proprietary customer relationship management (“CRM”) and parent system with phone bank, sales enablement/workflow optimization and reporting tools. SelectCare is a customized system that uses various algorithms to score leads, route them to agents and organize each agent’s work day, with the objective of maximizing return on investment. Operating within SelectCare are the following purpose-built systems:

- **SelectBid:** Advanced, data-enriched lead scoring and purchasing tool that provides real-time feedback to help us determine which consumers and campaigns are generating the most valuable opportunities, allowing us to optimize marketing spend.
- **Get A Lead (“GAL”):** Customized, purpose-built lead routing and workflow management technology based on lead quality, agent performance and agent availability. GAL uses a targeted approach to rapidly assign consumers to a licensed agent.

- **Automated Rate Calculator (“ARC”)/Automated Quote Engine (“AQE”):** Real-time quoting and underwriting applications integrated directly into carrier systems. ARC and AQE allow us to build quotes for potential customers in real time based on specific carrier underwriting requirements and risk tolerances.
- **SelectQuote Revenue Tracking System:** Fully integrated, proprietary revenue tracking and financial reporting tool that also supports financial and customer falloff/retention prediction algorithms, allowing for real-time workflow and actions with our customer service teams.

We currently utilize data science across all of our key business functions and systems, and our sophisticated algorithms benefit from years of data accumulation and analysis, which are continuously enriched with new data and refined by our in-house data science team. Our algorithms are informed by data accumulated through our operating history, which includes approximately 32 million leads and over 1 billion data points in our database. Our focus on data quality ensures our data scientists can draw deep insights as accurately and efficiently as possible. Our complex regression and machine-learning models drive marketing spend and lead purchasing, scoring and routing, sales execution and post-sale customer engagement, all to further our goal of maximizing policyholder lifetime value. As we continue to grow, we will naturally acquire more data that will continue to better inform our decision-making.

Highly scalable platform with growing network effects. Our structured recruiting, training and agent onboarding program provides flexibility to ramp up agent hiring activity to drive sales volumes. Through significant recent investments we have made to our technological, infrastructure and reporting capabilities, our platform is designed to provide us with ample support for future years of growth with minimal ongoing working capital requirements. We have built our systems to be highly adaptable, providing us with flexibility to seamlessly provide product extensions and enter into other product verticals. We continually evaluate our insurance carrier partnerships, and we have the ability to accommodate new insurance carrier relationships and new products that may further drive growth. As we expand, we expect our appeal to consumers as a one-stop shop and our appeal to carriers as a leading platform with large consumer audiences to continue to grow. These network effects will allow us to accumulate more data and insights, which serve to strengthen our algorithms and the value of our connections.

Strong brand awareness. We were founded over 35 years ago as what we believe was the first DTC term life insurance exchange platform in the U.S. Over this time, we have built a highly successful and recognizable household brand. We continue to enhance our visibility with advertisements on nationwide television networks and radio outlets, while also maintaining a strong online presence through our market-leading comparison websites, complemented by search engine advertising and a social media presence. There is also meaningful potential for us to leverage our strong brand awareness for intragroup cross sales and expansion into adjacent products and markets that further enhance revenue.

Ability to attract and retain productive, career-based agent force. We believe that a technology-enabled agent-based distribution model generates superior return on investment and policyholder lifetime value relative to solely web-based or traditional distribution models. As a result, we have built processes that allow us to attract, train and retain top talent, and to grow our agent force when necessary. Our sophisticated recruitment engine is employed nationally with our remote agent capability and involves personality tests, multiple interviews, and final approval by a senior manager. Historically, we have hired additional agents in our Senior segment for our peak selling seasons, the Annual Enrollment Period (“AEP”) and the Open Enrollment Period (“OEP”), to capitalize on the heightened activity during these windows. Our recruiting and development processes lead to strong agent productivity rates allowing us to offer competitive compensation packages and attractive career paths. This results in a virtuous cycle, which we believe gives SelectQuote a sustainable competitive advantage in the recruitment of new agents.

Diverse product offering. At our inception, we specialized in the distribution of term life insurance products. Since then, in addition to introducing a range of other life insurance products, SelectQuote expanded into the fast-growing senior health insurance market (in 2010) and auto & home insurance market (in 2011). Today we provide consumers with access to over 50 insurance products sourced from approximately 70 carriers. Our unique platform then further enabled us to expand our business again in recent years to include Population Health and SelectRx. Our product segments are a natural fit with consumer insurance and healthcare needs across different life

stages. We believe we are unique for our diverse product range, which provides us with greater stability as demand for certain products and customers' needs fluctuate.

Deep and broad insurance carrier partnerships. We are a key distribution partner for approximately 70 of the largest and most respected blue-chip insurance carriers. Our strong and long-standing relationships with many of our insurance carrier partners, some of which have been on our platform since our inception, represent a mutual commitment which we believe is difficult to replicate. While we are focused on providing consumers with greater choice, we also strive to be a meaningful component of our insurance carrier partners' distribution strategy, and are therefore selective when it comes to which carriers we accept onto our platform. Our national presence, scale, broad consumer reach and our sales capability make us a partner of choice and a critical distribution channel for these carriers. We are a leading DTC insurance distributor for a number of insurance carrier partners, which helps us negotiate for attractive economics from our insurance carrier partners. For the year ended June 30, 2023, we sold over 645,000 policies for our Senior insurance carrier partners and produced more than \$195 million in new premium for our Life and Auto & Home insurance carrier partners. For the year ended June 30, 2022, we sold over 810,000 policies for our Senior insurance carrier partners and produced more than \$220 million in new premium for our Life and Auto & Home insurance carrier partners. For the year ended June 30, 2021, we sold more than 625,000 policies for our Senior insurance carrier partners and produced more than \$223 million in new premium for our Life and Auto & Home insurance carrier partners. Furthermore, our proprietary technology and tech-enabled agent model is focused on maximizing policyholder lifetime value, meaning that our insurance carrier partners enjoy higher quality business from each transaction sourced through us. Our insurance carrier partners also rely on our strong internal compliance function, which records all of our calls and audits a subset of them with our Quality Assurance team to ensure that we are complying with Centers for Medicare & Medicaid Services ("CMS") rules and regulation, telemarketing regulations, carrier internal requirements and that the agents are meeting certain quality metrics that we deem important. Our compliance record and efficiency have led insurance carriers to partner with us on another key value proposition—our insurance carrier dedicated agent pods. These pods deepen our relationship with these insurance carrier partners and enable us to sell more policies. Pod marketing is specific to each individual pod and is separate from SelectQuote's comparison shopping platform. This ensures a SelectQuote lead always gets presented with the comparison shopping platform.

Data driven approach to maximization of policyholder lifetime value. We use advanced algorithms informed by over 1 billion consumer data points to enrich our consumer engagement strategy. Our algorithms help agents identify opportunities for cross-sell, such as offering complementary plans at the point of sale. After a sale is made, our algorithms effectively identify customers likely to purchase additional products, thereby improving the likelihood that a policyholder retains his or her policy and generating highly predictable future income. As of June 30, 2023, our dedicated CCA team was comprised of over 225 professionals who aim to improve the consumer experience during the post-sale carrier onboarding process, drive improved retention in the out years and improve cross selling opportunities. A number of the CCA team members are former licensed agents already familiar with the business and the consumer journey. This function allows our core agent force to allocate time towards new business generation. The CCA team leverages our systems to identify opportunities for consumers to purchase additional products and for us to implement tailored retention strategies. Part of the team's function also involves a data-driven targeted outreach program to Medicare Advantage clients ahead of AEP to gauge potential interest in insurance shopping plans during the upcoming season. In order to make sure that we are making decisions with the best data possible, we partner with leading external industry consultants to review and validate our historical retention experience and projected performance. Our consistent track record of delivering strong customer retention rates creates additional value for our insurance carrier partners, solidifying SelectQuote's position as a key partner with insurance carriers, which produces a positive reinforcement loop across our business. Our database is the result of more than 35 years of dedicated focus and investment, providing us with unparalleled insights that are difficult for competitors to replicate.

Financial profile. As a distributor of insurance products, we benefit from favorable industry trends. We earn commission revenue on the successful sale and renewal of policies we distribute and, accordingly, our financial model does not reflect the inherent uncertainties associated with underwriting insurance risk. We have a high degree of visibility into the commission we earn at the time of sale, as well as the renewal commissions we would earn should a policyholder renew his or her policy. Our CCA team's efforts enhance the policyholder experience and

thereby improve policyholder retention and our opportunity to generate renewal commissions. As the policyholder renews their policy in subsequent years, our agents are not paid a commission when we receive renewal commissions from insurance carriers; each dollar of renewal commissions received directly adds to our operating cash flow. Our platform is highly scalable, which enables us to scale up or down in volume as necessary based on business needs.

Strong company culture developed by an experienced management team. We maintain a unique sales and consumer service-oriented culture. We are a diverse group of women and men who are united in our mission to provide solutions that help consumers with their overall financial well-being and protect their most valued assets. Through our recruiting processes, we are able to identify people who enjoy being a part of, and are motivated by, a performance-based, meritocratic organization. This allows us to assemble a world-class team of people who envision building their careers at SelectQuote. Our company culture is promoted by a highly experienced management team with deep industry experience and a track record of industry innovation. The key members of our management team have over 60 total years of industry experience and several members of our management team have worked together to build our business over the last ten years.

Our Growth Strategy

Maximize policyholder lifetime value. Policyholder lifetime value, which represents commissions estimated to be collected over the life of an approved policy, less the cost of acquiring the business is a key component of our overall profitability. Our goal is to maximize policyholder lifetime value, and we do so through strategies designed to maximize the revenue opportunity and minimize our customer acquisition cost. Maximizing policyholder lifetime value involves continued investment in:

- Our agent experience and customer care team, which, together, enhance our close rates, commissionable premium, and ability to earn renewal and cross-sell revenue;
- Carrier relationships and, in particular, negotiation of more favorable terms;
- Pre-AEP outreach to our Senior segment policyholders to better understand emerging trends in consumer decision making;
- Technology, data, and analytics that help us optimize our marketing and lead acquisition spend;
- Our pod offerings, which offer an opportunity to earn economics on a more favorable basis than our broader comparison shopping platform; and
- Population Health, which supports increased policy persistency by helping patients understand and utilize the full spectrum of benefits available under their plans.

Optimize our agent force. Our agent force is a key element of our ability to distribute policies and earn commission revenue. Accordingly, investing in our agent force is a critical aspect of our growth strategy. In addition to maintaining an effective recruitment function to ensure our ability to hire enough agents to support our business goals, we believe the value of our agent force is maximized when we prioritize the performance and satisfaction of our agents. In support of this goal, we will continue to invest in training and technology to enable our agents to increase their productivity. Further, as we expand our product offering within Healthcare Services and the insurance distribution business, our agents will have additional opportunities to increase their earnings and develop their careers. We believe this environment will increase our agents' job satisfaction, helping us to build a more experienced, professional sales force that will support the growth of our business.

Deepen and broaden our insurance carrier partnerships. To ensure our ability to secure the best terms for our consumers, we maintain meaningful, long-term relationships with our partners while continuously evaluating our panel of insurance carriers. While we are selective in choosing the carriers with whom we do business, we have the ability to quickly accommodate new insurance carrier relationships and new products from existing carriers. Our

focus on offering high-quality products has resulted in improved retention rates, increasing the value of our distribution model to insurance carrier partners. As discussed above, we believe Population Health will further deepen our relationships with our carrier partners by increasing plan loyalty and policy persistency, thereby reducing carriers' costs.

Deepen consumer penetration and drive cross-selling opportunities. We are highly focused on the consumer experience and believe that customer satisfaction is a key vehicle for maximizing cross-sell opportunities and repeat business. We believe there are natural synergies across our portfolio of products, and we are focused on increasing cross-selling across our existing customer base. Our success cross-selling ancillary products (e.g., dental, vision and hearing, prescription drug plans and fixed indemnity) to our clients has improved over time, and we continue to look at ways to broaden our cross-selling opportunities. Within our Auto & Home segment, we have been successful in bundling products (selling multiple products to the same customer), with bundle rates over each of the last three years of 55%, 49%, and 51%, respectively. A large and relatively untapped opportunity is to deepen cross-sell of products to customers across all four of our segments, and we are currently employing technology and data designed to enable us to better track the customer life journey to allow us to identify and better execute on this opportunity. Additionally, we have leveraged our existing Senior database and distribution model to cross-sell to our Healthcare Services segment, as the marketing acquisition costs associated with the sale of a Senior policy are now also utilized to attain consumers for SelectRx and Population Health.

Grow Healthcare Services. We have an attractive and scalable platform with strong consumer acquisition capabilities, backed by flexible systems that can be leveraged to introduce new product offerings. Our platform has funneled more than 49,000 active members to SelectRx since its launch in 2021, and our current production capacity can support approximately 75,000 members. The success of SelectRx to date not only demonstrates the strong demand and opportunity for additional growth within our pharmacy business in the future but also demonstrates the ability of our platform to serve as a distribution vehicle and an effective means for introducing additional products and services to our consumers. We believe we can realize additional growth by expanding our product offerings through Population Health.

Competition

The market for distribution of insurance products is highly competitive, fragmented, and evolving as consumers increasingly transact online. Products are distributed through a variety of channels that we must compete against, including captive agents employed by carriers, independent agents working individually or in groups small and large, through online platforms that employ agents or outsource sales to independent agents, or other online platforms that distribute directly to the consumer. Our primary competitors in this space are eHealth, Inc. and GoHealth, Inc. We aim to differentiate our products and services on the basis of our agents' ability, leveraging our technology platform, to match our consumers with insurance products we expect best match their needs. In the pharmaceutical market, SelectRx competes with other closed-door and online pharmacies such as Accudose Pharmacy and ExactCare Pharmacy, along with traditional brick and mortar pharmacies such as Walgreen's and CVS that primarily sell directly to customers in person.

Employees

We are united by our mission to provide solutions that help consumers with their overall financial well-being and protect their most valued assets: their families, their health and their property, and our associates are vital to achieving this mission. In order to continue to provide consumers with effective and convenient innovative experiences and products, and compete and succeed in our highly competitive and rapidly evolving market, it is crucial that we continue to attract and retain experienced employees and agents. As part of these efforts, we strive to offer a competitive compensation and benefits program, foster a performance-based, meritocratic organization where everyone feels empowered to do to their best work, and give employees the opportunity to give back to their communities and make a social impact.

As of June 30, 2023, we employed a total of 2,035 agents and 2,151 non-agent full-time equivalent employees. During AEP, we typically hire additional full-time employees and hired approximately 1,500 employees

for the 2022 AEP (fiscal 2023). None of our employees are represented by any collective bargaining unit or are a party to a collective bargaining agreement.

Regulation

The sale of insurance products is a heavily regulated industry. Various aspects of our business are, may become, or may be viewed by regulators from time to time as being, subject, directly or indirectly, to U.S. federal, state, and foreign laws and regulations. We are affected by laws and regulations that apply to the insurance industry, as well as those applying to businesses operating on the internet and businesses in general. This regulatory landscape includes a continually expanding and evolving range of laws, regulations, and standards that address financial services; information security; data collection, protection, and privacy; consumer protection; false claims; and compliance with applicable anti-money laundering, securities, and antitrust regulations, among other things. We are also required to comply with various laws and regulations governing Medicare providers, pharmacies, and providers of pharmacy care services, as well as laws governing marketing and advertising activities conducted by telephone, email, mobile devices and the internet.

Insurance and other Healthcare Regulations. We are a licensed insurance producer in all 50 U.S. states and the District of Columbia. Insurance is highly regulated by the states in which we do business, and we are required to maintain various licenses and approvals and comply with related restrictions and requirements. Regulatory authorities often have the discretion to grant, renew and revoke the various licenses and approvals we need to conduct our activities and, should we fail to retain our licenses, our business and results of operations could be adversely affected.

In particular, our Senior segment is subject to a complex legal and regulatory framework, including laws and regulations governing the marketing and sale of Medicare plans. The regulations and guidance issued by CMS for Medicare Advantage and Medicare Part D prescription drug plans change frequently, and such changes, including changes to CMS guidance applicable to our Senior segment or the interpretation and enforcement thereof, could cause healthcare providers or state departments of insurance to object to or decline to approve certain aspects of our marketing materials and processes.

In addition to laws and regulations related to the sale of insurance products, our Senior segment, including Population Health, is also subject to various laws governing the relationships of the business with pharmaceutical manufacturers, physicians and other healthcare providers, pharmacies, customers, and consumers, including regulations relating to anti-fraud and abuse, false claims, anti-kickbacks, beneficiary inducement, prohibited referrals, and inappropriate reduction or limitation of health care services. Civil suits (including qui tam actions) and governmental or internal investigations or reviews of business processes related to these laws and regulations could, if resolved unfavorably, result in substantial monetary damages, negative publicity, and reduced operating flexibility, all of which could increase the Company's cost of doing business and negatively affect our results of operations.

Pharmacy and Pharmacy Care Services Regulation. We are subject to various state and federal laws and regulations governing pharmacies and providers of pharmacy care services, including applicable Medicare provider regulations, state and federal anti-kickback laws, and regulations governing the labeling, packaging, advertising, and adulteration of prescription drugs. As a dispenser of controlled substances, SelectRx is also subject to certain licensing and registration requirements of both state and federal regulatory authorities, including the U.S. Drug Enforcement Administration (DEA) and various state controlled substance authorities. SelectRx is also required to comply with certain laws and regulations of the states in which it provides home delivery services, including the requirements of some states to register with the state board of pharmacy.

Federal and state legislators regularly consider new regulations for the industry, including potential new legislation and regulations regarding the receipt or disclosure of rebates and other fees from pharmaceutical companies; the development and use of formularies and other utilization management tools; the use of average wholesale prices or other pricing benchmarks; pricing for specialty pharmaceuticals; limited access to networks; and pharmacy network reimbursement methodologies, any of which could materially affect current industry practices.

Federal Privacy, Security, and Data Standards Regulation. We are subject, whether directly or indirectly, to numerous federal laws and regulations related to the privacy and security of health information. In particular, regulations promulgated pursuant to the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH), and the Gramm-Leach-Bliley Act (“GLBA”) establish privacy, security and breach reporting standards that, among other things, limit the use and disclosure of certain individually identifiable health information and require the implementation of administrative, physical and technological safeguards to protect such information. As a provider of services to entities subject to HIPAA, we are directly subject to certain provisions of the regulations as a “Business Associate.” When acting as a Business Associate under HIPAA, to the extent permitted by applicable privacy regulations and contracts with customers, we are permitted to use and disclose protected health information (“PHI”) to provide our services, and for certain other limited purposes; however, other uses and disclosures of PHI, such as in marketing communications, require written authorization from the patient or must meet an exception specified under the applicable privacy regulations. If we were found to have breached our obligations under HIPAA, GLBA, or certain federal consumer protection laws, we could be subject to enforcement actions by the U.S. Department of Health and Human Services, the Federal Trade Commission, and other state and federal health regulators and face various claims from private plaintiffs, including class action law suits.

State Privacy and Security Regulations. Our privacy and security practices may be affected by various state privacy laws, including statutes designed to implement certain GLBA provisions and other laws and regulations governing the use, disclosure, and protection of social security numbers, credit card account data, PHI, and other personally identifiable information. Many states have recently adopted laws or regulations of this nature, including New York, whose cybersecurity regulation for financial services companies requires entities under the jurisdiction of the New York Department of Financial Services (“NYDFS”), including insurance entities, to establish and maintain a cybersecurity program designed to protect private consumer data. The Insurance Data Security Model Law (the “Cybersecurity Model Law”) adopted by the National Association of Insurance Commissioners (“NAIC”) is functionally similar to the NYDFS rule and is intended to establish the standards for data security and for the investigation and notification of data breaches applicable to insurance licensees in states that have adopted the law.

Our privacy and security practices related to personally identifiable information, including information related to consumers and care providers, may also be affected by various state consumer protection laws. Different approaches to state privacy and insurance regulation and varying enforcement philosophies may materially increase our costs associated with standardizing and delivering our products and services across state lines.

Other Regulations. The United States also regulates marketing by telephone and email, and the laws and regulations governing the use of emails and telephone calls for marketing purposes continue to evolve. Further, changes in technology, the marketplace, or consumer preferences may lead to the adoption of additional laws or regulations or changes in interpretation of existing laws or regulations. The Telephone Consumer Protection Act prohibits companies from making telemarketing calls to numbers listed in the Federal Do-Not-Call Registry and imposes other obligations and limitations on making phone calls and sending text messages to consumers. The CAN-SPAM Act regulates commercial email messages and specifies penalties for the transmission of commercial email messages that do not comply with certain requirements, such as providing an opt-out mechanism for stopping future emails from senders. We may be required to comply with these and similar laws, rules and regulations.

See “Risk Factors—Risks Related to Laws and Regulation” for additional information.

Intellectual Property

We rely on a combination of copyright, trademark, and trade secret laws and contractual agreements to establish, maintain and protect our intellectual property rights and technology. We enter into confidentiality and invention assignment agreements with our employees and enter into confidentiality agreements with third parties, including suppliers and other partners. We monitor our intellectual property regularly with the goal of ensuring all applicable registrations are maintained.

Seasonality

Due to the relative size of our Senior segment and the seasonal nature of its operations, a significant amount of our revenue is generated during our second quarter. The seasonality of the Senior segment's operations is driven mainly by AEP, which takes place each year from mid-October to early January. We address this seasonal demand by recruiting additional sales agents, who are hired in our fourth quarter and trained for over 12 weeks before they start selling during AEP in the second quarter. For the years ended June 30, 2023, 2022, and 2021, this timeline resulted in 32%, 25%, and 38%, respectively, of our total consolidated revenue being generated during the second quarter (second quarter fiscal year 2022 was negatively impacted by a significant revenue cohort tail adjustment). Additionally, for our Healthcare Services segment, we see a significant influx of new patient enrollments during the AEP season, which is driven by the increase in sales from our Senior segment.

Corporate Information

We were incorporated in Delaware on August 18, 1999, under the name SelectQuote, Inc. to serve as a holding company for our business subsidiaries, including SelectQuote Insurance Services, our original operating company, which was incorporated in California on August 14, 1984. Our principal executive offices are located at 6800 West 115th Street, Suite 2511, Overland Park, Kansas 66211, and our telephone number at that address is (913) 599-9225.

Available Information

Our website address is www.selectquote.com. Information contained on our website is not incorporated by reference into this Annual Report on Form 10-K, and you should not consider information contained on our website to be part of this Annual Report on Form 10-K or in deciding whether to purchase shares of our common stock. The U.S. Securities and Exchange Commission ("SEC") maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov. Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") are also available free of charge on our investor relations website as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Unless the context otherwise requires, we use the terms “SelectQuote,” the “Company,” “we,” “us” and “our” in this report to refer to SelectQuote, Inc. In addition to historical information, this Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Exchange Act. These forward-looking statements reflect our current views with respect to, among other things, future events and our financial performance. These statements are often, but not always, made through the use of words or phrases such as “may,” “should,” “could,” “predict,” “potential,” “believe,” “will likely result,” “expect,” “continue,” “will,” “anticipate,” “seek,” “estimate,” “intend,” “plan,” “projection,” “would” and “outlook,” or the negative version of those words or other comparable words or phrases of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry, management’s beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements.

There are or will be important factors that could cause our actual results to differ materially from those indicated in these forward-looking statements, including, but not limited to, the following:

- Our reliance on a limited number of insurance carrier partners and any potential termination of those relationships or failure to develop new relationships;
- Existing and future laws and regulations affecting the health insurance market;
- Changes in health insurance products offered by our insurance carrier partners and the health insurance market generally;
- Insurance carriers offering products and services directly to consumers;
- Changes to commissions paid by insurance carriers and underwriting practices;
- Competition from government-run health insurance exchanges and with brokers, exclusively online brokers and carriers who opt to sell policies directly to consumers;
- Developments in the U.S. health insurance system;
- Our dependence on revenue from carriers in our Senior segment and downturns in the senior health as well as life, automotive and home insurance industries;
- Our ability to develop new offerings and penetrate new vertical markets;
- Risks from third-party products;
- Failure to enroll individuals during the Medicare annual enrollment period;
- Our ability to attract, integrate and retain qualified personnel;
- Our dependence on lead providers and ability to compete for leads;
- Failure to obtain and/or convert sales leads to actual sales of insurance policies;
- Access to data from consumers and insurance carriers;

- Accuracy of information provided from and to consumers during the insurance shopping process;
- Cost-effective advertisement through internet search engines;
- Ability to contact consumers and market products by telephone;
- Consumer demand for prescription drugs and our ability to meet such demand;
- Global economic conditions, including inflation;
- Disruption to operations as a result of future acquisitions;
- Significant estimates and assumptions in the preparation of our financial statements;
- Impairment of goodwill;
- Potential litigation and other legal proceedings or inquiries;
- Our existing and future indebtedness;
- Access to additional capital;
- Failure to protect our intellectual property and our brand;
- Fluctuations in our financial results caused by seasonality;
- Accuracy and timeliness of commissions reports from insurance carriers;
- Timing of insurance carriers' approval and payment practices;
- Factors that impact our estimate of the constrained lifetime value of commissions per policyholder;
- Changes in accounting rules, tax legislation and other legislation;
- Disruptions or failures of our technological infrastructure and platform;
- Failure to maintain relationships with third-party service providers;
- Cybersecurity breaches or other attacks involving our systems or those of our insurance carrier partners or third-party service providers;
- Our ability to protect consumer information and other data;
- Failure to market and sell Medicare plans effectively or in compliance with laws;
- Risks related to our being a public company; and
- The other risk factors described under "Risk Factors."

The foregoing factors should not be construed as exhaustive and should be read together with the other cautionary statements included in this Annual Report on Form 10-K. If one or more events related to these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may differ materially from what we anticipate. Many of the important factors that will determine these results are beyond our ability to

control or predict. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made, and, except as otherwise required by law, we do not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. New factors emerge from time to time, and it is not possible for us to predict which will arise. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

ITEM 1A. RISK FACTORS

Certain factors may have a material adverse effect on our business, financial condition, and results of operations. You should carefully consider the risks and uncertainties described below, together with all of the other information included in this Annual Report on Form 10-K, including our financial statements and the related notes, before deciding to invest in our common stock. Our business, financial condition, operating results, cash flow and prospects could be materially and adversely affected by any of these risks or uncertainties. In that case, the trading price of our common stock could decline, and you could lose all or part of your investment. The risks and uncertainties described below represent the material risks known to us, but they are not the only ones we face. Additional risks and uncertainties that we are unaware of or that we currently see as immaterial may also adversely affect our business. Some statements in this Annual Report on Form 10-K, including statements in the following risk factors, constitute forward-looking statements. Please refer to "Cautionary Note Regarding Forward-Looking Statements."

Risk Factor Summary

Risks Related to Our Business and Industry

- We currently depend on a small group of insurance carrier partners for a substantial portion of our business. Our business may be harmed if we lose our relationships with these partners or fail to develop new insurance carrier relationships.
- Changes in the health insurance market or in the variety, quality and affordability of the insurance products offered by our carrier partners could harm our business, operating results, financial condition and prospects.
- Systemic changes in our carrier partners' sales strategies or underwriting practices could reduce the number of, or impact the renewal or approval rates of, insurance policies sold through our distribution platform.
- Insurance carriers can offer products and services directly to consumers or through our competitors.
- Our business is substantially dependent on revenue from our Senior health insurance carrier partners.
- If we are unable to develop new offerings, achieve increased consumer adoption of those offerings or penetrate new vertical markets, our business could be materially and adversely affected.
- Risks from third-party products could adversely affect our businesses.
- If our ability to enroll individuals during AEP and OEP is impeded, our business will be harmed.
- Our business is dependent on our obtaining a large quantity of quality insurance sales leads in a cost-effective manner and our ability to convert sales leads to actual sales of insurance policies.
- If we are unable to maintain or grow the data provided to us by consumers and insurance carrier partners, or if such data is inaccurate, we may be unable to provide consumers with an insurance shopping experience that is relevant, efficient and effective, which could adversely affect our business.

- We depend upon internet search engines to attract a significant portion of the consumers who visit our website, and if we are unable to effectively advertise on search engines on a cost-effective basis our business, operating results, financial condition and prospects could be harmed.
- Our existing and any future indebtedness could adversely affect our ability to operate our business.
- Operating and growing our business may require additional capital, which may not be available to us.
- Seasonality may cause fluctuations in our financial results.
- Our operating results will be impacted by factors that affect our estimate of the constrained lifetime value of commissions per policyholder.

Risks Related to Our Intellectual Property and Our Technology

- If we are unable to adequately protect our intellectual property, our ability to compete could be harmed.
- Our business depends on our ability to maintain and improve the technological infrastructure that supports our distribution platform, and any significant disruption in service on our platform could result in a loss of consumers, which could harm our business, brand, operating results, financial condition, and prospects.
- We rely on third-party service providers that provide the infrastructure for our technological systems, and any failure to maintain these relationships could harm our business.
- Our business could be materially and adversely affected by a cybersecurity breach or other attack involving our computer systems or those of our insurance carrier partners or third-party service providers.
- We collect, process, store, share, disclose and use consumer information and other data, and an actual or perceived failure to protect such information and data or respect users' privacy could damage our reputation and harm our business.

Risks Related to Laws and Regulation

- Laws and regulations regulating insurance activities are complex and could have a material and adverse effect on our business and may reduce our profitability or limit our growth.
- 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 could harm our business, operating results, financial condition and prospects.
- Our pharmacy and healthcare services businesses face additional regulatory and operational risks.
- Our business may be harmed by competition from government-run health insurance exchanges.
- Changes and developments in the regulation of the healthcare industry and the health insurance system and markets could adversely affect our business.

General Risk Factors

- Our quarterly and annual operating results or other operating metrics may fluctuate significantly and may not meet expectations of analysts, which could cause the trading price of our common stock to decline.
- We are required to make significant estimates and assumptions in the preparation of our financial statements. These estimates and assumptions may not be accurate and are subject to change.

Risks Related to Our Business and Industry

Our business may be harmed if we lose our relationships with our insurance carrier partners or fail to develop new insurance carrier relationships.

Our contractual relationships with our insurance carrier partners, including those with whom we have carrier-branded sales arrangements, are typically non-exclusive and terminable on short notice by either party for any reason. Insurance carriers may be unwilling to allow us to sell their insurance products for a variety of reasons, including competitive or regulatory reasons, dissatisfaction with the insureds that we place with them or because they do not want to be associated with our brand. Additionally, in the future, an increasing number of insurance carriers may decide to rely on their own internal distribution channels, including traditional in-house agents and carrier websites, to sell their own products and, in turn, could limit or prohibit us from distributing their products.

If an insurance carrier partner is not satisfied with our services, it could cause us to incur additional costs and impair profitability. Moreover, if we fail to meet our contractual obligations to our insurance carrier partners, we could be subject to legal liability or loss of carrier relationships. In addition, these claims against us may produce publicity that could hurt our reputation and business and adversely affect our ability to retain business or secure new business with other insurance carriers.

We may decide to terminate our relationship with an insurance carrier partner for a number of reasons, and the termination of our relationship with an insurance carrier could reduce the variety of insurance products we distribute. In connection with such a termination, we would lose a source of commissions for future sales and, in a limited number of cases, future commissions for past sales. Our business could also be harmed if in the future we fail to develop new insurance carrier relationships or offer consumers a wide variety of insurance products.

We also may lose the ability to market and sell Medicare plans for our Medicare plan insurance carrier partners. The regulations for selling senior health insurance are complex and can change. If we or our agents violate any of the requirements imposed by the CMS, state laws or regulations, an insurance carrier may terminate our relationship, or CMS may penalize an insurance carrier by suspending or terminating that carrier's ability to market and sell Medicare plans. Because the Medicare products we sell are sourced from a small number of insurance carriers, if we lose the ability to market one of those insurance carriers' Medicare plans, even temporarily, or if one of those insurance carriers loses its Medicare product membership, our business, operating results, financial condition and prospects could be harmed.

We currently depend on a small group of insurance carrier partners for a substantial portion of our business. If we become even more dependent on a limited number of insurance carrier partners, our business and financial condition may be adversely affected.

We derive a large portion of our revenues from a limited number of insurance carrier partners. For example, carriers owned by UHC and Humana accounted for 33% and 20%, respectively, of our total revenue for the year ended June 30, 2023, carriers owned by UHC, Wellcare, and Humana accounted for 18%, 17%, and 12%, respectively, of our total revenue for the year ended June 30, 2022; and carriers owned by UHC, Humana, and Wellcare accounted for 24%, 19%, and 15%, respectively, of our total revenue for the year ended June 30, 2021. Our agreements with our insurance carrier partners to sell policies are typically terminable by our insurance carrier partners without cause upon 30 days' advance notice. Should we become more dependent on even fewer insurance carrier relationships (whether as a result of the termination of insurance carrier relationships, insurance carrier consolidation or otherwise), we may become more vulnerable to adverse changes in our relationships with insurance carriers, particularly in states where we distribute insurance from a relatively smaller number of insurance carrier partners or where a small number of insurance carriers dominates the market, and our business, operating results, financial condition and prospects could be harmed.

Changes in the health insurance market or in the variety, quality and affordability of the insurance products offered by our insurance carrier partners could harm our business, operating results, financial condition and prospects.

The demand for our agency services is impacted by the variety, quality and price of the insurance products we distribute. If insurance carriers do not continue to provide us with a variety of high-quality, affordable insurance products, or if as a result of consolidation in the insurance industry or otherwise their offerings are limited, our sales may decrease and our business, operating results, financial condition and prospects could be harmed.

Our insurance carrier partners could determine to reduce the commissions paid to us and change their underwriting practices in ways that reduce the number of, or impact the renewal or approval rates of, insurance policies sold through our distribution platform, which could harm our business, operating results, financial condition and prospects.

Our commission rates from our insurance carrier partners are either set by each carrier or negotiated between us and each carrier. Our insurance carrier partners have the right to alter these commission rates with relatively short notice and have altered, and may in the future alter, the contractual relationships we have with them, including in certain instances by unilateral amendment of our contracts relating to commissions or otherwise. Changes of this nature could result in reduced commissions or impact our relationship with such carriers. In addition, insurance carriers periodically change the criteria they use for determining whether they are willing to insure individuals. Future changes in insurance carrier underwriting criteria could negatively impact sales of, or the renewal or approval rates of, insurance policies on our distribution platform and could harm our business, operating results, financial condition and prospects.

Insurance carriers can offer products and services directly to consumers or through our competitors.

Because we do not have exclusive relationships with our insurance carrier partners, consumers may obtain quotes for, and purchase, the same insurance policies that we distribute directly from the issuers of those policies, or from our competitors. Insurance carriers can attract consumers directly through their own marketing campaigns or other methods of distribution, such as referral arrangements, internet sites, physical storefront operations or broker agreements. Furthermore, our insurance carrier partners could discontinue distributing their products through our agency services, which would reduce the breadth of the products we distribute and could put us at a competitive disadvantage. If consumers seek insurance policies directly from insurance carriers or through our competitors, the number of consumers shopping for insurance through our platform may decline, and our business, operating results, financial condition and prospects could be materially and adversely affected.

Pressure from existing and new competitors may adversely affect our business and operating results, financial condition and prospects.

Our competitors provide services designed to help consumers shop for insurance. Some of these competitors include:

- companies that operate insurance search websites or websites that provide quote information or the opportunity to purchase insurance products online;
- individual insurance carriers, including through the operation of their own websites, physical storefront operations and broker arrangements;
- traditional insurance agents or brokers; and
- field marketing organizations.

New competitors may enter the market for the distribution of insurance products with competing insurance distribution platforms, which could have an adverse effect on our business, operating results, financial condition and

prospects. Our competitors could significantly impede our ability to maintain or increase the number of policies sold through our distribution platform and may develop and market new technologies that render our platform less competitive or obsolete. In addition, if our competitors develop distribution platforms with similar or superior functionality to ours and we are not able to produce certain volumes for our insurance carrier partners, we may see a reduction in our production bonuses or marketing payments, and our revenue would likely be reduced and our financial results would be adversely affected.

Our business is substantially dependent on revenue from our Senior health insurance carrier partners and is subject to risks related to Senior health insurance and the larger health insurance industry. Our business may also be adversely affected by downturns in the life, automotive and home insurance industries.

A majority of the insurance purchased through our platform and agency services is Senior health insurance, and our financial prospects depend significantly on growing demand in an aging population for the Senior health products we provide. Our overall operating results are substantially dependent upon our success in our Senior segment. For the year ended June 30, 2023, 59% of our total revenue was derived from our Senior segment. For the years ended June 30, 2022 and 2021, 69% and 78%, respectively, of our total revenue was derived from our Senior segment. For the years ended June 30, 2023, 2022, and 2021, our top three insurance carrier partners by total revenue were from the Senior segment. Our success in the Senior health insurance market will depend upon a number of additional factors, including:

- our ability to continue to adapt our distribution platform to market Medicare plans, including the effective modification of our agent-facing tools that facilitate the consumer experience;
- our success in marketing directly to Medicare-eligible individuals and in entering into marketing partner relationships to secure cost-effective leads and referrals for Medicare plan sales;
- our ability to retain partnerships with enough insurance carriers offering Medicare products to maintain our value proposition with consumers;
- our ability to leverage technology in order to sell, and otherwise become more efficient at selling, Medicare-related plans over the telephone;
- reliance on third-party technology vendors like our voice-over IP telephone service providers and our data center and cloud computing partners;
- our ability to comply with numerous, complex and changing laws and regulations and CMS guidelines relating to the marketing and sale of Medicare plans; and
- the effectiveness of our competitors' marketing of Medicare plans.

These factors could prevent our Senior segment from successfully marketing and selling Medicare plans, which would harm our business, operating results, financial condition and prospects. We are also dependent upon the economic success of the life, automotive and home insurance industries. Declines in demand for life, automotive and home insurance could cause fewer consumers to shop for such policies using our distribution platform. Downturns in any of these markets, which could be caused by a downturn in the economy at large, could materially and adversely affect our business, operating results, financial condition and prospects.

Systemic changes in our insurance carrier partners' sales strategies could adversely affect our business.

Our business model relies on our ability to sell policies on behalf of our insurance carrier partners. We believe our insurance carrier partners view our method of acquiring customers as scalable and efficient and, ultimately, as cost advantageous compared to their own direct distribution or proprietary agent models. However, in the event that our insurance carrier partners choose to make systemic changes in the manner in which their policies

are distributed, including by focusing on direct distribution themselves or on distribution channels other than ours, such changes could materially and adversely affect our business, operating results, financial condition and prospects.

If we are unable to develop new offerings, achieve increased consumer adoption of those offerings or penetrate new vertical markets, our business, operating results, financial condition and prospects could be materially and adversely affected.

Our continued improvement of our product and service offerings is critical to our success. Accordingly, we must continually invest resources in product, technology and development in order to improve the comprehensiveness and effectiveness of our distribution platform.

In addition, while we have historically concentrated our efforts on the senior health, life and personal property and casualty insurance markets, our growth strategy includes penetrating additional vertical markets, such as final expense insurance and other insurance or financial service products. In order to penetrate new vertical markets successfully, it will be necessary to develop an understanding of those new markets and the associated risks, which may require substantial investments of time and resources, and even then we may not be successful and, as a result, our revenue may grow at a slower rate than we anticipate, and our operating results, financial condition and prospects could be materially and adversely affected.

Risks from third-party products could adversely affect our businesses.

We offer third-party products, including senior health, life, automotive and home insurance products. Insurance involves a transfer of risk, and our reputation may be harmed, and we may become a target for litigation if risk is not transferred in the way expected by customers and carriers. In addition, if these insurance products do not generate competitive risk-adjusted returns that satisfy our insurance carrier partners, it may be difficult to maintain existing business with, and attract new business from, them. Significant declines in the performance of these third-party products could subject us to reputational damage and litigation risk.

If our ability to enroll individuals during AEP and OEP is impeded, our business will be harmed.

In general, approximately 40% of our Medicare Advantage and Medicare Supplement policies are submitted during AEP. Our agents, systems and processes must handle an increased volume of transactions that occur during AEP and OEP. We hire additional agents during these periods to address this expected increase in transaction volume and temporarily reassign agents from our Senior business to our Life and Auto & Home businesses during non-AEP/OEP periods. We must ensure that our agents are trained and have received all licenses, appointments and certifications required by state authorities and our insurance carrier partners before the beginning of AEP and OEP. If the relevant state authorities or our insurance carrier partners experience shutdowns or business disruptions due to the COVID-19 pandemic or other public health crises, global economic conditions, or any other reason, we may be unable to secure these required licenses, appointments and certifications for our agents in a timely manner, or at all. If technology failures, any inability to timely employ, license, train, certify and retain our employees to sell senior health insurance, interruptions in the operation of our systems, issues with government-run health insurance exchanges, weather-related events that prevent our employees from coming to our offices, or any other circumstances prevent our senior health business from operating as expected during an enrollment period, we could sell fewer policies and suffer a reduction in our business and our operating results, financial condition, prospects and profitability could be materially and adversely affected.

If we are unable to attract, integrate and retain qualified personnel, our ability to develop and successfully grow our business could be harmed.

Our business depends on our ability to retain our key executives and management and to hire, develop and retain qualified agents and enrollment and consumer service specialists. Our ability to expand our business depends on our being able to hire, train and retain sufficient numbers of employees to staff our in-house sales centers, as well as other personnel. In addition, the success of our pharmacy business is dependent on our ability to attract, hire, and retain qualified licensed pharmacists and other pharmacy personnel. Our success in recruiting highly skilled and

qualified personnel can depend on factors outside of our control, including the strength of the general economy and local employment markets and the availability of alternative forms of employment. Furthermore, the ongoing effects of COVID-19 may materially and adversely affect our ability to recruit and retain personnel. During periods when we are unable to recruit high-performing agents and enrollment and consumer service specialists, we tend to experience higher turnover rates. The productivity of our agents and enrollment and consumer service specialists is influenced by their average tenure. Without qualified individuals to serve in consumer-facing roles, we may produce less commission revenue, which could have a material and adverse effect on our business, operating results, financial condition and prospects. If the services of any of our key personnel should become unavailable for any reason, we may not be able to identify and hire qualified persons on terms acceptable to us, which could have a material and adverse effect on our business, operating results, financial condition and prospects.

Our business is dependent on our obtaining a large quantity of quality insurance sales leads in a cost-effective manner.

Our business requires access to a large quantity of quality insurance sales leads to keep our agents productive. We are dependent upon a number of lead suppliers from whom we obtain leads to support our sales of insurance policies. In addition, our pharmacy business is substantially dependent on Senior health insurance sales leads to access and acquire additional pharmacy customers. The loss of one or more of our lead suppliers, or our failure to otherwise compete to secure quality insurance sales leads, could significantly limit our ability to access our target market for selling policies and other products.

We may not be able to compete successfully for high-quality leads against our current or future competitors, some of whom have significantly greater financial, technical, marketing and other resources than we do. If we fail to compete successfully with our competitors to source sales leads from lead suppliers, we may experience increased marketing costs and loss of market share, and our business and profitability could be materially and adversely affected.

Our business depends on our ability to convert sales leads to actual sales of insurance policies. If our conversion rate does not meet expectations, our business may be adversely affected.

Obtaining quality insurance sales leads is important to our business, but our ability to convert our leads to policy sales and sales of other offerings, including our pharmacy services, is also a key to our success. Many factors impact our conversion rate, including the quality of our leads, agents and our proprietary workflow technology. If lead quality diminishes, our conversion rates will be adversely affected. Competition in the marketplace and lead quality affect conversion rates. If competition for customers increases, our conversion rates may decline, even absent a degradation in lead quality. Our conversion rates are also affected by agent tenure. If agent turnover increases, leading to a decline in the average tenure of our agents, conversion rates may be adversely affected. If we are unable to recruit, train and retain talented agents, our ability to successfully convert sales leads may be adversely impacted. Our conversion rates may also be affected by issues with our workflow technology or problems with our algorithms that drive lead scoring and routing. Any adverse impact on our conversion rates could cause a material and adverse effect on our business, operating results, financial condition and prospects.

We rely on data provided to us by consumers and our insurance carrier partners to improve our technology and service offerings, and if we are unable to maintain or grow such data, we may be unable to provide consumers with an insurance shopping experience that is relevant, efficient and effective, which could adversely affect our business.

Our business relies on the data provided to us by consumers and our insurance carrier partners in addition to third-party lead suppliers. The large amount of information we use in operating our platform is critical to the insurance shopping experience we provide for consumers. If we are unable to maintain or effectively utilize the data provided to us, the value that we provide to consumers and our insurance carrier partners may be limited. In addition, the quality, accuracy and timeliness of this information may suffer, which may lead to a negative insurance shopping experience for consumers using our platform and could materially and adversely affect our business, operating results, financial condition and prospects.

We have made substantial investments into our technology systems that support our business with the goal of enabling us to provide efficient, needs-based services to consumers using data analytics. There can be no assurance that we will be able to continually collect and retain sufficient data, or improve our data technologies to satisfy our operating needs. Failure to do so could materially and adversely affect our business, operating results, financial condition and prospects.

Our ability to match consumers to insurance products that suit their needs is dependent upon their provision of accurate information during the insurance shopping process.

Our business depends on consumers' provision of accurate information during the insurance shopping process. To the extent consumers provide us with inaccurate information, the quality of their insurance shopping experience may suffer, and we may be unable to match them with insurance products that suit their needs. Our inability to suggest suitable insurance products to consumers could lead to an increase in the number of policies we submit to carriers that are ultimately rejected and could materially and adversely affect our business, operating results, financial condition and prospects.

We depend upon internet search engines to attract a significant portion of the consumers who visit our website, and if we are unable to effectively advertise on search engines on a cost-effective basis our business, operating results, financial condition and prospects could be harmed.

We derive a significant portion of our website traffic from consumers who search for insurance through internet search engines, such as Google, Yahoo! and Bing. A critical factor in attracting consumers to our website is whether we are prominently displayed in response to certain internet searches. Search engines typically provide two types of search results, algorithmic listings and paid advertisements. We rely on both to attract consumers to our websites.

Algorithmic search result listings are determined and displayed in accordance with a set of formulas or algorithms developed by the particular internet search engine. Once a search is initiated by a consumer, the algorithms determine the hierarchy of results. Search engines may revise these algorithms from time to time, which could cause our website to be listed less prominently in algorithmic search results and lead to decreased traffic to our website. We may also be listed less prominently as a result of other factors, such as new websites, changes we make to our website or technical issues with the search engine itself. Government health insurance exchange websites have historically appeared prominently in algorithmic search results. In addition, search engines have deemed the practices of some companies to be inconsistent with search engine guidelines and decided not to list their website in search result listings at all. If we are listed less prominently in, or removed altogether from, search result listings for any reason, the traffic to our websites would decline and we may not be able to replace this traffic. An attempt to replace this traffic may require us to increase our marketing expenditures, which would also increase our cost of customer acquisition and harm our business, operating results, financial condition and prospects.

In addition to relying on algorithmic search results, we also purchase paid advertisements on search engines in order to attract consumers to our website. We typically pay a search engine for prominent placement of our website when particular terms are searched for on the search engine, without regard to the algorithmic search result listings. The prominence of the placement of our advertisement is determined by multiple factors, including the amount paid for the advertisement and the search engine's algorithms that determine the relevance of paid advertisements to a particular search term. If the search engine revises its algorithms relevant to paid advertisements then websites other than our platform may become better suited for the algorithms, which may result in our having to pay increased costs to maintain our paid advertisement placement in response to a particular search term. We could also have to pay increased amounts should major search engines continue to become more concentrated. Additionally, we bid against our competitors, insurance carriers, government health insurance exchanges and others for the display of these paid search engine advertisements, which competition increases substantially during the enrollment periods for Medicare products as it relates to our Senior segment. The competition has increased the cost of paid advertising and has increased our marketing and advertising expenses. If paid search advertising costs increase or become cost prohibitive, whether as a result of competition, algorithm changes or otherwise, our

advertising expenses could materially increase or we could reduce or discontinue our paid search advertisements, either of which would harm our business, operating results, financial condition and prospects.

Our business could be harmed if we are unable to contact consumers or market the availability of our products by telephone.

Telephone calls from our sales centers may be blocked by or subject to consumer warnings from telephone carriers. Furthermore, our telephone messages to existing or potential customers may not be reliably received due to those consumers' call-screening practices. If we are unable to communicate effectively by telephone with our existing and potential customers as a result of legislation, blockage, screening technologies or otherwise, our business, operating results, financial condition and prospects could be harmed. We are also subject to compliance with significant regulations that may affect how we are able to communicate with consumers. See "—Our communications with potential and existing customers are subject to laws regulating telephone and email marketing practices" in this section.

Global economic conditions that affect the financial stability of our insurance carrier partners, vendors, and consumers could, in turn, materially and adversely affect our revenue and results of operations.

We are also exposed to risks associated with the potential financial instability of our insurance carrier partners and consumers, many of whom may be adversely affected by volatile conditions in the financial markets or an economic slowdown. As a result of uncertainties with respect to financial institutions and the global credit markets and other macroeconomic challenges, including inflation, currently or potentially affecting the economy of the U.S. and other parts of the world consumers may experience serious cash flow problems and other financial difficulties, decreasing demand for the products of our insurance carrier partners. In addition, events in the U.S. or foreign markets, such as the U.K.'s exit from the European Union, and political and social unrest in various countries around the world, can impact the global economy and capital markets. Our insurance carrier partners may modify, delay, or cancel plans to offer new products or may make changes in the mix of products purchased that are unfavorable to us. Additionally, if our insurance carrier partners are not successful in generating sufficient revenue or are precluded from securing financing, their businesses will suffer, which may materially and adversely affect our business, operating results, financial condition and prospects.

In addition, we are susceptible to risks associated with the potential financial instability of the vendors on which we rely to provide services or to whom we delegate certain functions. The same conditions that may affect consumers also could adversely affect our vendors, causing them to significantly and quickly increase their prices or reduce their output. Our business depends on our ability to perform, in an efficient and uninterrupted fashion, our necessary business functions, and any interruption in the services provided by third parties could also adversely affect our business, operating results and financial condition.

If we are unable to attract new pharmacy customers and retain and grow our relationships with existing pharmacy customers, our business, results of operations, financial condition, and future prospects may be materially and adversely affected.

The success of our pharmacy business is reliant on our ability to grow the number of pharmacy customers we serve. Our pharmacy services are offered only to certain Medicare Advantage patients managing multiple chronic conditions, and our ability to attract new pharmacy customers may be limited by the number of patients who meet these medical and demographic criteria. Further, we have faced and may continue to face certain challenges in completing the onboarding process for some patients, including delays in obtaining patients' prescriptions from their healthcare providers or transferring prescriptions from their previous pharmacies. If we are unable to overcome these hurdles in a cost-effective and timely manner, our ability to increase our number of customers and scale our pharmacy business may be harmed.

In addition, our ability to attract and retain pharmacy customers is dependent on several factors, including our brand and reputation, our technology, the products and services offered by our competitors, and our customer experience and satisfaction, which is informed by, among other factors, the reliability of our services, including the

accuracy and timely delivery of our prescription boxes; our customer service; and our flexibility in responding to patients' changing needs and preferences. If we fail to maintain and deepen our relationships with existing pharmacy customers, or if we are unable to attract new customers to our pharmacy business, our pharmacy revenues and margins may suffer, and our results of operations, cash flows, and financial condition could be materially and adversely affected.

We face risks relating to the availability, pricing and safety profiles of prescription drugs that we purchase and sell.

Our pharmacy business is dependent on our customers' use of prescription drugs to treat or address symptoms of chronic medical conditions. Our revenues, operating results, and cash flows may be negatively affected if consumers' use of prescription drugs is reduced, including due to:

- increased safety profiles or regulatory restrictions;
- a reduction in drug manufacturers' participation in federal programs;
- certain products being withdrawn from the market by their manufacturers or transitioned to over-the-counter products;
- future FDA rulings restricting the supply or increasing the cost of products; or
- inflation in the price of drugs.

Our pharmacy business is also subject to risks relating to manufacturing and supply issues. The success of our pharmacy business depends on our ability to reliably source prescription drugs in a timely and cost-effective manner. Manufacturing and supply chain disruptions, failure to maintain relationships with existing suppliers, or inability to secure new supplier arrangements on satisfactory terms could undermine customer confidence, erode customer loyalty, and have a significant adverse effect on our operating results.

We may acquire other companies or technologies, which could divert our management's attention, result in additional dilution to our stockholders and otherwise disrupt our operations and harm our operating results, financial condition and prospects.

We may determine to grow our business through the acquisition of complementary businesses and technologies rather than through internal development. The identification of suitable acquisition candidates can be difficult, time-consuming and costly, and we may not be able to successfully complete identified acquisitions or the acquisitions may cause diversion of management time and focus away from operating our business. Following any acquisition, we may face difficulty integrating technology, finance and accounting, research and development, human resources, consumer information, and sales and marketing functions; challenges retaining acquired employees; future write-offs of intangibles or other assets; and potential litigation, claims or other known and unknown liabilities.

Depending on the condition of any company or technology we may acquire, that acquisition may, at least in the near term, adversely affect our financial condition and operating results and, if not successfully integrated with our organization, may continue to have such effects over a longer period. We may not realize the anticipated benefits of any acquisitions and we may not be successful in overcoming these risks or any other problems encountered in connection with potential acquisitions. Our inability to overcome these risks could have an adverse effect on our profitability, return on equity and return on assets, our ability to implement our business strategy and enhance stockholder value, which, in turn, could have a material and adverse effect on our business, operating results, financial condition and prospects.

Future acquisitions also could result in dilutive issuances of our equity securities and the incurrence of debt, which could harm our financial condition.

Impairment of the carrying value of our goodwill or other intangible assets could adversely affect our financial condition and results of operations.

As a result of past acquisitions, we carry goodwill and other acquired intangible assets on our balance sheet. The Company allocates the fair value of purchase consideration to the tangible assets, liabilities, and intangible assets acquired in an acquisition based on their fair values, and 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 significant estimates and assumptions provided by management.

We test goodwill for impairment annually as of April 1, and we test goodwill and intangible assets for impairment at other times if events have occurred or circumstances exist that indicate the carrying value may no longer be recoverable. A significant amount of judgment is involved in determining if an indication of impairment exists. Factors may include, among others: a significant decline in our expected future cash flows; a sustained, significant decline in our stock price and market capitalization; a significant adverse change in legal factors or in the business climate; unanticipated competition; the testing for recoverability of a significant asset group within a reporting unit; and slower growth rates.

During the year ended June 30, 2023, we recorded impairment charges of \$15.6 million related to our intangible assets. No goodwill impairment charges were recorded during the year ended June 30, 2023. If actual results differ from the assumptions and estimates used in our goodwill and intangible asset calculations, we could incur future impairment or amortization charges. Further, we may incur additional goodwill or other impairment charges in the future associated with other acquisitions, and we cannot accurately predict the amount and timing of any impairments of these or other assets. Should the value of goodwill or other intangible assets become impaired, there could be an adverse effect on our financial condition and results of operations. For further information about the impairments we recorded during our most recently completed fiscal year, please refer to “Notes to Consolidated Financial Statements” under Item 8 below.

Our existing and any future indebtedness could adversely affect our ability to operate our business.

We are subject to various obligations and covenants under the Senior Secured Credit Facility, as described further herein in Note 10 to the consolidated financial statements. Our indebtedness could have important consequences, including:

- requiring us to dedicate a substantial portion of our cash flow to payments on our indebtedness, which would reduce the amount of cash flow available to fund working capital, capital expenditures or other corporate purposes;
- increasing our vulnerability to general adverse economic, industry and market conditions;
- restricting or reducing our ability to take certain corporate actions or obtain further debt or equity financing;
- limiting our ability to plan for and respond to business opportunities or changes in our business or industry; and
- placing us at a competitive disadvantage compared to our competitors that have less debt or better debt servicing options.

In addition, our indebtedness under the Senior Secured Credit Facility bears interest at a variable rate, making us vulnerable to increases in the market rate of interest. If the market rate of interest increases substantially, we will have to pay additional interest on this indebtedness, which would reduce cash available for our other business needs. From time to time, we may enter into, and have entered into, interest rate swaps that involve the exchange of floating for fixed-rate interest payments in order to reduce interest rate volatility. However, we may not maintain interest rate swaps with respect to all or any of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk.

Further, we are required under the Senior Secured Credit Facility to maintain compliance with certain debt covenants, as discussed further below in Note 10 to the consolidated financial statements. Based on our financial

projections, we believe we will remain in compliance with the debt covenants included in the Senior Secured Credit Facility through the 12 months following the date of issuance of our consolidated financial statements. Our future compliance with these covenants is dependent on our ability to restructure our existing debt or secure additional financing from other sources. Failure to maintain compliance with these covenants or make payments under the Senior Secured Credit Facility could result in an event of default. If an event of default occurs and the lenders accelerate the amounts due on the Senior Secured Credit Facility, we may need to seek additional financing, which may not be available on acceptable terms, in a timely manner, or at all. In such event, we may not be able to make accelerated payments, and the lenders could seek to enforce security interests in the collateral securing such indebtedness, which includes substantially all of our assets.

Operating and growing our business may require additional capital, and if capital is not available to us, our business, operating results, financial condition and prospects may suffer.

Operating and growing our business is expected to require further investments in our technology and operations. We may be presented with opportunities that we want to pursue, and unforeseen challenges may present themselves, any of which could cause us to require additional capital. Our business model does not require us to hold a significant amount of cash and cash equivalents at any given time, and if our cash needs exceed our expectations or we experience rapid growth, we could experience strain in our cash flow, which could adversely affect our operations in the event we were unable to obtain other sources of liquidity. If we seek to raise funds through equity or debt financing, those funds may prove to be unavailable, may only be available on terms that are not acceptable to us or may result in significant dilution to our stockholders or higher levels of leverage. If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, our ability to continue to pursue our business objectives and to respond to business opportunities, challenges or unforeseen circumstances could be significantly limited, and our business, operating results, financial condition and prospects could be materially and adversely affected.

If we fail to protect our brand, our ability to expand the use of our agency services by consumers may be adversely affected.

Maintaining strong brand recognition and a reputation for delivering value to consumers is important to our business. A failure by us to protect our brand and deliver on these expectations could harm our reputation and damage our ability to attract and retain customers, which could adversely affect our business. In addition, many of our competitors have more resources than we do and can spend more advertising their brands and services. Accordingly, we could be forced to incur greater expense marketing our brand in the future to preserve our position in the market and, even with such greater expense, may not be successful in doing so. Furthermore, complaints or negative publicity about our business practices, legal compliance, marketing and advertising campaigns, data privacy and security issues and other aspects of our business, whether valid or not, could damage our reputation and brand. If we are unable to maintain or enhance consumer awareness of our brand cost-effectively, our business, operating results, financial condition and prospects could be materially and adversely affected.

Seasonality may cause fluctuations in our financial results.

As a result of AEP occurring from October 15th to December 7th and OEP occurring from January 1st to March 31st, we experience an increase in the number of submitted Medicare-related applications during the second and third quarters of the fiscal year and an increase in Medicare plan related expense during the first and second quarters of the fiscal year. Accordingly, our financial results are not comparable from quarter to quarter. In addition, changes to the timing of the Medicare annual or open enrollment periods could result in changes in the cyclical nature of consumer demand for Medicare products, to which our Senior segment may not be able to adapt. If our Senior segment cannot successfully respond to changes in the seasonality of the Medicare business, our business, operating results, financial condition and prospects could be harmed.

We rely on our insurance carrier partners to prepare accurate commission reports and send them to us in a timely manner.

Our insurance carrier partners typically pay us a specified percentage of the premium amount collected by the carrier or a flat rate per policy during the period that a customer maintains coverage under a policy. We rely on carriers to report the amount of commissions we earn accurately and on time. We use carriers' commission reports to calculate our revenue, prepare our financial reports, projections and budgets and direct our marketing and other operating efforts. It is often difficult for us to independently determine whether or not carriers are reporting all commissions due to us, primarily because the majority of the purchasers of our insurance products who terminate their policies do so by discontinuing their premium payments to the carrier instead of by informing us of the cancellation. To the extent that carriers inaccurately or belatedly report the amount of commissions due to us, we may not be able to collect and recognize revenue to which we are entitled, which would harm our business, operating results, financial condition and prospects. In addition, the technological connections of our systems with the carriers' systems that provide us up-to-date information about coverage and commissions could fail or carriers could cease providing us with access to this information, which could impede our ability to compile our operating results in a timely manner.

Our operating results fluctuate depending upon insurance carrier payment and policy approval practices and the timing of our receipt of commission reports from our insurance carrier partners.

The timing of our revenue depends upon the timing of our insurance carrier partners' approval of the policies sold on our platform and submitted for their review, as well as the timing of our receipt of commission reports and associated payments from our insurance carrier partners. Although carriers typically report and pay commissions to us on a monthly basis, there have been instances where their report of commissions and payment has been delayed for several months or is incorrect. Incorrect or late commission reports or payments could result in a large amount of commission revenue from a carrier being recorded in a given quarter that is not indicative of the amount of revenue we may receive from that carrier in subsequent quarters, causing fluctuations in our operating results. We could report revenue below the expectations of our investors or securities analysts in any particular period if a material report or payment from an insurance carrier partner were delayed for any reason. Furthermore, we could incur substantial credit losses if one or more of the insurance carrier partners that we depend upon for payment of commissions were to fail.

Our operating results will be impacted by factors that impact our estimate of the lifetime value of commissions per policyholder.

We recognize revenue based on the expected value approach. This approach utilizes a number of assumptions, which include, but are not limited to, legal and enforceable rights to renewal commissions upon contract termination when determining variable consideration, renewal commission rates, historical lapse data, and premium increase data. These assumptions are based on historical trends and any changes in those historical trends will affect our estimated lifetime value estimates in future periods and therefore could adversely affect our revenue and financial results in those future periods. As a result, adverse changes in the assumptions we make in computing expected values, such as increased lapse rates, would harm our business, operating results, financial condition and prospects.

In particular, if customer lapse rates exceed our expectations, we may not receive the revenues we have projected to receive over time, despite our having incurred and recorded any related customer acquisition costs up front. Any adverse impact on customer lapse rates could lead to our receipt of commission payments that are less than the amount we estimated when we recognized commission revenue. Under such circumstances, we would need to record an adjustment to earnings to reverse the revenue previously recognized and write-off the remaining commissions receivable balance.

Risks Related to Our Intellectual Property and Our Technology

If we are unable to adequately protect our intellectual property, our ability to compete could be harmed.

We do not currently have any patents or patent applications pending to protect our intellectual property rights, but we do hold trademarks on our name, "SelectQuote," and on the phrase "We Shop. You Save." We rely on

a combination of copyright, trademark, and trade secret laws and contractual agreements, as well as our internal system access security protocols, to establish, maintain and protect our intellectual property rights and technology. Despite efforts to protect our intellectual property, these laws, agreements and systems may not be sufficient to effectively prevent unauthorized disclosure or unauthorized use of our trade secrets or other confidential information or to prevent third parties from misappropriating our technology and offering similar or superior functionality. For example, monitoring and protecting our intellectual property rights can be challenging and costly, and we may not be effective in policing or prosecuting such unauthorized use or disclosure.

We also may fail to maintain or be unable to obtain adequate protections for certain of our intellectual property in the U.S. or certain foreign countries, and our intellectual property rights may not receive the same degree of protection in foreign countries as they would in the U.S. because of the differences in foreign trademark, copyright, and other laws concerning proprietary rights. Furthermore, legal standards relating to the validity, enforceability, and scope of protection of intellectual property rights are uncertain. In addition, our competitors may attempt to copy unprotected aspects of our product design or independently develop similar technology or design around our intellectual property rights. Third parties also may take actions that diminish the value of our proprietary rights or our reputation or cause consumer confusion through the use of similar service names or domain names. Litigation regarding any intellectual property disputes may be costly and disruptive to us. Any of these results would harm our business, operating results, financial condition and prospects.

Additionally, we enter into confidentiality and invention assignment agreements with our employees and enter into confidentiality agreements with third parties, including suppliers and other partners. However, we cannot guarantee that we have entered into such agreements with each party that has or may have had access to our proprietary information, know-how and trade secrets. Moreover, no assurance can be given that these agreements will be effective in controlling access to, distribution, use, misuse, misappropriation, reverse engineering or disclosure of our proprietary information, know-how and trade secrets. Further, these agreements may not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our products and platform capabilities. These agreements may be breached, and we may not have adequate remedies for any such breach.

We may become subject to intellectual property disputes, which are costly and may subject us to significant liability and increased costs of doing business.

Third parties may be able to successfully challenge, oppose, invalidate, render unenforceable, dilute, misappropriate or circumvent our trademarks, copyrights and other intellectual property rights. Our success depends, in part, on our ability to develop and commercialize our products and services without infringing, misappropriating or otherwise violating the intellectual property rights of third parties. However, we may not be aware that our products or services are infringing, misappropriating or otherwise violating third-party intellectual property rights and such third parties may bring claims alleging such infringement, misappropriation or violation.

Actions we may take to enforce our intellectual property rights may be expensive and divert management's attention away from the ordinary operation of our business, and our inability to secure and protect our intellectual property rights could materially and adversely affect our brand and business, operating results, financial condition and prospects. Furthermore, such enforcement actions, even if successful, may not result in an adequate remedy. In addition, many companies have the capability to dedicate greater resources to enforce their intellectual property rights and to defend claims that may be brought against them. If a third party is able to obtain an injunction preventing us from accessing such third-party intellectual property rights, or if we cannot license or develop alternative technology for any infringing aspect of our business, we would be forced to limit or stop sales of our products and platform capabilities or cease business activities related to such intellectual property.

Although we carry general liability insurance, our insurance may not cover potential claims of this type or may not be adequate to indemnify us for all liability that may be imposed. We cannot predict the outcome of lawsuits and cannot ensure that the results of any such actions will not have an adverse effect on our business, financial condition or results of operations. Such claims could subject us to significant liability for damages and could result in our having to stop using technology found to be in violation of a third party's rights. Further, we

might be required to seek a license for third-party intellectual property, which may not be available on reasonable royalty or other terms. Alternatively, we could be required to develop alternative non-infringing technology, which could require significant effort and expense. If we cannot license or develop technology for any infringing aspect of our business, we would be forced to limit our services, which could affect our ability to compete effectively. Any of these results would harm our business, operating results, financial condition and prospects.

Our business depends on our ability to maintain and improve the technological infrastructure that supports our distribution platform, and any significant disruption in service on our platform could result in a loss of consumers, which could harm our business, brand, operating results, financial condition and prospects.

Our ability to service consumers depends on the reliable performance of our technological infrastructure. Interruptions, delays or failures in these systems, whether due to adverse weather conditions, natural disasters, power loss, computer viruses, cybersecurity attacks, physical break-ins, terrorism, errors in our software or otherwise, could be prolonged and could affect the security or availability of our platform, and the ability of our agents to sell policies and our consumer care team to service those policies. The reliability and security of our systems, and those of our insurance carrier partners, is important not only to facilitating our sale of insurance products, but also to maintaining our reputation and ensuring the proper protection of our confidential and proprietary information. If we experience operational failures or prolonged disruptions or delays in the availability of our systems, we could lose current and potential customers, which could harm our operating results, financial condition and prospects.

Potential changes in applicable technology and consumer outreach techniques could have a material and adverse effect on our operating results, financial condition and prospects.

Changes in technology and consumer outreach techniques continue to shape the insurance distribution landscape. In recent years, consumers' behavior patterns, in particular their propensity to use online sources for research, product comparison and guidance, has changed and continues to change. Similarly, available technologies for reaching targeted groups of consumers also continues to evolve. We expect that we will incur costs in the future to adjust our systems to adapt to changing behaviors and technologies. In the future, technological innovations and changes in the way consumers engage with technology may materially and adversely affect our operating results, financial condition and prospects, if our business model and technological infrastructure do not evolve accordingly.

We rely on third-party service providers that provide the infrastructure for our technological systems, and any failure to maintain these relationships could harm our business.

Information technology systems form a key part of our business and accordingly we are dependent on our relationships with third parties that provide the infrastructure for our technological systems. If these third parties experience difficulty providing the services we require or meeting our standards for those services, or experience disruptions or financial distress or cease operations temporarily or permanently, it could make it difficult for us to operate some aspects of our business. In addition, such events could cause us to experience increased costs and delay our ability to provide services to consumers until we have found alternative sources of the services provided by these third parties. If we are unsuccessful in identifying high-quality partners, if we fail to negotiate cost-effective relationships with them or if we ineffectively manage these relationships, it could materially and adversely affect our business, operating results, financial condition and prospects.

Our business could be materially and adversely affected by a cybersecurity breach or other attack involving our computer systems or those of our insurance carrier partners or third-party service providers.

Our systems and those of our insurance carrier partners and third-party service providers could be vulnerable to hardware and cybersecurity issues. Our operations are dependent upon our ability to protect our computer equipment against damage from fire, power loss, telecommunications failure or a similar catastrophic event. We could also experience a breach by intentional or negligent conduct on the part of employees or other internal sources. Any damage or failure that causes an interruption in our operations could have an adverse effect on our business, operating results, financial condition and prospects. In addition, our operations are dependent upon our

ability to protect the computer systems and network infrastructure utilized by us against damage from cybersecurity attacks by sophisticated third parties with substantial computing resources and capabilities and other disruptive problems caused by the internet or other users. Such disruptions would jeopardize the security of information stored in and transmitted through our computer systems and network infrastructure, which may result in significant liability and damage our reputation.

It is difficult or impossible to defend against every risk being posed by changing technologies as well as criminals' intent on committing cyber-crime and these measures may not be successful in preventing, detecting, or stopping attacks. The increasing sophistication and resources of cyber criminals and other non-state threat actors and increased actions by nation-state actors make keeping up with new threats difficult and could result in a breach of security. Controls employed by our information technology department and our insurance carrier partners and third-party service providers, including cloud vendors, could prove inadequate. A breach of our security that results in unauthorized access to our data could expose us to a disruption or challenges relating to our daily operations, as well as to data loss, litigation, damages, fines and penalties, significant increases in compliance costs and reputational damage, any of which could have a material and adverse effect on our business, operating results, financial condition and prospects.

To the extent we or our systems rely on our insurance carrier partners or third-party service providers, through either a connection to, or an integration with, those third-parties' systems, the risk of cybersecurity attacks and loss, corruption, or unauthorized publication of our information or the confidential information of consumers and employees may increase. Third-party risks may include lax security measures, data location uncertainty, and the possibility of data storage in inappropriate jurisdictions where laws or security measures may be inadequate.

Any or all of the issues above could adversely affect our ability to attract new customers and continue our relationship with existing customers, cause our insurance carrier partners to cancel their contracts with us or subject us to governmental or third-party lawsuits, investigations, regulatory fines or other actions or liability, thereby harming our business, operating results, financial condition and prospects. Although we are not aware of any material information security breaches to date, we have detected common types of attempts to attack our information systems and data.

We collect, process, store, share, disclose and use consumer information and other data, and an actual or perceived failure to protect such information and data or respect users' privacy could damage our reputation and brand and harm our business, operating results, financial condition and prospects.

The operation of our distribution platform involves the collection and storage of consumers' information, including personal information, and security breaches could expose us to a risk of loss or exposure of this information, which could result in potential liability, investigations, regulatory fines, litigation and remediation costs, as well as reputational harm, all of which could materially and adversely affect our business, operating results, financial condition and prospects. For example, unauthorized parties could steal our potential customers' names, email addresses, physical addresses, phone numbers and other information, including sensitive personal information and credit card payment information, which we collect when providing agency services.

We receive credit and debit card payment information and related data, which we input directly into our insurance carrier portal and in some cases, submit through a third party. With respect to the Life segment, for a few of our insurance carrier partners, we retain limited card payment information and related data, which is encrypted in compliance with Payment Card Industry standards, for a period of 90 days prior to being erased from our systems.

Any failure or perceived failure by us to comply with our privacy policies, our privacy-related obligations to consumers or other third parties, or our privacy-related legal obligations, or any compromise of security that results in the unauthorized release or transfer of sensitive information, which could include personally identifiable information or other user data, may result in governmental investigations, enforcement actions, regulatory fines, litigation and public statements against us by consumer advocacy groups or others, and could cause consumers and insurance carriers to lose trust in us, all of which could be costly and have an adverse effect on our business. Regulatory agencies or business partners may institute more stringent data protection requirements or certifications

than those which we are currently subject to and, if we cannot comply with those standards in a timely manner, we may lose the ability to sell a carrier's products or process transactions containing payment information. Moreover, if third parties that we work with violate applicable laws or our policies, such violations also may put consumer or insurance carrier partner information at risk and could in turn harm our reputation, business, operating results, financial condition and prospects.

Risks Related to Laws and Regulation

Laws and regulations regulating insurance activities are complex and could have a material and adverse effect on our business, reduce our profitability, and potentially limit our growth.

The insurance industry in the United States is heavily regulated. The insurance regulatory framework addresses, among other things: granting licenses to companies and agents to transact particular business activities; and regulating trade, marketing, compensation and claims practices. For example, we are required by state regulators to maintain a valid license in each state in which we transact insurance business and comply with business practice requirements that vary from state to state. In addition, our agents who transact insurance business must also maintain valid licenses. Complying with the regulatory framework requires a meaningful dedication of management and financial resources. Due to the complexity, periodic modification and differing interpretations of insurance laws and regulations, we may not have always been, and we may not always be, in full compliance with them. There can be no assurance that we, our employees, consultants, contractors and other agents are in full compliance with current and/or future laws and regulations or interpretations. Any such non-compliance could impose material costs on us, result in limitations on the business we conduct or damage our relationship with regulatory bodies, our insurance carrier partners and consumers, any of which could have a material and adverse effect on our business, operating results, financial condition and prospects.

Regulatory authorities often have the discretion to grant, renew and revoke the various licenses and approvals we need to conduct our activities. Such authorities may require us to incur substantial costs in order to comply with such laws and regulations. Furthermore, laws and regulations are also subject to interpretation by regulatory authorities, and changes in any such interpretations may adversely impact our business and our ability to carry on our existing activities.

Furthermore, the laws and regulations governing the sale of insurance may change in ways that adversely impact our business. These changes could impact the manner in which we are permitted to conduct our business, could force us to reduce the compensation we receive or otherwise adversely impact our business, operating results, financial condition and prospects.

In addition, we are subject to laws and regulations with respect to matters regarding privacy and cybersecurity. See “—We collect, process, store, share, disclose and use consumer information and other data, and an actual or perceived failure to protect such information and data or respect users' privacy could damage our reputation and brand and harm our business, operating results, financial condition and prospects” and “—We may not be able to maintain compliance with all current and potentially applicable U.S. federal and state or foreign laws and regulations, and actions by regulatory authorities or changes in legislation and regulation in the jurisdictions in which we operate could have a material adverse effect on our business” in this section.

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.

Our business may be harmed by competition from government-run health insurance exchanges.

Our Senior segment competes with government-run health insurance exchanges with respect to our sale of Medicare-related health insurance. Potential and existing customers can shop for and purchase Medicare Advantage and Medicare Part D Prescription Drug plans through a website operated by the federal government and can also obtain plan selection assistance from the federal government in connection with their purchase of a Medicare Advantage and Medicare Part D Prescription Drug plan. Competition from government-run health insurance exchanges could increase our marketing costs, reduce our revenue and could otherwise harm our business, operating results, financial condition and prospects.

Changes and developments in the regulation of the healthcare industry could adversely affect our business.

The U.S. healthcare industry is subject to an evolving regulatory regime at both the federal and state levels. In recent years, there have been multiple reform efforts made within the healthcare industry in an effort to curtail healthcare costs. For example, the Patient Protection and Affordable Care Act of 2010 and related regulatory reforms have materially changed the regulation of health insurance. Changes to healthcare and insurance regulation arising from the effects of the COVID-19 pandemic may be possible. While it is difficult to determine the impact of potential reforms on our future business, it is possible that such changes in healthcare industry regulation could result in reduced demand for our insurance distribution services. Our insurance carrier partners may react to existing or future reforms, or general regulatory uncertainty, by reducing their reliance on our agents. Developments of this type could materially and adversely affect our business, operating results, financial condition and prospects.

Changes and developments in the health insurance system and laws and regulations governing the health insurance markets in the United States could materially and adversely affect our business, operating results, financial condition and prospects.

Our Senior segment depends upon the private sector of the U.S. insurance system, which is subject to rapidly evolving regulation. Accordingly, the future financial performance of our Senior segment will depend in part on our ability to adapt to regulatory developments. For example, healthcare reform could lead to increased competition in our industry, and the number of consumers shopping for insurance through our agents may decline. Various aspects of healthcare reform could also cause insurance carriers to discontinue certain health insurance products or prohibit us from distributing certain health insurance products in particular jurisdictions. Our Senior segment, operating results, financial condition and prospects may be materially and adversely affected if we are unable to adapt to developments in healthcare reform in the United States.

Healthcare laws and regulations are rapidly evolving and may change significantly in the future, impacting the coverage and plan designs that are or will be provided by certain insurance carriers. Health reform efforts and measures may expand the role of government-sponsored coverage, including single payer or so called “Medicare-for-All” proposals, which could have far-reaching implications for the insurance industry if enacted. Government regulation may change in response to the COVID-19 pandemic, which may have an adverse effect on our business. We are unable to predict the full impact of healthcare reform initiatives on our operations in light of the uncertainty regarding the terms and timing of any provisions enacted and the impact of any of those provisions on various

healthcare and insurance industry participants. In particular, because our DTC platform provides consumers with a venue to shop for insurance policies from a curated panel of the nation's leading insurance carriers, the expansion of government-sponsored coverage through "Medicare-for-All" or the implementation of a single-payer system may adversely impact our business.

Our business may be harmed if our website and marketing materials are not timely approved or do not comply with legal requirements.

Our insurance carrier partners whose Medicare plans we sell approve our website, much of our marketing material and our call scripts for our Senior segment. In the event that CMS or an insurance carrier partner requires changes to, disapproves, or delays approval of these materials, we could lose a significant source of Medicare plan demand and the operations of our Senior segment could be adversely affected. If we are not successful in timely receiving insurance carrier partner or CMS approval of our marketing materials, we could be prevented from implementing our Medicare marketing initiatives, which could harm our business, operating results, financial condition and prospects, particularly if such delay or non-compliance occurs during AEP or OEP. The CMS rules and regulations also apply to our marketing partners' marketing materials. If our marketing partners' marketing materials do not comply with the CMS marketing guidelines or other Medicare program related laws, rules and regulations, such non-compliance could result in our losing the ability to receive referrals of individuals interested in purchasing Medicare plans from that marketing partner or being delayed in doing so.

If our Senior segment substantively changes its marketing materials or call scripts, our insurance carrier partners may be required to re-file those materials with CMS. Due to our inability to make CMS filings ourselves and the need for further CMS review, it is very difficult and time consuming for us to make changes to our marketing materials, and our inability to timely make changes to these materials, whether to comply with new rules and regulations or otherwise, could adversely affect the results of operations for our Senior segment. In addition, we may be prevented from using any marketing material until any changes required by CMS or our insurance carrier partners are made and approved, which would harm our business, operating results, financial condition and prospects, particularly if such delay occurred during AEP or OEP.

Our healthcare services operations, including our pharmacy business, face regulatory and operational risks and uncertainties that differ from the risks of our other businesses.

In addition to the pharmacy services provided through SelectRx, we also provide various healthcare services through Population Health. Each business is subject to federal and state anti-kickback, beneficiary inducement and other laws governing the relationships of the business with pharmaceutical manufacturers, physicians and other healthcare providers, pharmacies, customers and consumers. In addition, federal and state legislatures regularly consider new regulations for the industry which could materially affect current industry practices, including potential new legislation and regulations regarding the receipt or disclosure of rebates and other fees from pharmaceutical companies, the development and use of formularies and other utilization management tools, the use of average wholesale prices or other pricing benchmarks, pricing for specialty pharmaceuticals, limited access to networks, and pharmacy network reimbursement methodologies. SelectRx also conducts business through home delivery and specialty and compounding pharmacies, which subjects it to extensive federal, state and local laws and regulations, including those of the DEA and individual state controlled substance authorities, the Food and Drug Administration (FDA) and state boards of pharmacy.

We could face potential claims in connection with purported errors by our home delivery, specialty or compounding pharmacies, including as a result of the risks inherent in the packaging and distribution of pharmaceuticals and other health care products. Disruptions from any of our home delivery or specialty pharmacy services could materially and adversely affect our results of operations, financial position and cash flows.

We may not be able to maintain compliance with all current and potentially applicable U.S. federal and state or foreign laws and regulations, and actions by regulatory authorities or changes in legislation and regulation in the jurisdictions in which we operate could have a material adverse effect on our business.

We are also subject to a variety of laws and regulations that involve matters central to our business, including with respect to user privacy and the collection, processing, storing, sharing, disclosing, using, transfer and protecting of personal information and other data. These laws and regulations constantly evolve and remain subject to significant change. In addition, the application and interpretation of these laws and regulations are often uncertain. Because we store, process and use data, some of which contain personal information, we are subject to complex and evolving federal, state and local laws and regulations regarding privacy, data protection and other matters. Many of these laws and regulations are subject to change and uncertain interpretation.

New York's cybersecurity regulation for financial services companies, including insurance entities under its jurisdiction, requires entities to establish and maintain a cybersecurity program designed to protect private consumer data. The regulation specifically provides for: (i) controls relating to the governance framework for a cybersecurity program; (ii) risk-based minimum standards for technology systems for data protection; (iii) minimum standards for cyber breach responses, including notice to the New York Department of Financial Services ("NYDFS") of material events; and (iv) identification and documentation of material deficiencies, remediation plans and annual certification of regulatory compliance with the NYDFS.

In addition, in October 2017, the National Association of Insurance Commissioners ("NAIC") adopted the Insurance Data Security Model Law (the "Cybersecurity Model Law"), which is intended to establish the standards for data security and for the investigation and notification of data breaches applicable to insurance licensees in states adopting such law. The Cybersecurity Model Law continues to be adopted by states since its inception. The law could impose significant new regulatory burdens intended to protect the confidentiality, integrity and availability of information systems, although the NAIC model law is functionally similar to the NYDFS rule.

Compliance with existing and emerging privacy and cybersecurity regulations could result in increased compliance costs and/or lead to changes in business practices and policies, and any failure to protect the confidentiality of client information could adversely affect our reputation, lend to private litigation against us, any of which could materially and adversely affect our business, operating results, financial condition and prospects.

Further, we incur substantial compliance costs as a result of being a public company. The Sarbanes-Oxley Act ("SOX"), the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of the New York Stock Exchange (the "NYSE"), and other applicable securities rules and regulations impose various requirements on public companies that do not apply to private companies. In addition to increasing our legal and financial costs, complying with these requirements causes management and other personnel to divert attention from operational and other business matters to devote substantial time to public company corporate governance and reporting requirements.

From time to time we are subject to various legal proceedings that could adversely affect our business.

We are, and may in the future become, involved in various legal proceedings and governmental inquiries, including labor and employment-related claims, claims relating to our marketing or sale of health insurance, intellectual property claims, and claims relating to our compliance with securities laws. For example, we are involved in the matters discussed below under Item 8, Notes to Consolidated Financial Statements, and in August 2022 we received a subpoena from the United States Attorney's Office for the District of Massachusetts, seeking, among other things, information regarding our arrangements with our insurance carrier partners. Claims that are or may in the future be asserted against us, whether with or without merit, could be time-consuming and expensive to address, could divert management's attention and other resources, and/or could subject us to significant liability for damages and harm our reputation. Our insurance and indemnities may not cover all claims that may be asserted against us. If we are unsuccessful in our defense of these legal proceedings, we may be forced to pay damages or fines, enter into consent decrees, stop offering certain of our services, or change our business practices, any of which would harm our business, operating results, and financial condition.

Our communications with potential and existing customers are subject to laws regulating telephone and email marketing practices.

We make telephone calls and send emails and text messages to potential and existing customers. The United States regulates marketing by telephone and email and the laws and regulations governing the use of emails and telephone calls for marketing purposes continue to evolve, and changes in technology, the marketplace or consumer preferences may lead to the adoption of additional laws or regulations or changes in interpretation of existing laws or regulations. New laws or regulations, or changes to the manner in which existing laws and regulations or interpreted or enforced, may further restrict our ability to contact potential and existing customers by phone and email and could render us unable to communicate with consumers in a cost-effective fashion. The Telephone Consumer Protection Act (the “TCPA”) prohibits companies from making telemarketing calls to numbers listed in the Federal Do-Not-Call Registry and imposes other obligations and limitations on making phone calls and sending text messages to consumers. The CAN-SPAM Act regulates commercial email messages and specifies penalties for the transmission of commercial email messages that do not comply with certain requirements, such as providing an opt-out mechanism for stopping future emails from senders. We may be required to comply with these and similar laws, rules and regulations. Failure to comply with obligations and restrictions related to telephone, text message and email marketing could subject us to lawsuits, fines, statutory damages, consent decrees, injunctions, adverse publicity and other losses that could harm our business. We have policies in place to comply with the TCPA and other telemarketing laws. However, despite our legal compliance, we have in the past and may in the future become subject to claims that we have violated the TCPA.

Any legal liability for the information we communicate to consumers could harm our business and operating results.

Consumers rely upon information we communicate through our agency services regarding the insurance plans we distribute, including information relating to insurance premiums, coverage, benefits, exclusions, limitations, availability, and plan comparisons. If we provide inaccurate information or information that could be construed as misleading, or if we do not properly assist individuals in purchasing insurance, we could be found liable for related damages and our relationships with our insurance carrier partners and our standing with regulators could suffer.

General Risk Factors

Our quarterly and annual operating results or other operating metrics may fluctuate significantly and may not meet expectations of research analysts, which could cause the trading price of our common stock to decline.

Our quarterly and annual operating results and other operating metrics have fluctuated in the past and may in the future fluctuate as a result of a number of factors, many of which are outside of our control and may be difficult to predict. Period-to-period variability or unpredictability of our results could result in our failure to meet our expectations or those of any analysts that cover us or investors with respect to revenue or other operating results for a particular period. If we fail to meet or exceed such expectations for these or any other reasons, the market price of our common stock could fall substantially, and we could face litigation, including securities class actions.

We are required to make significant estimates and assumptions in the preparation of our financial statements. These estimates and assumptions may not be accurate and are subject to change.

The preparation of our consolidated financial statements in conformity with GAAP requires our management to make significant estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of income and expense during the reporting periods. If our underlying estimates and assumptions prove to be incorrect or if events occur that require us to revise our previous estimates or assumptions, our business, operating results, financial condition and prospects may be materially and adversely affected.

We do not intend to pay dividends in the foreseeable future.

The declaration and amount of any future dividends to holders of our common stock will be at the discretion of our Board of Directors in accordance with applicable law and after taking into account various factors,

including our financial condition, operating results, current and anticipated cash needs, cash flows, impact on our effective tax rate, indebtedness, contractual obligations, legal requirements and other factors that our Board of Directors deems relevant. Our Board of Directors intends to retain future earnings to finance the operation and expansion of our business. In addition, our Senior Secured Credit Facility contains restrictions on our ability to pay dividends to the holders of our common stock. Accordingly, we do not expect to pay dividends in the foreseeable future. As a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The following table sets forth the location, approximate square footage and primary use of each of the principal properties we occupied as of September 13, 2023. All of the properties listed below are leased, and we believe our properties are in good operating condition and are suitable for their primary use. As the majority of our office lease footprint now represents a hybrid in-person and remote work model, we have terminated or sub-leased our excess space, where commercially reasonable and to the extent unnecessary for future expansion.

Location	Approximate Square Footage Leased	Approximate Square Footage Subleased	Approximate Square Footage Occupied	Primary Use
Overland Park, Kansas	243,320	95,874	147,446	Corporate headquarters, marketing and advertising, technical development, general and administrative, operations for all segments. Attempting to sublease underutilized space. Exercised early termination option for 42,046 of square footage currently leased, and must be fully vacated by July 31, 2023.
Centennial, Colorado	45,373	45,373	—	
Monaca, Pennsylvania	18,000	—	18,000	Healthcare Services segment (SelectRx) operations
Indianapolis, Indiana	17,904	—	17,904	Healthcare Services segment (SelectRx) operations
Oakland, California	8,623	—	8,623	Life segment operations
San Diego, California	5,874	—	5,874	Life segment operations

ITEM 3. LEGAL PROCEEDINGS

From time to time we are a party to various litigation matters incidental to the conduct of our business. These legal matters primarily involve claims for damages arising out of the use of the Company’s services, insurance regulatory claims, and claims relating to intellectual property matters, employment matters, tax matters, commercial disputes, competition and sales practices. The Company may also become subject to lawsuits as a result of past or future acquisitions or as a result of liabilities retained from, or representations, warranties or indemnities provided in connection with, divested businesses. We are not presently party to any legal proceedings the resolution of which we believe would have a material adverse effect on our business, prospects, financial condition, liquidity, results of operation, cash flows or capital levels. However, in the event of unexpected further developments, it is possible that the ultimate resolution of these matters, or other similar matters, if unfavorable, may be materially

adverse to our business, prospects, financial condition, liquidity, results of operation, cash flows or capital levels. For additional details, see Part II, Item 8, Note 11, Commitments and Contingencies – “Legal Contingencies and Obligations,” in the notes to consolidated financial statements in Item 8 of this Annual Report on Form 10-K, which is incorporated herein by reference.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock trades under the symbol "SLQT" on the NYSE and has been publicly traded since May 21, 2020. Prior to this time, there was no public market for our common stock.

As of August 31, 2023, there were approximately 100 common stockholders of record. The number of record holders is based upon the actual number of holders registered on our books at such date and does not include holders of shares in "street name" or persons, partnerships, associations, corporations or other entities identified in security position listings maintained by depository trust companies.

Dividend Policy

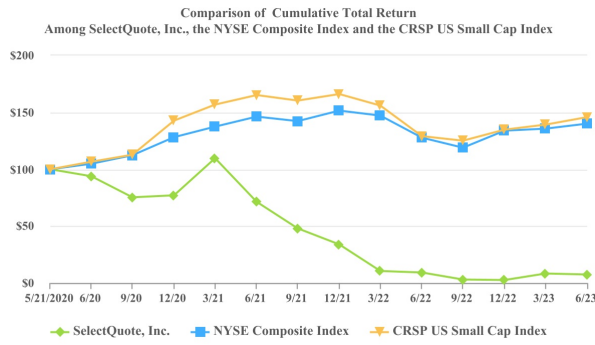
We do not anticipate declaring or paying any cash dividends on our common stock in the foreseeable future. Any future determination to declare and pay cash dividends, if any, will be made at the discretion of our Board of Directors and will depend on a variety of factors, including applicable laws, our financial condition, results of operations, contractual restrictions, capital requirements, business prospects, general business or financial market conditions, and other factors our Board of Directors may deem relevant. In addition, our Senior Secured Credit Facility contains covenants that restrict our ability to pay cash dividends, subject to certain exceptions.

Issuer Purchases of Equity Securities

We did not repurchase any of our common stock during the year ended June 30, 2023.

Stock Performance Graph

The graph below compares the cumulative total return to stockholders on our common stock to the cumulative total return on the NYSE Composite Index and the Center for Research in Security Prices US Small Cap Index (the "CRSP US Small Cap Index") for the period beginning on May 21, 2020 (the date our common stock commenced trading on the NYSE) through June 30, 2023. The graph assumes that \$100 was invested in our common stock at the closing sales price of \$27.00 per share on May 21, 2020, and in the NYSE Composite Index and the CRSP US Small Cap Index on May 21, 2020, and assumes reinvestment of any dividends. The stock price performance shown in the following graph is not intended to forecast or be indicative of possible future stock price performance.



	5/21/2020	06/20	06/21	06/22	6/23	
SelectQuote, Inc.	\$	100.00 \$	93.81 \$	71.33 \$	9.19 \$	7.22
NYSE Composite Index	\$	100.00 \$	104.78 \$	145.84 \$	127.63 \$	139.86
CRSP US Small Cap Index	\$	100.00 \$	106.55 \$	164.78 \$	128.92 \$	145.64

ITEM 7. 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 consolidated financial statements and footnotes included elsewhere in this Annual Report on Form 10-K. 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. 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 identified below, and those discussed in the section titled "Risk Factors" in Part I, Item 1A above.

Company Overview

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 & 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 SelectRx, our accredited Patient-Centered Pharmacy Home pharmacy, which offers essential prescription medications, OTC medications, customized medication packaging, medication therapy management, providing long-term pharmacy care that enables patients to optimize medication adherence to drive positive health outcomes while enabling patients to remain at home.

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 25 leading, nationally-recognized insurance carrier partners, including UnitedHealthcare ("UHC"), Humana, and Wellcare. MA and MS plans accounted for 89%, 82%, and 78% of our approved Senior policies for the years ended June 30, 2023, 2022, and 2021, 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 16 to the 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 helps members understand the benefits available under their health plans, contracts with insurance carriers to complete HRA's on members, partners with VBC providers for a variety of healthcare-related services, and introduces them to the pharmacy services we offer through SelectRx. We believe that offering these services through SelectRx and Population Health to our existing 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 2.2 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 20 leading, nationally-recognized insurance carrier partners, with many of these relationships exceeding 15 years. Term life policies accounted for 47%, 36%, and 46% of new premium within the Life segment for the years ended June 30, 2023, 2022, and 2021, respectively, with final expense policies accounting for 53%, 64%, and 54% for the years ended June 30, 2023, 2022, and 2021, 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 74%, 76%, and 79% of new premium within the Auto & Home segment for years ended June 30, 2023, 2022, and 2021, respectively, with six-month auto, dwelling fire, and other products accounting for a majority of the remainder.

Industry Trends

We estimate that the total addressable market for the insurance products we distribute is greater than \$180 billion. Further, while these markets are already substantial, they are also growing, in part due to a number of highly attractive demographic trends.

Our Senior and Healthcare Services segments serve consumers predominantly in the over 65 age category. According to the United States Census Bureau, the over 65 age category grew from 13% of the total population in 2010 to 17% of the total population in 2020, and is expected to reach 21% in 2030. On average, 11,000 "Baby Boomers" are expected to turn 65 every day or nearly 4.2 million per year through the end of the decade. As a result, Medicare enrollment is growing steadily, with the number of Medicare enrollees expected to grow from 63 million in 2021 (up from 59 million in 2018 and 52.5 million in 2013), to approximately 75 million in 2030, according to the Centers for Medicare & Medicaid Services in June 2023. Of this, Medicare Advantage plans are representing an increasing share of the Medicare market. According to the Kaiser Family Foundation, in 2022 there were more than 28 million Medicare Advantage enrollees, representing approximately 48% penetration of the Medicare market. From 2007 to 2022, Medicare Advantage enrollment as a share of the eligible Medicare population has more than doubled from 19% to 48%. According to estimates, Medicare Advantage penetration is likely to surpass 50% penetration for all Medicare-eligible individuals in 2023 and could reach as high as 60% by 2030, highlighting the pace with which this already large segment of the Medicare market is growing. The degree to which we will realize a corresponding increase in revenue will be determined by our ability to continue to successfully place new Medicare policies for this enlarged potential consumer base.

Our Life segment is one of the country's largest DTC insurance distributors for term life insurance and provides unbiased comparison shopping for final expense and ancillary products. The U.S. life insurance market is mature and has experienced annual premium growth of 2.9% since 2013, according to S&P Global. Growth in the life insurance sector is driven by a number of macro-economic factors including population growth, general economic growth and individual wealth accumulation.

Our Auto & Home segment predominantly sells automobile and homeowners insurance. The auto insurance industry has grown at an annual rate of 5.3% from 2013—2021 based on Statutory Direct Premiums Written, according to S&P Global, with 2021 written premium totaling \$261 billion. Industry growth is driven by growth in the number of registered vehicles, increases in insurance premium rates and general economic growth. The homeowners insurance industry has grown at an annual rate of 4.9% from 2013—2021 based on Statutory Direct Premiums Written, according to S&P Global, with 2021 written premium totaling \$120 billion. Industry growth is driven by growth in housing supply, increases in insurance premium rates and general economic growth.

Technological innovations, including the development of machine learning for business applications and the proliferation of smart mobile devices as a means of consumer purchasing, are changing the insurance distribution landscape. As the composition of the U.S. population gradually shifts to the mobile-first generation, consumers are becoming more tech-savvy and comfortable shopping online. According to J.D. Power, 90% of customers say they are open to purchasing their auto insurance online. We believe our proprietary technology platform, vast datasets and use of machine learning in all aspects of our business put us in an excellent position to take advantage of these consumer trends.

Factors Affecting Our Results of Operations

Our primary source of revenue is commission revenue from selling policies in the senior health, life, and auto and home markets on behalf of our insurance carrier partners, the majority of which compensate us through first year and renewal commissions. We use our proprietary technology and processes to generate and obtain consumer leads and allocate those leads to agents who are best suited for those consumers. As a result, one of the primary factors affecting our growth is our total number of agents. We view agents as a critical component of helping consumers through the purchasing process to enable them to identify the most appropriate coverage that suits their needs. Through our years of experience, we have expanded our recruiting efforts and enhanced our training programs, both of which have allowed us to expand our agent force. We have also developed proprietary technologies and processes that enable us to expand our lead acquisition efforts to keep pace with our expanding sales force and maintain agent productivity despite the significant growth in number of agents.

The amount of revenue we expect to recognize per policy is based on multiple factors, including our commission rates with our insurance carrier partners and the expected retention rates of different types of policies. The higher our retention rates, the more revenue we expect to generate pursuant to our carrier agreements, which generally entitle us to receive annual renewal commissions for so long as the policyholder renews their policy. Additionally, we earn certain volume-based bonuses from some carriers on first-year policies sold, which we refer to as both production bonuses and marketing development funds, based on attaining various predetermined target sales levels or other agreed upon objectives, as presented in the consolidated statements of comprehensive income (loss) as other revenue. These commissions that we expect to generate over the life of an approved policy less the cost of acquiring the business is a key component to our overall profitability. Our goal is to maximize policyholder lifetime value by increasing retention rates, which starts by providing consumers with a transparent, valuable and best-in-class consumer experience and making sure consumers are buying a policy that meets their specific needs.

The additions of SelectRx and Population Health has driven our increased revenue, and costs in the short-term as we scale the business, by utilizing leads transferred from Senior, thus not incurring additional customer acquisition costs. Pharmacy revenue includes revenue from the sale of prescription and OTC medications from SelectRx, while Population Health revenue is included with other revenue in the consolidated statements of comprehensive income (loss).

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 years ended June 30:

	2023	2022	2021
Medicare Advantage	652,630	808,116	550,321
Medicare Supplement	3,444	7,208	26,785
Dental, Vision and Hearing	74,181	145,716	132,106
Prescription Drug Plan	2,433	6,842	11,436
Other	7,501	14,776	16,487
Total	740,189	982,658	737,135

2023 compared to 2022—Total submitted policies for all products decreased 25% for the year ended June 30, 2023, compared to the year ended June 30, 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 55% during the year ended June 30, 2023, compared to the year ended June 30, 2022; however, due to a higher mix of tenured agents and an increased focus on agent training and development, productivity per agent increased 25% and overall close rates increased 24%.

2022 compared to 2021—Total submitted policies for all products increased by 33% for the year ended June 30, 2022, compared to the year ended June 30, 2021. The increase was driven primarily by a 47% increase in MA submitted policies and a 10% increase in DVH submitted policies, partially offset by a 73% decrease in MS submitted policies. The overall increase in submitted policies for Senior products was primarily due to increases in the number of agents we employ, partially offset by lower agent productivity. During the year ended June 30, 2022, we increased the number of average productive agents by 100% and average productivity per agent declined by 29%.

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 years ended June 30:

	2023	2022	2021
Medicare Advantage	577,567	661,738	467,585
Medicare Supplement	2,619	5,461	21,911
Dental, Vision and Hearing	60,824	124,989	111,015
Prescription Drug Plan	2,144	6,124	10,747
Other	5,288	12,407	14,089
Total	648,442	810,719	625,347

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.

2023 compared to 2022—Total approved policies for all products decreased by 20% for the year ended June 30, 2023, compared to the year ended June 30, 2022, in line with our updated operating strategy to reduce the policy growth in our Senior distribution business and focus additional resources on growing members for Healthcare Services. 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 6% improvement in the submitted-to-approved conversion rates for the year ended June 30, 2023, compared to the year ended June 30, 2022.

2022 compared to 2021—Total approved policies for all products increased by 30% for the year ended June 30, 2022, compared to the year ended June 30, 2021. The increase was driven primarily by a 42% increase in MA approved policies and a 13% increase in DVH approved policies, partially offset by a 75% decrease in MS approved policies. Fluctuations in approved policies are normally in direct correlation to submitted policies; however, we experienced a 4% decrease in MA submitted-to-approved conversion rates for the year ended June 30, 2022, compared to the year ended June 30, 2021, driven by higher consumer switching behavior. This resulted in MA approved policies growing at a slower rate than MA submitted policies.

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 significant 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 years ended June 30:

	2023	2022	2021
Medicare Advantage	\$ 877	\$ 925	\$ 1,260
Medicare Supplement	1,030	1,270	1,269
Dental, Vision and Hearing	100	123	136
Prescription Drug Plan	207	234	224
Other	101	73	113

2023 compared to 2022—The LTV per MA approved policy decreased 5% for the year ended June 30, 2023, compared to the year ended June 30, 2022. The LTV per MA approved policy was negatively impacted by carrier mix and lower persistency rates, which includes a higher provision for renewal year lapse rates, somewhat offset by higher commission rates.

2022 compared to 2021—The LTV per MA approved policy decreased 27% for the year ended June 30, 2022, compared to the year ended June 30, 2021. The LTV per MA approved policy was negatively impacted by lower MA persistency rates, which includes an increase in constraint and higher provision for renewal year lapse rates; higher provision for first year lapse rates; carrier mix; and the switch to policy level persistency, 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:

	June 30, 2023	June 30, 2022
Total SelectRx Members	49,044	25,503

The total number of SelectRx members increased by 92% as of June 30, 2023, compared to June 30, 2022, due to our operating strategy to grow the Healthcare Services segment.

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 as a multiple of total marketing acquisition costs, 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.

	Twelve Months Ended June 30,			
	2023	2022	2021	
<i>(dollars per approved policy):</i>				
MA and MS approved policies	580,186	667,199	489,496	
MA and MS commission per MA / MS policy	\$ 877	\$ 928	\$ 1,260	
Other commission per MA/MS policy	12	27	39	
Pharmacy revenue per MA/MS policy	413	89	4	
Other revenue per MA / MS policy ⁽¹⁾	149	(147)	186	
Total revenue per MA / MS policy	1,451	897	1,489	
Total operating expenses per MA / MS policy	(1,224)	(1,187)	(991)	
Adjusted EBITDA per MA / MS policy ⁽²⁾	\$ 227	\$ (290)	\$ 498	
Adjusted EBITDA Margin per MA / MS policy ⁽²⁾	16 %	(32)%	33 %	
Revenue / CAC multiple	4.1X	1.7X	3.1X	

(1) Other revenue shown in this table includes adjustments from the Company's reassessment of its cohorts' transaction prices, while they're included within commission revenue in the consolidated statements of comprehensive income (loss).

(2) 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.

2023 compared to 2022—Total revenue per policy increased 62% for the twelve months ended June 30, 2023, compared to the twelve months ended June 30, 2022, primarily due to the increase in pharmacy revenue. Total operating expenses per MA/MS policy increased 3% for the twelve months ended June 30, 2023, compared to the twelve months ended June 30, 2022, driven by an increase in cost of goods sold-pharmacy revenue for Healthcare Services due to the growth of the business, offset by a decrease in our marketing and advertising costs.

2022 compared to 2021—Total revenue per policy decreased 40% for the twelve months ended June 30, 2022, compared to the twelve months ended June 30, 2021, with the decrease driven by the lower LTV of MA policies, the \$193.3 million adjustment from a change in estimate of MA cohort transaction prices, and the decrease in overall MS revenue, somewhat offset by higher marketing development funds received per approved MA/MS policy and the addition of revenue from SelectRx. Total costs per policy increased 20% for the twelve months ended June 30, 2022, compared to the twelve months ended June 30, 2021, due to higher fulfillment costs associated with scaling Healthcare Services, higher sales expenses driven by a reduction in agent productivity during AEP, and an increase in our marketing and advertising expense driven by lower close rates during AEP.

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 years ended June 30:

(in thousands):

	2023		2022		2021	
Term Premiums	\$	68,941	\$	62,364	\$	76,833
Final Expense Premiums		77,725		109,218		90,878
Total	\$	146,666	\$	171,582	\$	167,711

2023 compared to 2022—Total term premiums increased 11% for the year ended June 30, 2023, compared to the year ended June 30, 2022, due to an 8% increase in the average premium per policy sold and a 3% increase in the number of policies sold. Final expense premiums decreased 29% for the year ended June 30, 2023, compared to the year ended June 30, 2022. The number of policies sold declined 36% driven by a lower average agent headcount, which was somewhat offset by a 12% increase in the average premium per policy sold.

2022 compared to 2021—Total term premiums decreased 19% for the year ended June 30, 2022, compared to the year ended June 30, 2021. The number of policies sold declined 27%, driven by lower agent headcount, which was somewhat offset by a 12% increase in the average premium per policy sold. Final expense premiums increased 20% for the year ended June 30, 2022, compared to the year ended June 30, 2021, due to an increase in the number of agents selling final expense policies.

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 our Auto & Home segment.

The following table shows premiums for the years ended June 30:

(in thousands):	2023		2022		2021	
Premiums	\$	50,917	\$	50,114	\$	55,596

2023 compared to 2022—Total premiums increased 2% for the year ended June 30, 2023, compared to the year ended June 30, 2022, due to a 5% increase in the average premium per policy sold, offset by a 3% decrease in the number of policies sold.

2022 compared to 2021—Total premiums decreased 10% for the year ended June 30, 2022, compared to the year ended June 30, 2021, primarily due to our strategy to reduce the growth in Auto & Home.

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 Annual Report on Form 10-K 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 Annual Report on Form 10-K 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 income (loss), the most directly comparable financial measure calculated and presented in accordance with GAAP, for the periods presented:

Year Ended June 30, 2023:

<i>(in thousands)</i>	Senior	Healthcare Services	Life	Auto & Home	Corp & Elims	Consolidated
Net loss						\$ (58,544)
Share-based compensation expense						11,310
Transaction costs ⁽¹⁾						5,569
Depreciation and amortization						27,881
Loss on disposal of property, equipment, and software, net						749
Impairment of long-lived assets						17,332
Interest expense, net						80,606
Income tax benefit						(10,600)
Adjusted EBITDA	\$ 155,077	\$ (22,769)	\$ 23,073	\$ 81	\$ (81,159)	\$ 74,303

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

Year Ended June 30, 2022:

	Senior	Healthcare Services	Life	Auto & Home	Corp & Elims	Consolidated
Net loss						\$ (297,504)
Share-based compensation expense						7,052
Non-recurring expenses ⁽¹⁾						4,730
Depreciation and amortization						24,724
Loss on disposal of property, equipment, and software						1,456
Goodwill impairment						44,596
Impairment of long-lived assets						3,147
Interest expense, net						43,595
Income tax benefit						(92,302)
Adjusted EBITDA	<u>\$ (161,702)</u>	<u>\$ (32,097)</u>	<u>\$ (129)</u>	<u>\$ 5,433</u>	<u>\$ (72,011)</u>	<u>\$ (260,506)</u>

(1) These expenses primarily consist of costs incurred for amendments to the Senior Secured Credit Facility, costs related to acquisitions, and severance expenses.

Year Ended June 30, 2021:

	Senior	Healthcare Services	Life	Auto & Home	Corp & Elims	Consolidated
Net income						\$ 124,859
Share-based compensation expense						5,165
Non-recurring expenses ⁽¹⁾						6,065
Fair value adjustments to contingent earnout obligations						1,488
Depreciation and amortization						16,142
Loss on disposal of property, equipment, and software						686
Interest expense, net						29,320
Loss on extinguishment of debt						3,315
Income tax expense						33,156
Adjusted EBITDA	<u>\$ 245,165</u>	<u>\$ (1,388)</u>	<u>\$ 22,542</u>	<u>\$ 8,178</u>	<u>\$ (54,301)</u>	<u>\$ 220,196</u>

(1) These expenses primarily consist of costs incurred for the First Amendment to the Senior Secured Credit Facility, acquisitions, re-designation of the hedge, and the Secondary Offering.

The following table sets forth our operating results and related percentage of total revenues for the years ended June 30:

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 consolidated statements of comprehensive income (loss) as commission revenue. After an insurance 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. 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.

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 consolidated statements of comprehensive income (loss). Pharmacy revenue includes revenue from the sale of prescription and OTC medications from SelectRx. Other revenue includes production bonuses and marketing development funds, revenue from Population Health (excluding SelectRx pharmacy revenue), and external lead generation revenue from InsideResponse.

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 control has been transferred to the customer. 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:

(dollars in thousands)				Percent Change	
	2023	2022	2021	2023 vs. 2022	2022 vs. 2021
Commission	\$ 653,470	\$ 587,518	\$ 818,772	11%	(28)%
Pharmacy	239,547	59,460	1,791	303%	3220%
Other	109,831	117,067	109,418	(6)%	7%
Total revenue	\$ 1,002,848	\$ 764,045	\$ 929,981	31%	(18)%

2023 compared to 2022—Commission revenue increased \$66.0 million, or 11%, and included increases in Senior commission revenue of \$72.2 million, offset by decreases in Life and Auto & Home commission revenue of \$7.3 million and \$5.4 million, respectively. For Senior, excluding the \$193.3 million downward adjustment from a change in estimate of MA cohort transaction prices during the year ended June 30, 2022, commission revenue decreased \$121.1 million, which was driven by a 20% decrease in approved policies and a 5% decrease in MA LTV's, slightly offset by higher commission rates. Life's revenue decline was primarily driven by an \$11.8 million decrease in final expense revenue, partially offset by a \$4.6 million increase in term revenue. The \$180.1 million increase in pharmacy revenue was due to the increase in members from June 30, 2023, due to the expansion of the SelectRx business. The \$7.2 million decrease in other revenue was primarily driven by a \$12.3 million decrease in external lead generation revenue, partially offset by a \$1.8 million increase in production bonus revenue and an increase in Population Health revenue of \$2.8 million.

2022 compared to 2021—Commission revenue decreased \$231.3 million, or 28%, which included decreases in Senior, Life, and Auto & Home commission revenues of \$203.9 million, \$21.0 million, and \$1.8 million, respectively. For Senior, the revenue decline was driven by the 27% reduction in LTV's of approved MA policies and a \$193.3 million downward adjustment from a change in estimate of Senior MA cohort transaction prices. Life's revenue decline was driven by a \$15.0 million decrease in term life revenue, driven by lower agent headcount, and a \$5.9 million decrease in final expense revenue, driven by an \$9.5 million downward adjustment from provision for loss and a change in estimate of cohort transaction price, which was partially offset by an increase in the number of agents selling final expense policies. The revenue decline for Auto & Home was driven by our strategy to reduce the growth in that division. Production bonus revenue increased \$18.4 million, which was primarily driven by a \$22.4 million increase in marketing development funds received for Senior, partially offset by decreases of \$2.7 million and \$1.3 million for Life and Auto & Home, respectively. The \$46.9 million increase in other revenue was primarily driven by \$65.8 million of new revenue from Healthcare Services, partially offset by a reduction of \$18.3 million in external lead generation revenue from InsideResponse, as more of their leads were consumed within Senior than in the prior year.

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 years ended June 30 and the percentage changes from the prior year:

(dollars in thousands)				Percent Change	
	2023	2022	2021	2023 vs. 2022	2022 vs. 2021
Cost of revenue	\$ 301,524	\$ 391,528	\$ 269,071	(23)%	46%

2023 compared to 2022—Cost of revenue decreased \$90.0 million, or 23%, in 2023 compared to 2022, primarily due to a \$66.8 million decrease in compensation costs, a \$13.0 million decrease in licensing costs, and a \$10.5 million decrease in allocations for facilities, telecommunications, and software maintenance costs, all of which is due to the reduction in our agent headcount.

2022 compared to 2021—Cost of revenue increased \$122.5 million, or 46%, in 2022 compared to 2021, primarily due to a \$97.5 million increase in compensation costs driven by the growth in the number of employees within Senior. The increase in headcount also drove increases in the allocations of \$13.7 million for facilities, telecommunications, and software maintenance costs, and \$8.4 million for licensing costs.

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:

(dollars in thousands)				Percent Change	
	2023	2022	2021	2023 vs. 2022	2022 vs. 2021
Cost of goods sold—pharmacy revenue	\$ 225,963	\$ 64,172	\$ 1,644	252%	3803%

2023 compared to 2022—Cost of goods sold-pharmacy revenue increased \$161.8 million, or 252%, in 2023 compared to 2022, due to a \$134.8 million increase in medication costs, a \$6.6 million increase in shipping and fulfillment costs, and a \$15.3 million increase in compensation costs as the number of SelectRx members increased 92% over the prior year.

2022 compared to 2021—Cost of goods sold-pharmacy revenue increased \$62.5 million, or 3803%, in 2022 compared to 2021, due to a \$43.8 million increase in medication costs, a \$3.7 million increase in shipping and

fulfillment costs, and a \$15.0 million increase in compensation costs as the number of SelectRx members increased 923% 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 years ended June 30 and the percentage changes from the prior year:

(dollars in thousands)				Percent Change	
	2023	2022	2021	2023 vs. 2022	2022 vs. 2021
Marketing and advertising	\$ 301,245	\$ 484,084	\$ 385,291	(38)%	26%

2023 compared to 2022—Marketing and advertising expenses decreased \$182.8 million, or 38%, in 2023 compared to 2022, due to a \$173.9 million decrease in lead costs due to the decrease in volume associated with the Company's updated operating strategy, as well as an \$8.6 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.

2022 compared to 2021—Marketing and advertising expenses increased \$98.8 million, or 26%, in 2022 compared to 2021, primarily due to a \$88.4 million increase in lead costs associated with generating more leads for our larger agent base to consume and lower overall close rates which impacted our marketing efficiency, and a \$7.7 million increase in compensation costs, as we increased the number of employees supporting our marketing organization to produce more leads. Additionally, there was a \$2.1 million increase in depreciation and amortization expense due to additional fixed assets and software in service.

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 years ended June 30 and the percentage changes from the prior year:

(dollars in thousands)				Percent Change	
	2023	2022	2021	2023 vs. 2022	2022 vs. 2021
Selling, general and administrative	\$ 136,518	\$ 100,945	\$ 63,114	35%	60%

2023 compared to 2022—Selling, general, and administrative expenses increased \$35.6 million, or 35%, in 2023 compared to 2022, primarily due to a \$18.9 million increase in compensation costs, mostly related to the

expansion of SelectRx, and a \$14.2 million increase in charges related to the impairment of long-lived assets as described in Notes 3, 4, and 7 to the consolidated financial statements.

2022 compared to 2021—Selling, general, and administrative expenses increased \$26.7 million, or 42%, in 2022 compared to 2021, primarily due to \$13.7 million in higher compensation costs due to additional headcount to support the growth in the business; \$4.3 million in depreciation and amortization expenses due to additional fixed assets and software in service; \$4.5 million in professional services fees due to increases in recruiting, accounting and legal, and insurance costs; and \$3.1 million of charges related to the impairment of long-lived intangible assets as described in Note 7 to the consolidated financial statements.

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 years ended June 30 and the percentage changes from the prior year:

<i>(dollars in thousands)</i>				Percent Change	
	2023	2022	2021	2023 vs. 2022	2022 vs. 2021
Technical development	\$ 26,015	\$ 24,729	\$ 18,623	5%	33%

2023 compared to 2022—Technical development expenses increased \$1.3 million, or 5%, in 2023 compared to 2022, primarily due to a \$2.3 million increase in compensation costs related to our technology personnel.

2022 compared to 2021—Technical development expenses increased \$6.1 million, or 33%, in 2022 compared to 2021, primarily due to a \$3.4 million increase in compensation costs related to our technology personnel as we increased the number of people in our desktop support and development efforts to support the increase in total headcount. The increase in headcount also drove increases in the allocations of \$1.6 million for facilities, telecommunications, and software maintenance costs.

Interest Expense, Net

The following table presents our interest expense, net for the years ended June 30 and the percentage changes from the prior year:

<i>(dollars in thousands)</i>				Percent Change	
	2023	2022	2021	2023 vs. 2022	2022 vs. 2021
Interest expense, net	\$ (80,606)	\$ (43,595)	\$ (29,320)	85%	49%

2023 compared to 2022—Interest expense increased \$37.0 million, or 85%, in 2023 compared to 2022, as a result of interest incurred on the Term Loans due to additional principal outstanding and changes under the Fourth Amendment, the amortization and write-off of additional deferred financing costs associated with the amendments to the Senior Secured Credit Facility, as well as higher interest rates during the period. The increase was partially offset by interest income received from the interest rate swap and on our money market account.

2022 compared to 2021—Interest expense increased \$14.3 million, or 49%, in 2022 compared to 2021, primarily as a result of the increase in our outstanding balances on the Term Loans and DDTL Facility, amortization

of additional deferred financing costs associated with the amendments to the Senior Secured Credit Facility, and the ticking fee interest assessed on the remaining available borrowing capacity of the DDTL Facility.

Income Tax Expense (Benefit)

The following table presents our provision for income taxes for the years ended June 30 and the percentage changes from the prior year:

(dollars in thousands)				Percent Change	
	2023	2022	2021	2023 vs. 2022	2022 vs. 2021
Income tax expense (benefit)	\$ (10,600)	\$ (92,302)	\$ 33,156	(89)%	(378)%
Effective tax rate	15.3 %	23.7 %	21.0 %		

2023 compared to 2022—Income tax benefit increased \$81.7 million, or 89%, in 2023 compared to 2022. For the year ended June 30, 2023, we recognized an income tax benefit of \$10.6 million, representing an effective tax rate of 15.3%. The differences from our federal statutory tax rate to the effective tax rate were primarily related to state income taxes, RSU vestings, executive officer compensation, and the recording of a valuation allowance for state tax attributes that the Company does not expect to utilize prior to expiration. For the year ended June 30, 2022, we recognized an income tax benefit of \$92.3 million, representing an effective tax rate of 23.7%, with the differences from our federal statutory tax rate to the effective tax rate primarily related to state income taxes.

2022 compared to 2021—Income tax expense (benefit) decreased \$125.5 million, or (378)%, in 2022 compared to 2021. For the year ended June 30, 2022, we recognized an income tax benefit of \$92.3 million, representing an effective tax rate of 23.7%, with the differences from our federal statutory tax rate to the effective tax rate primarily related to state income taxes. For the year ended June 30, 2021, we recognized an income tax expense of \$33.2 million, representing an effective tax rate of 21.0%, with the differences from our federal statutory tax rate to the effective tax rate primarily due to the net effects of state income taxes partially offset by Kansas High Performance Incentive Program (“HPIP”) tax credits and the exercise of non-qualified stock options.

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 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, with the exception of commissions receivable, and therefore assets by segment are not presented.

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

Year Ended June 30, 2023

<i>(in thousands)</i>	Senior	Healthcare Services	Life	Auto & Home	Corp & Elims	Consolidated
Revenue	\$ 590,131	\$ 252,075	\$ 145,832	\$ 21,862	\$ (7,052) ⁽¹⁾	\$ 1,002,848
Operating expenses	(435,054)	(274,844)	(122,759)	(21,782)	(73,985) ⁽²⁾	(928,424)
Other income (expenses), net	—	—	—	1	(122)	(121)
Adjusted EBITDA	\$ 155,077	\$ (22,769)	\$ 23,073	\$ 81	\$ (81,159)	74,303
Share-based compensation expense						(11,310)
Transaction costs ⁽³⁾						(5,569)
Depreciation and amortization						(27,881)
Loss on disposal of property, equipment, and software, net						(749)
Impairment of long-lived assets						(17,332)
Interest expense, net						(80,606)
Income tax benefit						10,600
Net loss						\$ (58,544)

(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 \$51.4 million in salaries and benefits for certain general, administrative, and IT related departments, and \$19.5 million in professional services fees.

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

Year Ended June 30, 2022

	Senior	Healthcare Services	Life	Auto & Home	Corp & Elims	Consolidated
Revenue	\$ 527,907	\$ 70,035	\$ 153,973	\$ 27,881	\$ (15,751) ⁽¹⁾	\$ 764,045
Operating expenses	(689,609)	(102,132)	(154,102)	(22,448)	(56,058) ⁽²⁾	(1,024,349)
Other expenses, net	—	—	—	—	(202)	(202)
Adjusted EBITDA	\$ (161,702)	\$ (32,097)	\$ (129)	\$ 5,433	\$ (72,011)	(260,506)
Share-based compensation expense						(7,052)
Non-recurring expenses ⁽³⁾						(4,730)
Depreciation and amortization						(24,724)
Loss on disposal of property, equipment, and software						(1,456)
Goodwill impairment						(44,596)
Impairment of long-lived assets						(3,147)
Interest expense, net						(43,595)
Income tax benefit						92,302
Net loss						\$ (297,504)

(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 \$44.2 million in salaries and benefits for certain general, administrative, and IT related departments, and \$18.2 million in professional services fees.

(3) These expenses primarily consist of costs incurred for amendments to the Senior Secured Credit Facility, costs related to acquisitions, and severance expenses.

Year Ended June 30, 2021

	Senior	Healthcare Services	Life	Auto & Home	Corp & Elims	Consolidated
Revenue	\$ 724,811	\$ 3,890	\$ 177,669	\$ 30,913	\$ (7,302) ⁽¹⁾	\$ 929,981
Operating expenses	(479,646)	(5,280)	(155,127)	(22,735)	(46,899) ⁽²⁾	(709,687)
Other income (expenses), net	—	2	—	—	(100)	(98)
Adjusted EBITDA	\$ 245,165	\$ (1,388)	\$ 22,542	\$ 8,178	\$ (54,301)	220,196
Share-based compensation expense						(5,165)
Non-recurring expenses ⁽²⁾						(6,065)
Fair value adjustments to contingent earnout obligations						(1,488)
Depreciation and amortization						(16,142)
Loss on disposal of property, equipment and software						(686)
Interest expense, net						(29,320)
Loss on extinguishment of debt						(3,315)
Income tax expense						(33,156)
Net income						\$ 124,859

- (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 \$34.0 million in salaries and benefits for certain general, administrative, and IT related departments, and \$13.4 million in professional services fees.
(3) These expenses primarily consist of costs incurred for the First Amendment to the Senior Secured Credit Facility, recent acquisitions, re-designation of the hedge, and the secondary public offering completed on March 8, 2021 ("Secondary Offering").

The following table depicts the disaggregation of revenue by segment and product for the years ended June 30:

<i>(dollars in thousands)</i>	2023	\$	%	2022	\$	%	2021
Senior:							
Commission revenue:							
Medicare advantage	\$ 500,501	\$ 91,411	22 %	\$ 409,090	\$ (186,042)	(31)%	\$ 595,132
Medicare supplement	1,668	(3,556)	(68)%	5,224	(18,207)	(78)%	23,431
Prescription drug plan	513	683	(402)%	(170)	(1,822)	(110)%	1,652
Dental, vision, and health	3,855	(11,201)	(74)%	15,056	(913)	(6)%	15,969
Other commission revenue	2,697	(5,127)	(66)%	7,824	5,668	263 %	2,156
Total commission revenue	509,234	72,210	17 %	437,024	(201,316)	(32)%	638,340
Total other revenue	80,897	(9,986)	(11)%	90,883	4,412	5 %	86,471
Total Senior revenue	590,131	62,224	12 %	527,907	(196,904)	(27)%	724,811
Healthcare Services:							
Total pharmacy revenue	239,547	180,087	303 %	59,460	57,669	3220 %	1,791
Total other revenue	12,528	1,953	18 %	10,575	8,476	404 %	2,099
Total Healthcare Services revenue	252,075	182,040	260 %	70,035	66,145	1700 %	3,890
Life:							
Commission revenue:							
Term	70,094	4,555	7 %	65,539	(15,049)	(19)%	80,588
Final expense	56,488	(11,807)	(17)%	68,295	(5,932)	(8)%	74,227
Total commission revenue	126,582	(7,252)	(5)%	133,834	(20,981)	(14)%	154,815
Total other revenue	19,250	(889)	(4)%	20,139	(2,715)	(12)%	22,854
Total Life revenue	145,832	(8,141)	(5)%	153,973	(23,696)	(13)%	177,669
Auto & Home:							
Total commission revenue	20,450	(5,401)	(21)%	25,851	(1,770)	(6)%	27,621
Total other revenue	1,412	(618)	(30)%	2,030	(1,262)	(38)%	3,292
Total Auto & Home revenue	21,862	(6,019)	(22)%	27,881	(3,032)	(10)%	30,913
Eliminations:							
Total commission revenue	(2,796)	6,395	(70)%	(9,191)	(7,187)	359 %	(2,004)
Total other revenue	(4,256)	2,304	(35)%	(6,560)	(1,262)	24 %	(5,298)
Total Elimination revenue	(7,052)	8,699	(55)%	(15,751)	(8,449)	116 %	(7,302)
Total commission revenue	653,470	65,952	11 %	587,518	(231,254)	(28)%	818,772
Total pharmacy revenue	239,547	180,087	303 %	59,460	57,669	3220 %	1,791
Total other revenue	109,831	(7,236)	(6)%	117,067	7,649	7 %	109,418
Total revenue	\$ 1,002,848	\$ 238,803	31 %	\$ 764,045	\$ (165,936)	(18)%	\$ 929,981

Revenue by Segment

2023 compared to 2022—Revenue from our Senior segment was \$590.1 million for the year ended June 30, 2023, a \$62.2 million, or 12%, increase compared to revenue of \$527.9 million for the year ended June 30, 2022. The increase was due to a \$72.2 million, or 17%, increase in commission revenue, offset by a \$14.6 million decrease in lead generation revenue.

Revenue from Healthcare Services was \$252.1 million for the year ended June 30, 2023, a \$182.0 million, or 260%, increase compared to revenue of \$70.0 million for the year ended June 30, 2022, primarily due to a \$180.1 million increase in SelectRx pharmacy revenue.

Revenue from our Life segment was \$145.8 million for the year ended June 30, 2023, a \$8.1 million, or 5%, decrease compared to revenue of \$154.0 million for the year ended June 30, 2022, primarily due to a \$7.3 million decrease in commission revenue.

Revenue from our Auto & Home segment was \$21.9 million for the year ended June 30, 2023, a \$6.0 million, or 22%, decrease compared to revenue of \$27.9 million for the year ended June 30, 2022. The decrease was primarily due to a \$5.4 million decrease in commission revenue which was a result of a \$10.4 million change in estimate related to the mutual termination of a contract with a certain Auto & Home carrier to restructure the book of business for that carrier.

2022 compared to 2021—Revenue from our Senior segment was \$527.9 million for the year ended June 30, 2022, a \$196.9 million, or 27%, decrease compared to revenue of \$724.8 million for the year ended June 30, 2021. The decrease was primarily due to a \$186.0 million, or 31%, decrease in MA commission revenue driven by a \$193.3 million downward adjustment from the change in estimate of cohort transaction prices, a \$18.2 million decrease in MS commission revenue, and a reduction of \$18.3 million in external lead generation revenue from InsideResponse, partially offset by a \$22.4 million increase in marketing development funds received.

Revenue from Healthcare Services was \$70.0 million for the year ended June 30, 2022 a \$66.1 million, or 1700%, increase compared to revenue of \$3.9 million for the year ended June 30, 2021, primarily due to a \$57.7 million increase in SelectRx pharmacy revenue.

Revenue from our Life segment was \$154.0 million for the year ended June 30, 2022, a \$23.7 million, or 13%, decrease compared to revenue of \$177.7 million for the year ended June 30, 2021. The decrease was primarily due to a \$15.0 million decrease in term life revenue, driven by lower agent headcount, and a \$5.9 million decrease in final expense revenue, which was the result of an \$9.5 million downward adjustment from provision for loss and a change in estimate of cohort transaction price, which was partially offset by an increase in the number of agents selling final expense policies.

Revenue from our Auto & Home segment was \$27.9 million for the year ended June 30, 2022, a \$3.0 million, or 10%, decrease compared to revenue of \$30.9 million for the year ended June 30, 2021, primarily due to our strategy to reduce the growth in Auto & Home.

Adjusted EBITDA by Segment

2023 compared to 2022—Adjusted EBITDA from our Senior segment was \$155.1 million for the year ended June 30, 2023, a \$316.8 million, or 196%, increase compared to Adjusted EBITDA of \$(161.7) million for the year ended June 30, 2022. The increase was due to a \$62.2 million increase in revenue and a \$254.6 million decrease in operating costs and expenses primarily due to a \$157.1 million reduction in marketing and advertising costs, a \$73.4 million reduction in compensation costs, and a \$11.2 million reduction in licensing fees, all of which support our updated operating strategy.

Adjusted EBITDA from Healthcare Services was \$(22.8) million for the year ended June 30, 2023, a \$9.3 million increase compared to Adjusted EBITDA of \$(32.1) million for the year ended June 30, 2022. The increase was due to a \$182.0 million increase in revenue, offset by a \$172.7 million increase in operating costs and expenses

primarily as a result of a \$134.8 million increase in medication costs, a \$27.0 million increase in compensation costs, and a \$6.4 million increase in fulfillment costs, due to the growth of Healthcare Services.

Adjusted EBITDA from our Life segment was \$23.1 million for the year ended June 30, 2023, a \$23.2 million, or 17986%, increase compared to Adjusted EBITDA of \$(0.1) million for the year ended June 30, 2022. The increase in Adjusted EBITDA was due to a \$31.3 million decrease in operating costs and expenses primarily due to a \$26.8 million reduction in marketing and advertising costs and a \$3.7 million reduction in compensation costs, all of which support our updated operating strategy. The decrease in operating costs and expenses was offset by a \$8.1 million decrease in revenue as discussed above.

Adjusted EBITDA from our Auto & Home segment was \$0.1 million for the year ended June 30, 2023, a \$5.4 million, or 99%, decrease compared to Adjusted EBITDA of \$5.4 million for the year ended June 30, 2022. The decrease in Adjusted EBITDA was due to a \$6.0 million decrease in revenue as a result of a \$10.4 million change in estimate related to the mutual termination of a contract with a certain Auto & Home carrier to provide for the ability to migrate the book of business to other carriers. The decrease was offset by a \$0.7 million decrease in operating costs and expenses due to a \$1.1 million reduction in marketing and advertising costs, offset by an increase in fulfillment costs of \$0.4 million.

2022 compared to 2021—Adjusted EBITDA from our Senior segment was \$(161.7) million for the year ended June 30, 2022, a \$406.9 million, or 166%, decrease compared to Adjusted EBITDA of \$245.2 million for the year ended June 30, 2021. The decrease in Adjusted EBITDA was primarily due to a \$210.0 million increase in operating costs and expenses, driven by a \$97.1 million increase in variable marketing expenses as discussed above, and a \$95.1 million increase in personnel costs associated with additional headcount. In addition, there was a \$196.9 million decrease in Senior revenue, driven by the \$193.3 million downward adjustment from a change in estimate of MA cohort transaction prices discussed above.

Adjusted EBITDA from Healthcare Services was \$(32.1) million for the year ended June 30, 2022, a \$30.7 million decrease compared to Adjusted EBITDA of \$(1.4) million for the year ended June 30, 2021. The decrease in Adjusted EBITDA was primarily due to a \$96.9 million increase in operating costs and expenses, driven by \$25.4 million higher fulfillment costs in support of the growth of Healthcare Services, and \$43.8 million in pharmaceutical costs for SelectRx. The increase in operating costs and expenses was offset by the \$66.1 million increase in revenue as discussed above.

Adjusted EBITDA from our Life segment was \$(0.1) million for the year ended June 30, 2022, a \$22.7 million, or 101%, decrease compared to Adjusted EBITDA of \$22.5 million for the year ended June 30, 2021. The decrease in Adjusted EBITDA was primarily due to a \$23.7 million decrease in revenue as a result of the decreases in term life and final expense revenue discussed above.

Adjusted EBITDA from our Auto & Home segment was \$5.4 million for the year ended June 30, 2022, a \$2.7 million, or 34%, decrease compared to Adjusted EBITDA of \$8.2 million for the year ended June 30, 2021. The decrease in Adjusted EBITDA was due to a \$3.0 million decrease in revenue partially offset by a \$0.3 million decrease in operating costs and expenses. The revenue decline for Auto & Home was driven by our strategy to reduce the growth in that division.

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. Additionally, we are required under the Senior Secured Credit Facility to maintain compliance with certain debt covenants, as discussed further in Note 10 to the consolidated financial statements. Based on our financial projections, we believe we will remain in compliance with the debt covenants through the 12 months following the date of issuance of our consolidated financial statements. Our future compliance with these covenants is dependent on our ability to restructure our existing debt or secure additional financing from other sources, thus we are actively exploring various financing options, including, but not limited to

securitization. Failure to comply with these covenants or make payments under the Senior Secured Credit Facility could result in an event of default.

As of June 30, 2023 and June 30, 2022, our cash and cash equivalents totaled \$83.2 million and \$141.0 million, respectively. Additionally, the following table presents a summary of our cash flows for the years ended June 30:

<i>(in thousands)</i>	2023		2022		2021	
Net cash used in operating activities	\$	(19,377)	\$	(338,314)	\$	(115,442)
Net cash used in investing activities		(9,125)		(42,576)		(64,016)
Net cash (used in) provided by financing activities		(29,339)		235,433		97,042

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.

Year Ended June 30, 2023—Net cash used in operating activities was \$19.4 million, consisting of net loss of \$58.5 million, adjustments for non-cash items of \$71.7 million, and cash used in operating assets and liabilities of \$32.5 million. Adjustments for non-cash items primarily consisted of \$27.9 million of depreciation and amortization, \$17.3 million of charges for impairment of long-lived assets, \$11.3 million of share-based compensation expense, \$12.0 million of accrued interest payable in kind on the Term Loans, \$8.7 million of amortization of debt issuance costs and debt discount, and \$4.2 million of non-cash lease expense, offset by \$11.2 million in deferred income taxes. The cash decrease resulting from changes in net operating assets and liabilities primarily consisted of an increase of \$24.8 million in accounts receivable, net, an increase of \$1.9 million in commissions receivable, and a decrease of \$3.6 million in accounts payable and accrued expenses, partially offset by an increase of \$3.3 million in other liabilities.

Year Ended June 30, 2022—Cash used in operating activities was \$338.3 million, consisting of net loss of \$297.5 million, adjustments for non-cash items of \$2.2 million, and cash used in operating assets and liabilities of \$38.6 million. Adjustments for non-cash items primarily consisted of \$92.7 million in deferred income taxes as the Company defers revenue related to certain commissions receivable into following years until it is collected, partially offset by \$44.6 million of goodwill impairment charges, \$24.7 million of depreciation and amortization related to additional fixed assets purchases to accommodate our growth in headcount and internally developed software in service, \$7.1 million of share-based compensation expense, \$5.5 million in amortization of debt issuance costs and debt discount, and \$4.1 million of non-cash lease expense. The cash decrease resulting from changes in net operating assets and liabilities primarily consisted of increases of \$25.7 million in accounts receivable, net related to the

increase in approved policies, increases of \$10.9 million in other assets primarily related to increases in prepaid balances and SelectRx inventory, and decreases of \$5.1 million in operating lease liabilities, partially offset by a decrease of \$7.3 million in commissions receivable.

Year Ended June 30, 2021—Cash used in operating activities was \$115.4 million, consisting of net income of \$124.9 million and adjustments for non-cash items of \$66.2 million, offset by cash used in operating assets and liabilities of \$306.5 million. Adjustments for non-cash items primarily consisted of \$33.0 million in deferred income taxes as the Company defers revenue related to certain commissions receivable into following years until it is collected, \$16.1 million of depreciation and amortization related to additional fixed assets purchases to accommodate our growth in headcount and internally developed software in service, \$5.2 million of share-based compensation expense, and \$3.8 million of non-cash lease expense. The cash decrease resulting from changes in net operating assets and liabilities primarily consisted of increases of \$332.9 million in commissions receivable and \$20.0 million in accounts receivable, net related to the increase in approved policies, partially offset by increases of \$19.7 million in accounts payable and accrued expenses and \$25.6 million in other liabilities, which consists primarily of commission advances and accrued compensation and benefits, all driven by the increased marketing and personnel costs required to produce our increased revenue.

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.

Year Ended June 30, 2023—Net cash used in investing activities of \$9.1 million was due to \$1.4 million of purchases of property and equipment, primarily to support the growth of SelectRx infrastructure, and \$7.7 million in purchases of software and capitalized internal-use software development costs.

Year Ended June 30, 2022—Net cash used in investing activities of \$42.6 million was primarily due to \$24.8 million of purchases of property and equipment primarily to support AEP and OEP and the growth of SelectRx infrastructure, \$9.9 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.

Year Ended June 30, 2021—Net cash used in investing activities of \$64.0 million was primarily due to \$41.0 million of cash paid net of the cash acquired for the acquisitions of a lead distribution company and Express Med Pharmaceuticals as well as \$14.9 million of purchases of property and equipment and \$8.1 million in purchases of software and capitalized internal-use software spent to develop and enhance new and existing systems to efficiently accommodate our increased volumes.

Acquisitions

On February 1, 2021, we acquired substantially all of the assets of a lead distribution company for an aggregate purchase price of up to \$33.5 million (subject to customary adjustments), comprised of \$24.0 million in cash paid at the closing of the transaction, \$6.0 million of holdback for, if any, indemnification claims, net working capital adjustments, and underperformance, and an earnout of up to \$3.5 million. The minimum earnout target was not achieved; however, the remaining holdback was earned in full, and the Company paid the remaining holdback of \$5.5 million, with interest, after the net working capital true-up of \$0.5 million, during the year ended June 30, 2022.

On April 30, 2021, we acquired 100% of the outstanding shares of Express Med Pharmaceuticals for an aggregate purchase price of up to \$24.0 million (subject to customary adjustments), 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. During the year ended June 30, 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 \$2.4 million.

On August 31, 2021, SelectRx acquired 100% of the outstanding equity interests of Simple Meds for an aggregate purchase price of \$7.0 million (subject to customary adjustments). The aggregate purchase price of \$7.0 million was paid in cash at the closing of the transaction.

Refer to Note 2 to the consolidated financial statements for further details concerning acquisitions.

Financing Activities

Our financing activities primarily consist of proceeds from the issuance of debt and equity and proceeds and payments related to stock-based compensation.

Year Ended June 30, 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, \$17.8 million of principal payments on the Term Loans, and \$2.4 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.

Year Ended June 30, 2022—Net cash provided by financing activities of \$235.4 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 \$2.4 million and \$1.2 million on the Term Loans and DDTL Facility, respectively, and \$0.3 million in debt issuance costs related to the amendments to the Senior Secured Credit Facility.

Year Ended June 30, 2021—Net cash provided by financing activities of \$97.0 million was primarily due to \$228.8 million in net proceeds from the Term Loans as a result of the First Amendment, partially offset by payments of \$84.1 million related to the partial extinguishment of the Term Loans prior to the First Amendment, \$32.3 million of earnout for the InsideResponse acquisition, and \$10.4 million for withholding taxes related to net share settlements of employee stock option awards.

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 June 30, 2023. As of June 30, 2023, there was \$707.5 million outstanding under the Term Loans. Refer to Note 10 to the 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 9 to the consolidated financial statements for further details.

Contractual Obligations

Our principal commitments consist of obligations under our outstanding operating leases for office facilities; our Senior Secured Credit Facility which includes the Term Loans and Revolving Credit Facility (as defined in Note 10 to the consolidated financial statements); and our Amended Interest Rate Swap (as defined in Note 9 to the consolidated financial statements). In addition, we have outstanding service and licensing agreements with various vendors for connectivity, maintenance, and other services, including minimum purchase requirements for pharmaceuticals. We believe that we will be able to fund these obligations through our existing cash and cash equivalents and cash generated from operations.

Recent Accounting Pronouncements

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

Critical Accounting Policies and Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 in our financial statements. We regularly assess these estimates; however, actual amounts could differ from those estimates. The impact of changes in estimates is recorded in the period in which they become known.

An accounting policy is considered to be critical if the nature of the estimates or assumptions is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change, and the effect of the estimates and assumptions on financial condition or operating performance. The accounting policies we believe to reflect our more significant estimates, judgments and assumptions that are most critical to understanding and evaluating our reported financial results are: revenue recognition for commissions revenue, commissions receivable, accounting for income taxes, share-based compensation, the valuation of assets and liabilities acquired from acquisitions, and the impairment of intangible assets and goodwill.

Commission Revenue Recognition and Commissions Receivable

In accordance with Accounting Standards Codification (“ASC”) 606, *Revenue from Contracts with Customers* (“ASC 606”), revenue is recognized when a customer obtains control of promised goods or services and is recognized in an amount that reflects the consideration that an entity expects to receive in exchange for those goods or services. We apply the following five-step model in order to determine this amount: (i) identification of the promised goods in the contract; (ii) determination of whether the promised goods are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when (or as) we satisfy each performance obligation. Significant management judgments and estimates must be made in connection with determination of the revenue to be recognized in any accounting period. If we made different judgments or utilized different estimates for any period, material differences in the amount and timing of revenue recognized could result. The accounting estimates and judgments related to the recognition of revenue require us to make assumptions about numerous factors such as the determination of performance obligations and determination of the transaction price.

The estimate of renewal commission revenue is considered variable consideration and requires significant judgment to determine the renewal commission revenue to be recognized at the time the performance obligation is met and in the reassessment of the transaction price each reporting period. This includes determining the number of periods in which a renewal will occur and the value of those renewal commissions to be received if renewed, which includes estimating persistency, the renewal year provision, and an additional product specific constraint applied to account for trends such as industry volatility or uncertainty of consumer behavior patterns. Persistency is the estimate of policies expected to renew each year and renewal year provision is the estimate of policies expected to lapse during each renewal period. The estimated average duration of expected renewals for our cohorts used in the calculation of LTV is ten years. Effective for policies sold during the three months ended December 31, 2021, and thereafter, the Company increased the product specific constraint for our largest product, Medicare Advantage, from 6% to 15%. The assumptions used in the Company’s calculation of renewal commission revenue are based on a combination of the Company’s historical experience for renewals, lapses, and payment data; available insurance carrier data; other industry or consumer behavior patterns; and expectations for future retention rates. The estimate of variable consideration is recognized only to the extent it is probable that a material reversal in revenue would not be expected to occur when the uncertainty associated with future commissions receivables is subsequently resolved when the policy renews or lapses. The Company is continuously reviewing and monitoring the assumptions and inputs into the Company’s calculation of renewal commission revenue, including reviewing changes in the data used to estimate LTV’s as well as monitoring the cash received for each cohort as compared to the original estimates at

the time the policy was sold. The Company assesses the actual renewal data and historical data to identify trends and updates assumptions when a sufficient amount of evidence would suggest that the expectation underlying the assumption has changed and a change in estimate of the transaction price is warranted. The differences in actual cash received for current period renewals may result in an adjustment by cohort ("cohort adjustment") to revenue and commissions receivable. Cohort adjustments can be positive or negative and are recognized using actual experience from policy renewals. The Company analyzes cohort adjustments to determine if they are indicative of changes needed in our estimates of future renewal commissions ("tail adjustments") that remain unresolved as of the reporting period.

The Company recognizes revenue when it has completed its performance obligation, which is at different milestones for each segment based on the contractual enforceable rights, the Company's historical experience, and established customer business practices:

- Senior—Commission revenue is recognized at the earliest of when the insurance carrier has approved the policy sold, when a commission payment is received from the insurance carrier, or when the policy sold becomes effective.
- Life—Term commission revenue is recognized when the insurance carrier has approved the policy sold and payment information has been obtained from the policyholder. Final expense commission revenue is recognized when the carrier provides confirmation the policy is active.
- Auto & Home—Commission revenue is recognized when the policy sold becomes effective.

Commissions receivable are contract assets that represent estimated variable consideration for performance obligations that have been satisfied but payment is not due as the underlying policy has not renewed yet and are therefore subject to the same assumptions, judgements, and estimates used when recognizing revenue as noted above. The current portion of commissions receivable are future renewal commissions expected to be renewed and collected in cash within one year, while the non-current portion of commissions receivable are expected to be collected beyond one year. Contract assets are reclassified as accounts receivable, net when the rights to the renewal commissions become unconditional, which is primarily upon renewal of the underlying policy, typically on an annual basis.

Income Taxes

The Company applies ASC 740, *Income Taxes* ("ASC 740"), in accounting for uncertainty in income taxes recognized in the Company's consolidated financial statements. ASC 740 requires a "more-likely-than-not" ("MLTN") threshold for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. The Company records a liability for the difference between the benefit recognized and measured pursuant to ASC 740 and the tax position taken or expected to be taken on the Company's tax return. To the extent that the assessment of such tax positions changes, the change in estimate is recorded in the period in which the determination is made.

In accordance with ASC 740, we account for income taxes using an asset and liability approach. Deferred income tax assets and liabilities result from temporary differences between the tax basis of assets and liabilities and their reported amounts in the consolidated financial statements that will result in taxable or deductible amounts in future years. The Company continues to recognize a majority of its deferred tax assets as of June 30, 2023, as it believes it is more likely than not that the deferred tax assets will be realized. The Company recognizes a significant deferred tax liability due to the timing of recognizing revenue when a policy is sold, while revenue for tax purposes is not recognized until future renewal commission payments are received. This deferred tax liability is an objective source of future income that can be used to support the realizability of the Company's deferred tax assets. During the year ended June 30, 2023, 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 and for which there are not sufficient deferred tax liabilities to objectively demonstrate the ability to utilize certain state NOLs. The Company believes all other deferred tax assets are more likely than not to be recognized.

Share-Based Compensation

We recognize share-based compensation expense in the consolidated statements of comprehensive income (loss) based on the fair value of our stock-based awards over their respective vesting periods, depending on the plan. The estimated grant date fair value of our stock options is determined using the Black-Scholes-Merton pricing model. The expected term for stock options granted is determined using the simplified method, which deems the expected term to be the midpoint between the vesting date and the contractual life of the stock-based awards. The dividend yield is determined by dividing the expected per share dividend during the coming year by the grant date stock price, however, we do not expect to pay any dividends in the foreseeable future. We base the risk-free interest rate on the implied yield currently available on U.S. Treasury zero-coupon issues with a remaining term equal to the expected term of our stock options. Expected volatility is determined using historical stock prices for a combination of publicly traded peer group companies and our stock price. The estimated grant date fair value of our PVU's are estimated using a Monte Carlo simulation valuation model that uses assumptions determined as of the date of the grant. These assumptions include estimating the volatility of the Company's common stock price over the expected term, 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, the cost of equity, and the dividend yield assumption which is based on the Company's dividend payment history and management's expectations of future dividend payments. The estimated attainment of performance-based awards and related expense is based on the expectations of target achievement. The assumptions used in calculating the fair value of stock-based payment awards and expected attainment of performance or market based awards represent our best estimates, but these estimates involve inherent uncertainties and the application of management judgment. We will continue to use judgment in evaluating the expected term and volatility related to our own stock-based awards on a prospective basis, and incorporating these factors into the model. Changes in key assumptions could significantly impact the valuation of such instruments.

Impairment of Long-Lived Assets and Goodwill

The Company accounts for long-lived assets in accordance with the provisions of ASC 360, *Property, Plant and Equipment* ("ASC 360"). ASC 360 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset or asset group may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset or asset group to its expected future undiscounted cash flows. If the carrying amount exceeds its expected future undiscounted cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset or asset group exceeds its fair value. For purposes of this test, long-lived assets are grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities.

For the years ended June 30, 2023 and June 30, 2022, the Company recorded impairment charges of \$17.3 million and \$3.1 million, respectively, in general and administrative expense in the consolidated statements of comprehensive income (loss) related to write-offs of previously acquired definite-lived intangible assets from which the Company does not expect to receive future economic benefit. There were no impairment charges recorded on the Company's long-lived assets for the year ended June 30, 2021. Refer to Note 7 to the consolidated financial statements for additional details.

Goodwill represents the excess of the purchase price over the estimated fair values of identifiable assets and liabilities acquired in a business combination as of the acquisition date. Goodwill is not amortized in accordance with the requirements of ASC 350, *Intangibles-Goodwill and Other* ("ASC 350"), rather, goodwill is tested for impairment on an annual basis and whenever events or circumstances indicate that the asset may be impaired. Further, goodwill is allocated, and evaluated for impairment, at the reporting unit level, which is defined as an operating segment or one level below an operating segment.

We have the option to perform a qualitative assessment to determine if it is more likely than not that the fair value of a reporting unit has declined below its carrying value. This assessment considers various financial,

macroeconomic, industry and segment specific qualitative factors. If we determine that it is more likely than not that the fair value of a reporting unit is less than its carrying value, a quantitative test is then performed by estimating the fair value of the reporting unit and comparing it with its carrying value, including goodwill. If the carrying amount of a reporting unit is greater than its estimated fair value, goodwill is written down by the excess amount, limited to the total amount of goodwill allocated to that reporting unit.

The Company estimates the fair value of reporting units under ASC 350 by using an income approach, a market approach, or a combination thereof, which involves the use of significant unobservable inputs, or Level 3 inputs, as defined by the fair value hierarchy of ASC 820, *Fair Value Measurement* ("ASC 820"), and require us to make various judgmental assumptions around future revenues and operating costs, growth rates, and discount rates which consider our budgets, business plans, and economic projections. As such, these estimates are uncertain and may vary from actual results. Under the income approach, we utilize the discounted cash flow method while under the market approach, we utilize a peer-based guideline public company method based on published multiples of earnings of comparable entities with similar operations and economic characteristics.

There were no goodwill impairment charges recorded for the year end June 30, 2023. As a result of our annual goodwill impairment test as of April 1, 2022, the Company recorded goodwill impairment charges of \$44.6 million in goodwill impairment in the consolidated statement of comprehensive income (loss) for the year ended June 30, 2022. There were no goodwill impairment charges recorded for the year ended June 30, 2021. Refer to Note 7 to the consolidated financial statements for additional details.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the normal course of business, we are subject to market risk. Market risks represent risks of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our business, financial condition, and results of operations are not materially affected by foreign currency exchange rates, inflationary pressures, and commodity price fluctuations. Our financial instruments that are exposed to concentrations of credit risk primarily consist of accounts and commissions receivable. We do not require collateral or other security for our receivables, but believe the potential for collection issues with any of our customers was minimal as of June 30, 2023, 2022, and 2021, based on the lack of collection issues in the past and the high financial standards we require of our customers. As of June 30, 2023, two insurance carrier customers accounted for 31% and 22% of total accounts and commissions receivable. As of June 30, 2022, three insurance carrier customers accounted for 29%, 20%, and 14% of total accounts and commissions receivable. As of June 30, 2021, three insurance carrier customers accounted for 29%, 21%, and 10% of total accounts and commissions receivable.

Interest Rate Risk

As of June 30, 2023, we had cash of \$51.2 million deposited in non-interest bearing accounts, all at major banks with limited to no interest rate risk, and cash of \$31.9 million deposited in a money market account with one of those banks. As of June 30, 2022, we had cash of \$140.2 million deposited in non-interest bearing accounts, all at major banks with limited to no interest rate risk, and cash of \$0.7 million deposited in a money market account with one of those banks. Interest-earning instruments carry a degree of interest rate risk. We do not enter into investments for trading or speculative purposes. Our risk management strategy has included, and may continue to include entering into interest rate swap agreements to protect against unfavorable interest rate changes relating to forecasted debt transactions.

Seasonality

See “Risk Factors—Risks Related to Our Business and Industry—Our existing and any future indebtedness could adversely affect our ability to operate our business” and “Risk Factors—Risks Related to Our Business and Industry—Developments with respect to LIBOR may affect our borrowings under our credit facilities” for additional information.

ITEM 8. FINANCIAL STATEMENTS

Consolidated Financial Statements

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of SelectQuote, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of SelectQuote, Inc. and subsidiaries (the "Company") as of June 30, 2023 and 2022, the related consolidated statements of comprehensive income (loss), shareholders' equity, and cash flows, for each of the three years in the period ended June 30, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended June 30, 2023, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of June 30, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated September 13, 2023, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Commission Revenue – Medicare Advantage Renewal Commissions – Refer to Notes 1 and 13 to the financial statements

Critical Audit Matter Description

The Company earns commission revenue from the sale of insurance policies to consumers on behalf of its customers, the insurance carriers. The transaction price is determined when the performance obligation is satisfied upon the initial sale of the insurance policy by estimating the lifetime value ("LTV"). The LTV is an estimate of the

commissions to be collected over the life of an approved policy, consisting of the commission due in the year the policy is first effective and an estimate of commissions due upon each subsequent policy renewal ("renewal commissions"). The Company recognized commission revenue of \$653 million for the year ended June 30, 2023, as presented in the consolidated statements of comprehensive income (loss), including \$501 million of commission revenue from Medicare Advantage products as included in the Senior segment. Medicare Advantage renewal commissions are considered variable consideration and require significant judgment based on management assumptions for persistency, renewal year provision, and constraint. The Company reassesses the estimate of variable consideration each reporting period using cash receipts, actual renewal data, and historical data to identify trends and updates the estimate when sufficient evidence indicates management's assumptions have changed. The differences in cash received for current period renewals are recorded as adjustments ("cohort adjustments") as the underlying uncertainty has resolved. The current period cohort adjustments and updated assumptions are used to determine any changes in the estimate of future renewal commissions ("tail adjustments").

We identified Medicare Advantage renewal commissions as a critical audit matter because of the significant judgment necessary to audit management's assumptions used in the estimate of variable consideration. This required a high degree of auditor judgment and extensive audit effort due to the complexity of the methodology and volume of transactions when performing procedures to audit management's assumptions for persistency, renewal year provision, and constraint and in evaluating the results of those procedures.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to management's estimate of variable consideration for Medicare Advantage renewal commissions and management's assumptions for persistency, renewal year provision, and constraint included the following, among others:

- We tested the effectiveness of internal controls related to the Company's estimate of variable consideration for Medicare Advantage renewal commissions, including those related to the selection of persistency, renewal year provision, and constraint assumptions.
- We tested the effectiveness of internal controls related to the completeness and accuracy of the policy data used by management in determining persistency and renewal year provision assumptions.
- We reformed the Medicare Advantage renewal commissions calculations using management's assumptions to test the accuracy and reasonableness of the Company's methodology.
- We obtained confirmations from the insurance carriers to test the policy status for Medicare Advantage policies used in the Company's persistency assumptions.
- We evaluated the reasonableness of management's constraint assumption applied to Medicare Advantage renewal commissions.
- We developed an expectation of the variable consideration for Medicare Advantage policies and compared it to management's estimate.
- We tested management's calculation of cohort and tail adjustments for Medicare Advantage renewal commissions and assessed the reasonableness of the methodology.
- We performed a retrospective analysis of actual lapse trends and evaluated the reasonableness as compared to management's renewal provision assumption.

/s/ Deloitte & Touche LLP

Kansas City, Missouri
September 13, 2023

We have served as the Company's auditor since 2018.

SELECTQUOTE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)

	June 30,	
	2023	2022
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 83,156	\$ 140,997
Accounts receivable, net of allowances of \$2.7 million and \$0.6 million, respectively	154,565	129,748
Commissions receivable-current	111,148	116,277
Other current assets	14,355	15,751
Total current assets	363,224	402,773
COMMISSIONS RECEIVABLE—Net	729,350	722,349
PROPERTY AND EQUIPMENT—Net	27,452	41,804
SOFTWARE—Net	14,740	16,301
OPERATING LEASE RIGHT-OF-USE ASSETS	23,563	28,016
INTANGIBLE ASSETS—Net	10,200	31,255
GOODWILL	29,136	29,136
OTHER ASSETS	21,586	18,418
TOTAL ASSETS	\$ 1,219,251	\$ 1,290,052
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 27,577	\$ 24,766
Accrued expenses	16,993	26,002
Accrued compensation and benefits	49,966	42,150
Operating lease liabilities—current	5,175	5,261
Current portion of long-term debt	33,883	7,169
Contract liabilities	1,691	3,404
Other current liabilities	1,972	4,761
Total current liabilities	137,257	113,513
LONG-TERM DEBT, NET—less current portion	664,625	698,423
DEFERRED INCOME TAXES	39,581	50,080
OPERATING LEASE LIABILITIES	27,892	33,946
OTHER LIABILITIES	2,926	2,985
Total liabilities	872,281	898,947
COMMITMENTS AND CONTINGENCIES (Note 11)		
SHAREHOLDERS' EQUITY:		
Common stock, \$0.01 par value—700,000,000 shares authorized; 166,867,240 and 164,452,029 shares issued and outstanding as of June 30, 2023 and 2022, respectively	1,669	1,644
Additional paid-in capital	567,266	554,845
Accumulated deficit	(235,644)	(177,100)
Accumulated other comprehensive income	13,679	11,716
Total shareholders' equity	346,970	391,105
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 1,219,251	\$ 1,290,052

See accompanying notes to consolidated financial statements.

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

	Year Ended June 30,		
	2023	2022	2021
REVENUE:			
Commission	\$ 653,470	\$ 587,518	\$ 818,772
Pharmacy	239,547	59,460	1,791
Other	109,831	117,067	109,418
Total revenue	1,002,848	764,045	929,981
OPERATING COSTS AND EXPENSES:			
Cost of revenue	301,524	391,528	269,071
Cost of goods sold—pharmacy revenue	225,963	64,172	1,644
Marketing and advertising	301,245	484,084	385,291
Selling, general, and administrative	136,518	100,945	63,114
Technical development	26,015	24,729	18,623
Goodwill impairment	—	44,596	—
Total operating costs and expenses	991,265	1,110,054	737,743
INCOME (LOSS) FROM OPERATIONS	11,583	(346,009)	192,238
INTEREST EXPENSE, NET	(80,606)	(43,595)	(29,320)
LOSS ON EXTINGUISHMENT OF DEBT	—	—	(3,315)
OTHER EXPENSE, NET	(121)	(202)	(1,588)
INCOME (LOSS) BEFORE INCOME TAX EXPENSE (BENEFIT)	(69,144)	(389,806)	158,015
INCOME TAX EXPENSE (BENEFIT)	(10,600)	(92,302)	33,156
NET INCOME (LOSS)	\$ (58,544)	\$ (297,504)	\$ 124,859
NET INCOME (LOSS) PER SHARE:			
Basic	\$ (0.35)	\$ (1.81)	\$ 0.77
Diluted	\$ (0.35)	\$ (1.81)	\$ 0.75
WEIGHTED-AVERAGE COMMON STOCK OUTSTANDING USED IN PER SHARE AMOUNTS:			
Basic	166,140	164,042	162,889
Diluted	166,140	164,042	165,544
OTHER COMPREHENSIVE INCOME NET OF TAX:			
Gain on cash flow hedge	\$ 1,963	\$ 11,487	\$ 1,483
OTHER COMPREHENSIVE INCOME	1,963	11,487	1,483
COMPREHENSIVE INCOME (LOSS)	\$ (56,581)	\$ (286,017)	\$ 126,342

See accompanying notes to the consolidated financial statements.

SELECTQUOTE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(In thousands, except share amounts)

	Common Stock		Additional Paid-In Capital	Retained Earnings / (Accumulated Deficit)	Accumulated Other Comprehensive (Loss) Income	Total Shareholders' Equity
	Shares	Amount				
BALANCES-June 30, 2020	162,191	\$ 1,622	\$ 548,113	\$ (4,455)	\$ (1,254)	\$ 544,026
Net income	—	—	—	124,859	—	124,859
Gain on cash flow hedge, net of tax	—	—	—	—	941	941
Amount reclassified into earnings, net of tax	—	—	—	—	542	542
Exercise of employee stock options, net of shares withheld for cashless exercises and to cover tax withholdings	1,213	12	(9,473)	—	—	(9,461)
Issuance of common stock pursuant to employee stock purchase plan	56	1	985	—	—	986
Vesting of restricted stock unit awards net of shares withheld to cover tax withholdings	50	—	—	—	—	—
Share-based compensation expense	—	—	5,146	—	—	5,146
BALANCES-June 30, 2021	163,510	\$ 1,635	\$ 544,771	\$ 120,404	\$ 229	\$ 667,039
Net loss	—	—	—	(297,504)	—	(297,504)
Gain on cash flow hedge, net of tax	—	—	—	—	10,869	10,869
Amount reclassified into earnings, net of tax	—	—	—	—	618	618
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	467	5	1,877	—	—	1,882
Vesting of restricted stock unit awards net of shares withheld to cover tax withholdings	126	1	(148)	—	—	(147)
Share-based compensation expense	—	—	7,052	—	—	7,052
BALANCES-June 30, 2022	164,452	\$ 1,644	\$ 554,845	\$ (177,100)	\$ 11,716	\$ 391,105
Net loss	—	—	—	(58,544)	—	(58,544)
Gain on cash flow hedge, net of tax	—	—	—	—	8,974	8,974
Amount reclassified into earnings, net of tax	—	—	—	—	(7,011)	(7,011)
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	399	4	(45)	—	—	(41)
Share-based compensation expense	—	—	11,300	—	—	11,300
BALANCES-June 30, 2023	166,867	\$ 1,669	\$ 567,266	\$ (235,644)	\$ 13,679	\$ 346,970

See accompanying notes to the consolidated financial statements.

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

	Year Ended June 30,		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	\$ (58,544)	\$ (297,504)	\$ 124,859
Adjustments to reconcile net income (loss) to net cash and cash equivalents used in operating activities:			
Depreciation and amortization	27,881	24,724	16,142
Goodwill impairment	—	44,596	—
Loss on disposal of property, equipment, and software	754	1,458	686
Impairment of long-lived assets	17,332	3,147	—
Share-based compensation expense	11,310	7,052	5,165
Deferred income taxes	(11,176)	(92,716)	33,007
Amortization of debt issuance costs and debt discount	8,676	5,461	3,344
Write-off of debt issuance costs	710	—	2,570
Accrued interest payable in kind	12,015	—	—
Fair value adjustments to contingent earnout obligations	—	—	1,488
Non-cash lease expense	4,185	4,067	3,823
Changes in operating assets and liabilities:			
Accounts receivable, net	(24,817)	(25,749)	(19,993)
Commissions receivable	(1,872)	7,271	(332,936)
Other assets	169	(10,915)	4,848
Accounts payable and accrued expenses	(3,649)	(4,464)	19,728
Operating lease liabilities	(5,643)	(5,143)	(3,782)
Other liabilities	3,292	401	25,609
Net cash used in operating activities	(19,377)	(338,314)	(115,442)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property and equipment	(1,447)	(24,798)	(14,907)
Purchases of software and capitalized software development costs	(7,678)	(9,851)	(8,081)
Acquisition of business	—	(6,927)	(41,028)
Investment in equity securities	—	(1,000)	—
Net cash used in investing activities	(9,125)	(42,576)	(64,016)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from Revolving Credit Facility	—	50,000	—
Payments on Revolving Credit Facility	—	(50,000)	—
Net proceeds from Term Loans	—	242,000	228,753
Payments on Term Loans	(17,833)	(3,585)	(84,118)
Payments on other debt	(158)	(184)	(251)
Proceeds from common stock options exercised and employee stock purchase plan	1,187	3,179	1,887
Payments of tax withholdings related to net share settlement of equity awards	(40)	(148)	(10,362)
Payments of debt issuance costs	(10,110)	(328)	(885)
Payments of costs incurred in connection with private placement	—	—	(1,771)
Payments of costs incurred in connection with initial public offering	—	—	(3,911)
Payment of contingent earnout liability	—	—	(32,300)
Payment of acquisition holdback	(2,385)	(5,501)	—
Net cash (used in) provided by financing activities	(29,339)	235,433	97,042
NET DECREASE IN CASH AND CASH EQUIVALENTS	(57,841)	(145,457)	(82,416)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH—Beginning of year	140,997	286,454	368,870
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH—End of year	\$ 83,156	\$ 140,997	\$ 286,454
SUPPLEMENTAL CASH FLOW INFORMATION:			
Interest paid, net	\$ (59,025)	\$ (38,043)	\$ (26,006)
Payment of income taxes, net	(306)	(169)	(214)
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING ACTIVITIES:			
Capital expenditures in accounts payable and accrued expenses	273	655	444

See accompanying notes to consolidated financial statements.

SELECTQUOTE, INC. AND SUBSIDIARIES
NOTES TO 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 an accredited Patient-Centered Pharmacy Home (“PCPH”) pharmacy, which offers essential prescription medications, OTC medications, customized medication packaging, medication therapy management, providing long-term pharmacy care that enables patients to optimize medication adherence to drive positive health outcomes while enabling patients to remain at home. Population Health helps members understand the benefits available under their health plans, contracts with insurance carriers to complete HRA’s on members, partners with VBC providers for a variety of healthcare-related services, and introduces members to the pharmacy services offered through SelectRx.

Basis of Presentation—The accompanying consolidated financial statements include the accounts of SelectQuote, Inc., and its wholly owned subsidiaries: SelectQuote Insurance Services, SelectQuote Auto & Home Insurance Services, LLC (“SQAH”), ChoiceMark Insurance Services, Inc., Tiburon Insurance Services, InsideResponse, LLC (“InsideResponse”), and SelectQuote Ventures, Inc. All intercompany accounts and transactions have been eliminated in consolidation. The consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles and include all adjustments necessary for the fair presentation of our financial position as of June 30, 2023. During the year ended June 30, 2023, the Company created a new liability line item on the consolidated balance sheets for “Contract liabilities” which was previously included in “Other current liabilities.” The Company created a new revenue line item on the consolidated statements of comprehensive income (loss) for “Pharmacy revenue” which was previously included in “Other revenue.” Production bonus revenue, which was previously presented separately within Revenue, 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.” The Company updated its accounting policy related to the classification of SelectRx cost of goods sold which resulted in \$11.1 million previously included in Cost of revenue in the consolidated financial statements for the year ended June 30, 2022, 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. Results from operations related to entities acquired during the periods covered by the consolidated financial statements are reflected from the effective date of acquisition. Results of operations were not materially impacted by the COVID-19 pandemic.

Our fiscal year ends on June 30. References in this Annual Report to a particular “year,” “fiscal,” “fiscal year,” or “year-end” mean our fiscal year. The significant accounting policies applied in preparing the accompanying consolidated financial statements of the Company are summarized below.

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.

Use of Estimates—The preparation of 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.

Business Combinations—The Company accounts for business combinations in accordance with ASC Topic 805, *Business Combinations* (“ASC 805”), which requires most identifiable assets, liabilities, and goodwill acquired in a business combination to be recorded at full fair value at the acquisition date. Additionally, ASC 805 requires transaction-related costs to be expensed in the period incurred. The determination of fair value of assets acquired and liabilities assumed requires estimates and assumptions that can change as a result of new information obtained about facts and circumstances that existed as of the acquisition date. As such, the Company will make any necessary adjustments to goodwill in the period identified within one year of the acquisition date. Adjustments outside of that range are recognized currently in earnings. Refer to Note 2 of the consolidated financial statements for further details.

Cash and Cash Equivalents—Cash and cash equivalents represent cash and short-term, highly liquid investments with maturities of three months or less at the time of purchase. Cash equivalents include a money market account primarily invested in cash, U.S. Government securities, and repurchase agreements that are collateralized fully. These investments are generally classified as Level 1 fair value measurements, which represent unadjusted quoted market prices in active markets for identical assets or liabilities. Our account balances can at times exceed the FDIC-insured limits.

Concentrations of Credit Risk—Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of accounts and commissions receivable. The Company believes the potential for collection issues with any of its customers is minimal as of June 30, 2023, based on the lack of collection issues in the past and the high financial standards the Company requires of its customers. As of June 30, 2023, two insurance carrier customers accounted for 31% and 22% of total accounts and commissions receivable. As of June 30, 2022, three insurance carrier customers accounted for 29%, 20%, and 14% of total accounts and commissions receivable.

For the year ended June 30, 2023, two insurance carriers customers accounted for 33% and 20% of total revenue. For the year ended June 30, 2022, three insurance carrier customers accounted for 18%, 17%, and 12% of total revenue. For the year ended June 30, 2021, three insurance carrier customers accounted for 24% 19%, and 15% of total revenue.

Property and Equipment—Net—Property and equipment are stated at cost less accumulated depreciation. Finance lease amortization expenses are included in depreciation expense in our consolidated statements of comprehensive income (loss). Depreciation is computed using the straight-line method based on the date the asset is placed in service using the following estimated useful lives:

Computer hardware	3 years
Machinery and equipment	2–5 years
Automobiles	5 years
Leasehold improvements	Shorter of lease period or useful life
Furniture and fixtures	7 years

Maintenance and minor replacements are expensed as incurred.

Software—Net—The Company capitalizes costs of materials, consultants, and compensation and benefits costs of employees who devote time to the development of internal-use software during the application development

stage. Judgment is required in determining the point at which various projects enter the phases at which costs may be capitalized, in assessing the ongoing value of the capitalized costs, and in determining the estimated useful lives over which the costs are amortized, which is generally 3-5 years.

Implementation costs incurred in a hosting arrangement that is a service contract are capitalized according to the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software and classified in the same balance sheet line item as amounts prepaid for the related hosting arrangement. Amortization of these costs is recorded to the same income statement line item as the service fees for the related hosting arrangement and over the same term.

Leases—The Company has entered into various lease agreements for office space and other equipment as lessee. At contract inception, the Company determines that a contract contains a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) for a period of time in exchange for consideration. If a contract contains a lease, the Company recognizes a right-of-use asset and a lease liability on the consolidated balance sheet at lease commencement. The Company has elected a practical expedient to make an accounting policy not to record short-term leases on the consolidated balance sheet, defined as leases with an initial term of 12 months or less that do not contain purchase options that the lessee is reasonably certain to elect.

Right-of-use assets represent the Company's right to use an underlying asset for the lease term as the Company has control over an economic resource and is benefiting from the use of the asset. Lease liabilities represent the Company's obligation to make payments for that right of use. Right-of-use assets and lease liabilities are determined by recognizing the present value of future lease payments using the Company's incremental borrowing rate, which is the rate we would have to pay to borrow on a collateralized basis based upon information available at the lease commencement date. The right-of-use asset is measured at the commencement date by totaling the amount of the initial measurement of the lease liability, adding any lease payments made to the lessor at or before the commencement date, subtracting any lease incentives received, and adding any initial direct costs incurred by the Company.

When lease terms include renewal or termination options, the Company determines the lease term as the noncancelable period of the lease, plus periods covered by an option to extend the lease if the Company is reasonably certain to exercise the option. The Company considers an option to be reasonably certain to be exercised by the Company when a significant economic incentive exists.

The Company has lease agreements with lease and nonlease components. The Company elected the practical expedient to make an accounting policy election by class of underlying asset, to not separate nonlease components from the associated lease components and instead account for each separate lease component and its associated nonlease components as a single lease component. The Company has applied this accounting policy election to all asset classes.

Impairment and Disposal of Long-Lived Assets—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. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset or asset group to its expected future undiscounted cash flows. If the carrying amount exceeds its expected future undiscounted cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset or asset group exceeds its fair value. Assets to be disposed of are reported at the lower of their carrying amount or fair value, less costs to sell. Refer to Notes 3, 4, and 7 of the consolidated financial statements for further details.

Goodwill—Goodwill represents the excess of the purchase price over the estimated fair values of identifiable assets and liabilities acquired in a business combination as of the acquisition date. Goodwill is not amortized in accordance with the requirements of ASC 350, rather, goodwill is tested for impairment on an annual basis and whenever events or circumstances indicate that the asset may be impaired. The Company considers significant unfavorable industry or economic trends as factors in deciding when to perform an impairment test.

Goodwill is allocated among, and evaluated for impairment, at the reporting unit level, which is defined as an operating segment or one level below an operating segment. The Company performs the annual goodwill impairment test as of April 1. Refer to Note 7 of the consolidated financial statements for further details.

Revenue Recognition—The Company has three revenue streams: commissions, pharmacy, and other revenues. The Company recognizes revenue when a customer obtains control of promised goods or services and recognizes an amount that reflects the consideration that an entity expects to receive in exchange for those goods or services. The Company applies the following five-step model in order to determine this amount: (i) identification of the contract with a customer; (ii) identification of the performance obligations in the contract, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation. The Company only applies the five-step model to contracts when it is probable that it will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer.

Commission Revenue

Contracts with Customers—The Company earns commission revenue from the sale of insurance policies, both in the first year the policy is sold and, when applicable, when the underlying policyholder renews their policy in subsequent years, as presented in the consolidated statements of comprehensive income (loss) as commission revenue. The Company's primary customers are the insurance carriers that it contracts with to sell insurance policies on their behalf. The contracts with the insurance carriers are non-exclusive and can typically be terminated unilaterally by either party. We review individual contracts to determine the Company's legal and enforceable rights to renewal commissions upon contract termination when determining variable consideration. Additionally, the insurance carriers often have the ability to amend provisions in the contracts relating to the prospective commission rates paid to the Company for new policies sold. The Company's contracts with customers for commission revenue contain a single performance obligation satisfied at a point in time to which it allocates the total transaction price. For certain contracts, the Company receives upfront commission payments from certain insurance carrier customers as opposed to receiving renewal year commission in later years. The difference between the upfront payment and the unmet performance obligation represents a contract liability, which is presented as contract liabilities in the consolidated balance sheets.

Significant Judgments—The accounting estimates and judgments related to the recognition of revenue require the Company to make assumptions about numerous factors such as the determination of performance obligations and determination of the transaction price. In determining the amounts of revenue to recognize, the Company considers the following:

- **Determination of Performance Obligations**—The Company reviews each contract with customers to determine what promises the Company must deliver and which of these promises are capable of being distinct and are distinct in the context of the contract. The delivery of new policyholders to the insurance carriers is the only material promise specified within the contracts. After a policy is sold, the Company has no material additional or recurring obligations to the policyholder or the insurance carrier. The Company's contracts do not include downstream policyholder activities such as claims support or payment collection services. While the primary promise is the sale of policies, some contracts include the promise to provide administrative services to policyholders on behalf of the insurance carrier such as responding to policyholder inquiries regarding coverage or providing proof of insurance. The Company has concluded that while these administrative services may be distinct, they are immaterial in the context of the contract.
- **Determination of the Transaction Price**—Although the commission rates the Company is paid are based on agreed-upon contractual terms, the transaction price is determined using the estimated LTV, which represents commissions estimated to be collected over the life of an approved policy. This includes the first year commission due upon the initial sale of a policy.

as well as an estimate of renewal commissions, when applicable. First year commission revenue for new policies sold includes an estimated provision for those policies that are anticipated to lapse before the first policy anniversary renewal date (“first year provision”). The Company utilizes a practical expedient to estimate renewal commission revenue by applying the use of a portfolio approach to policies grouped together by segment, insurance carrier, product type, and quarter the policy was initially sold (referred to as a “cohort”).

The estimate of renewal commission revenue is considered variable consideration and requires significant judgment to determine the renewal commission revenue to be recognized at the time the performance obligation is met and in the reassessment of the transaction price each reporting period. This includes determining the number of periods in which a renewal will occur and the value of those renewal commissions to be received if renewed, which includes estimating persistency, the renewal year provision, and an additional product specific constraint applied to account for trends such as industry volatility or uncertainty of consumer behavior patterns. Persistency is the estimate of policies expected to renew each year and renewal year provision is the estimate of policies expected to lapse during each renewal period. The estimated average duration of expected renewals for our cohorts used in the calculation of LTV is ten years. Effective for policies sold during the three months ended December 31, 2021, and thereafter, the Company increased the product specific constraint for MA from 6% to 15%.

The assumptions used in the Company’s calculation of renewal commission revenue are based on a combination of the Company’s historical experience for renewals, lapses, and payment data; available insurance carrier data; other industry or consumer behavior patterns; and expectations for future retention rates. The estimate of variable consideration is recognized only to the extent it is probable that a material reversal in revenue would not be expected to occur when the uncertainty associated with future commissions receivables is subsequently resolved when the policy renews or lapses. The Company monitors and updates this estimate of transaction price at each reporting period.

- **Reassessment of the Transaction Price**—The Company is continuously reviewing and monitoring the assumptions and inputs into the Company’s calculation of renewal commission revenue, including reviewing changes in the data used to estimate LTV’s as well as monitoring the cash received for each cohort as compared to the original estimates at the time the policy was sold. The Company assesses the actual renewal data and historical data to identify trends and updates assumptions when a sufficient amount of evidence would suggest that the expectation underlying the assumption has changed and a change in estimate of the transaction price is warranted. The differences in actual cash received for current period renewals may result in an adjustment by cohort (“cohort adjustment”) to revenue and commissions receivable. Cohort adjustments can be positive or negative and are recognized using actual experience from policy renewals. The Company analyzes cohort adjustments to determine if they are indicative of changes needed in our estimates of future renewal commissions (“tail adjustments”) that remain unresolved as of the reporting period.

Timing of Recognition—The Company recognizes revenue for both first year and renewal commissions when it has completed its performance obligation, which is at different milestones for each segment based on the contractual enforceable rights, the Company’s historical experience, and established customer business practices:

- **Senior**—Commission revenue is recognized at the earliest of when the insurance carrier has approved the policy sold, when a commission payment is received from the insurance carrier, or when the policy sold becomes effective.

- Life—Term commission revenue is recognized when the insurance carrier has approved the policy sold and payment information has been obtained from the policyholder. Final expense commission revenue is recognized when the carrier provides confirmation the policy is active.
- Auto & Home—Commission revenue is recognized when the policy sold becomes effective.

Pharmacy Revenue

Pharmaceutical sales revenue from SelectRx is recognized upon shipment of an order to a customer (the patient ordering the medication). At the time of shipment, the Company has performed its one performance obligation and collectability is probable. The Company is legally prohibited from accepting returns or re-shipments except in limited circumstances. There are no future revenue streams or variable consideration associated as the transaction price is fixed and determined at time of shipment, customers have the option to cancel their service at any time, and any subsequent new order is its own performance obligation. Furthermore, as the customer has the ability to direct the use of the asset and substantially all of the remaining benefits of the asset have been transferred to the customer upon shipment, that is when revenue is recognized.

Other Revenue

Included in other revenue in the consolidated statements of comprehensive income (loss) is production bonus revenue and marketing development funds, revenue from Population Health, and external lead generation revenue from Inside Response. Population Health revenue is generally recognized when the HRA has been performed for an insurance carrier customer or the agreed-upon task has been completed for a VBC partner (the customer), the transaction price is known based on volume and contractual prices, and the Company has no further performance obligation.

In addition to the commissions revenue received for the sale of policies, the Company earns two additional forms of revenue from its insurance carrier customers: 1) production bonuses, which are generally based on attaining predetermined target sales levels and are paid at the end of an agreed-upon measurement period and 2) marketing development funds, which are used as additional compensation and incentive to drive incremental policy sales for certain insurance carrier customers and are typically paid upfront to be used for lead generation activities during the agreed-upon measurement period (e.g. AEP for Senior).

The sale of a certain volume of insurance policies is the only material promise specified within the contracts for production bonuses, with the transaction price being the agreed-upon contractual total production bonus to be paid by the insurance carrier at the end of the measurement period. The Company recognizes revenue from production bonuses as policies are sold based upon the agreed-upon targets in the customer contracts, using contractual amounts and forecast data to project the volume for the measurement period and record revenue proportionally as policies are sold. Therefore, the estimates of revenue for production bonuses are considered variable consideration, but the uncertainty around the variable consideration is typically resolved within a reporting period due to the nature of the production bonus contracts. Due to this, there are not significant judgments required in recognizing production bonus revenue.

The contract language can vary in the Company's marketing development funds contracts, but generally the material promise to the customer is for the Company to use the upfront payment to generate leads. There are no future revenue streams or variable consideration associated as the transaction price is fixed, determined, and paid up front. Therefore, the Company's performance obligation is fulfilled, and revenue is recognized ratably according to the contract over the agreed-upon measurement period (typically one fiscal quarter). The difference between the upfront payment and the unmet performance obligation represents a contract liability, which is presented in contract liabilities in the consolidated balance sheets.

Accounts Receivable, net—Accounts receivable, net primarily represents either first year or renewal commissions expected to be received on policies that have already been sold or renewed and for production bonus revenue that has been earned but not received from the insurance carrier. Typically, the Company receives

commission payments as the insurance carriers receive payments from the underlying policyholders. As these can be on various payment terms such as monthly or quarterly, a receivable is recorded to account for the commission payments yet to be received from the insurance carriers. Accounts receivable, net also includes trade receivables from Healthcare Services primarily due to pharmacy sales to customers who are covered by third-party payers (e.g., pharmacy benefit managers, insurance companies, and governmental agencies), and are stated net of allowance for credit losses. The Company recorded an allowance for credit losses as of June 30, 2023 and 2022, of \$2.7 million and \$0.6 million, respectively.

Commissions Receivable—Commissions receivable are contract assets that represent estimated variable consideration for performance obligations that have been satisfied but payment is not due as the underlying policy has not renewed yet. The current portion of commissions receivable are future renewal commissions expected to be renewed and collected in cash within one year, while the non-current portion of commissions receivable are expected to be collected beyond one year. Contract assets are reclassified as accounts receivable, net when the rights to the renewal commissions become unconditional, which is primarily upon renewal of the underlying policy, typically on an annual basis.

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.

Inventory—Inventory consists of SelectRx pharmaceuticals, which are carried at the lower of cost (weighted average cost) or net realizable value. Net realizable value is defined as estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation, with a normal margin to sell. Any adjustments to reduce the cost of inventories to their net realizable value are recognized in earnings in the current period. Inventory is included in other current assets in the consolidated balance sheet.

Share-Based Compensation—The Company applies the fair value method under ASC 718, *Compensation—Stock Compensation* ("ASC 718"), in accounting for share-based compensation to employees. Under ASC 718, compensation cost is measured at the grant date based on the fair value of the equity instruments awarded and is recognized over the period during which an employee is required to provide service in exchange for the award, or the requisite service period, which is usually the vesting period. The fair value of the equity award granted is estimated on the date of the grant.

Marketing and Advertising Expenses—Direct costs related to marketing and advertising the Company's services are expensed in the period incurred. Advertising expense was \$242.5 million, \$418.0 million, and \$329.4 million for the years ended June 30, 2023, 2022, and 2021, respectively.

Income Taxes—The Company accounts for income taxes using an asset and liability method. Deferred income tax assets and liabilities result from temporary differences between the tax basis of assets and liabilities and their reported amounts in the consolidated financial statements that will result in taxable or deductible amounts in future years. Valuation allowances are provided when necessary to reduce deferred tax assets to the amount which is more likely than not expected to be realized.

The Company applies ASC 740, *Income Taxes* ("ASC 740"), in accounting for uncertainty in income taxes recognized in the Company's consolidated financial statements. ASC 740 requires a more-likely-than-not threshold

for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. The Company records a liability for the difference between the benefit recognized and measured pursuant to ASC 740 and the tax position taken or expected to be taken on the Company's tax return. To the extent that the assessment of such tax positions changes, the change in estimate is recorded in the period in which the determination is made.

Comprehensive Income (Loss)—Comprehensive income (loss) is comprised of net income (loss) and the effective portion of changes in the fair value of derivatives designated and that qualify as cash flow hedges, less amounts reclassified into earnings.

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.

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*, which simplifies and changes the accounting for certain income tax transactions, among other minor improvements. This standard was effective for the Company on July 1, 2021, and did not have a material impact on the consolidated financial statements and related disclosures.

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

Lead distribution company—On February 1, 2021, the Company acquired substantially all of the assets of a lead distribution company for an aggregate purchase price of up to \$33.5 million (subject to customary adjustments), as set forth in the Asset Purchase Agreement, dated February 1, 2021 (the "Asset Purchase Agreement"). The purchase price was comprised of \$30.0 million, of which \$24.0 million was paid in cash at the closing of the transaction with an additional \$6.0 million of holdback for indemnification claims, net working capital adjustments, and underperformance. Additionally, the purchase price included an earnout of up to \$3.5 million. The primary purpose of the acquisition was to secure and incorporate the exclusive publisher relationships into the lead generation business of InsideResponse. The Company recorded \$0.4 million of acquisition-related costs in general and administrative operating costs and expenses in the consolidated statement of comprehensive income (loss).

During calendar year 2021, the lead distribution company did not achieve the minimum earnout target as set forth in the Asset Purchase Agreement. However, the remaining holdback was earned in full, as the lead distribution company did not fall below the underperformance thresholds as set forth in the Asset Purchase Agreement. The Company settled the remaining holdback of \$5.5 million, with interest, after the net working capital true-up of \$0.5 million, during the year ended June 30, 2022.

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

Base purchase price	\$	30,000
Net working capital true-up		(499)
Total Purchase Consideration	\$	29,501

At the date of acquisition, the fair value of net tangible assets acquired approximated their carrying value. The non-compete agreements were 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 benefits of leveraging the exclusive publisher relationships in the business. This acquired goodwill is allocated to the Senior reporting unit which is part of the Senior segment, and \$1.6 million is deductible for tax purposes after adding back acquisition costs and settling the remaining 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
Accounts receivable		\$ 1,301
Total tangible assets acquired		1,301
Non-compete agreements	5 years	1,000
Vendor relationships	9 years	23,700
Goodwill	Indefinite	3,500
Total intangible assets acquired		28,200
Net Assets Acquired		\$ 29,501

The intangible assets acquired were being amortized on a straight-line basis over their estimated remaining lives, ranging from five to nine years.

During the year ended June 30, 2023, the Company recorded impairment charges for the remaining net book values of the vendor relationship and the non-compete agreement acquired through this acquisition (refer to Note 7 to the consolidated financial statements for further details).

Express Med Pharmaceuticals—On April 30, 2021, the Company acquired 100% of the outstanding shares of Express Med Pharmaceuticals, Inc., now SelectRx, an accredited Patient-Centered Pharmacy Home pharmacy, 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 was 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 general and administrative operating costs and expenses in the consolidated statement of comprehensive income (loss). In addition, as a result of the acquisition, the Company entered into an operating lease with the former President and Chief Executive Officer of Express Med Pharmaceuticals, now our Executive Vice President of SelectRx. Refer to Note 5 in the consolidated financial statements for further details.

The earnout of up to \$4.0 million was comprised of two separate provisions. The first provision provided for an earnout of up to \$3.0 million and was 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 provided for an earnout of up to \$1.0 million and was 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 was contingent upon continued employment of certain individuals, the Company recognized the earnout as compensation expense in selling, general, and administrative operating costs and expenses in the consolidated statement of comprehensive income (loss) in the period in which it was earned. During the year ended June 30, 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 \$2.4 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
Total purchase consideration	\$	19,537

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 settling the remaining 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)
Net tangible assets acquired		623
Proprietary Software	3 years	550
Non-compete agreements	5 years	100
Customer relationships	1 year	200
Goodwill	Indefinite	18,064
Total intangible assets acquired		18,914
Net assets acquired		\$ 19,537

The Company is amortizing 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
Total purchase consideration	\$ 7,408

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
Net assets acquired		\$ 7,408

3. PROPERTY AND EQUIPMENT—NET

Property and equipment—net consisted of the following as of June 30:

(in thousands)	2023	2022
Computer hardware	\$ 20,970	\$ 23,303
Machinery and equipment ⁽¹⁾	14,825	15,051
Leasehold improvements	20,422	20,269
Furniture and fixtures	4,591	4,605
Work in progress	338	2,810
Total	61,146	66,038
Less accumulated depreciation	(33,694)	(24,234)
Property and equipment—net	\$ 27,452	\$ 41,804

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

Work in progress as of June 30, 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 years ended June 30, 2023, 2022, and 2021, was \$14.5 million, \$11.8 million, and \$7.7 million, respectively. In addition, during the year ended June 30, 2023, the Company recorded a net impairment charge to the Senior segment of \$0.7 million for computer equipment that was determined to have a carrying value less than the fair market value.

4. SOFTWARE—NET

Software—net consisted of the following as of June 30:

<i>(in thousands)</i>	2023		2022	
Software	\$	35,945	\$	26,049
Work in progress		143		4,162
Total		36,088		30,211
Less accumulated amortization		(21,348)		(13,910)
Software—net	\$	14,740	\$	16,301

Work in progress primarily represents costs incurred for software not yet put into service and not yet being amortized. For the years ended June 30, 2023, 2022, and 2021, the Company capitalized internal-use software and website development costs of \$7.8 million, \$8.4 million, and \$7.6 million, respectively, and recorded amortization expense of \$7.9 million, \$6.3 million, and \$3.9 million, respectively. In addition, during the year ended June 30, 2023, the Company recorded an impairment charge to the Healthcare Services segment of \$1.0 million for the net book value of software that the Company determined would no longer be utilized.

5. 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 year ended June 30, 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 \$1.8 million. The Company exercised an early termination option for a portion of its office facilities in Overland Park, Kansas, effective July 31, 2023, resulting in an early termination penalty of \$0.9 million, which 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. In addition, the Company terminated its lease for a portion of its office facilities in Overland Park, resulting in derecognition of the right-of-use asset and operating lease liability and a gain of \$0.2 million which is included in selling, general, and administrative expense in the consolidated statement of comprehensive income (loss).

During the year ended June 30, 2022, the Company exercised an early termination option for the Des Moines, Iowa office lease, resulting in an early termination penalty of \$0.3 million, which 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.

Right-of-Use Asset and Lease Liability—The right-of-use assets and lease liabilities were as follows as of June 30, 2023:

(in thousands)		Balance Sheet Classification	2023	2022
Assets				
Operating leases	Operating lease right-of-use assets	\$	23,563	\$ 28,016
Finance leases	Property and equipment - net		221	261
Total lease right-of-use assets		\$	23,784	\$ 28,277
Liabilities				
Current				
Operating leases	Operating lease liabilities - current	\$	5,175	\$ 5,261
Finance leases	Other current liabilities		127	136
Non-current				
Operating leases	Operating lease liabilities		27,892	33,946
Finance leases	Other liabilities		98	129
Total lease liabilities		\$	33,292	\$ 39,472

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

(in thousands)		Year Ended June 30,	Year Ended June 30,
		2023	2022
Finance lease costs ⁽¹⁾	\$	173	\$ 181
Operating lease costs ⁽²⁾		7,874	7,996
Short-term lease costs		201	108
Variable lease costs ⁽³⁾		599	842
Sublease income		(2,190)	(690)
Total net lease costs	\$	6,657	\$ 8,437

(1) Primarily consists of amortization of finance lease right-of-use assets and an immaterial amount of interest on finance lease liabilities recorded in selling, general, and administrative expense and interest expense, net in the consolidated statements of comprehensive income (loss).

(2) Recorded in selling, general, and administrative expense in the consolidated statements of comprehensive income (loss).

(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 consolidated statements of comprehensive income (loss).

Supplemental Information—Supplemental information related to leases was as follows as of and for the periods presented:

	Year Ended June 30,			Year Ended June 30,		
	2023			2022		
	Operating leases	Finance leases	Total	Operating leases	Finance leases	Total
<i>(in thousands)</i>						
Cash paid for amounts included in measurement of liabilities:						
Operating cash flows from leases	\$ 9,388	\$ 17	\$ 9,405	\$ 9,561	\$ 12	\$ 9,573
Financing cash flows from leases	—	156	156	—	199	199
Right-of-use assets obtained in exchange for new lease liabilities	\$ (347)	\$ 116	\$ (231)	\$ 654	\$ 249	\$ 903
	Year Ended June 30,			Year Ended June 30,		
	2023			2022		
	Operating leases	Finance leases		Operating leases	Finance leases	
Weighted-average remaining lease term (in years)	6.11	2.55		6.56		3.20
Weighted-average discount rate	10.33 %	10.81 %		9.55 %		5.64 %

Maturities of Lease Liabilities—As of June 30, 2023, remaining maturities of lease liabilities for each of the next five fiscal years and thereafter are as follows:

<i>(in thousands)</i>	Operating leases	Finance leases	Total
2024	\$ 8,199	\$ 140	\$ 8,339
2025	7,947	38	7,985
2026	7,412	38	7,450
2027	6,105	32	6,137
2028	5,562	—	5,562
Thereafter	9,046	—	9,046
Total undiscounted lease payments	44,271	248	44,519
Less: interest	11,204	23	11,227
Present value of lease liabilities	\$ 33,067	\$ 225	\$ 33,292

Sublease income—The Company executed noncancelable subleases for portions of its office facilities in Overland Park, Kansas and the entirety of its office facilities in Centennial, Colorado. These subleases 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. In June 2023, the Company terminated its sublease for a portion of its office facilities in Overland Park, KS resulting in a loss of \$0.2 million which is included in selling, general, and administrative expense in the consolidated statement of comprehensive income (loss). Sublease income is recorded on a straight-line basis as a reduction of lease expense in the consolidated statements of comprehensive income (loss). The Company may consider entering into additional sublease arrangements in the future.

As of June 30, 2023, the future minimum fixed sublease receipts under non-cancelable operating lease agreements are as follows:

<i>(in thousands)</i>		Total
2024	\$	2,323
2025		2,548
2026		2,587
2027		2,180
2028		1,931
Thereafter		2,092
Total sublease income	\$	13,661

6. SUPPLEMENTAL FINANCIAL STATEMENT INFORMATION

Cash and cash equivalents—As of June 30, 2023 and 2022, cash equivalents included a money market account primarily invested in cash, U.S. Government securities, and repurchase agreements that are collateralized fully. Cash and cash equivalents consisted of the following as of June 30:

<i>(in thousands)</i>		2023		2022
Cash	\$	51,231	\$	140,248
Money market funds		31,925		749
Total cash and cash equivalents	\$	83,156	\$	140,997

Other current assets—Other current assets consisted of the following as of June 30:

<i>(in thousands)</i>		2023		2022
Prepaid expenses ⁽¹⁾	\$	7,057	\$	7,943
Inventory ⁽²⁾		5,567		5,754
Other receivables ⁽³⁾		1,731		2,054
Total other current assets	\$	14,355	\$	15,751

(1) Prepaid expenses primarily consists of amounts prepaid for future services and other contractual arrangements for which we have yet to receive benefit.

(2) Inventory consists of SelectRx pharmaceuticals.

(3) Other receivables primarily consists of tax incentives and lead monetization payments not yet received.

Other current liabilities—Other current liabilities consisted of the following as of June 30:

<i>(in thousands)</i>		2023		2022
Commission advances ⁽¹⁾	\$	1,142	\$	4,625
Financing lease liabilities-short term		127		136
Other ⁽²⁾		703		—
Total other current liabilities	\$	1,972	\$	4,761

(1) Commission advances as of June 30, 2023 and 2022, consists of a refund liability related to certain final expense policies where the upfront payments exceeded accounts receivable owed from certain Life insurance carrier customers due to anticipated lapsed policies.

(2) Other current liabilities primarily consists of an accrual for fees related to the Revolving Credit Facility and a security deposit related to one of the Company's subleases.

Other liabilities—Other liabilities consisted of the following as of June 30:

(in thousands)

	2023	2022
Financing lease liabilities-long term	\$ 98	\$ 129
Third-party commission liabilities	1,779	1,824
Other ⁽¹⁾	1,049	1,032
Total other liabilities	\$ 2,926	\$ 2,985

(1) Other noncurrent liabilities consists of revenue sharing obligations expected to settle beyond one year from the balance sheet date as well as security deposits related to the Company's subleases.

7. INTANGIBLE ASSETS AND GOODWILL

Intangible assets—The carrying amounts, accumulated amortization, net carrying value, and weighted average remaining life of our definite-lived amortizable intangible assets are presented in the tables below as of June 30 (dollars in thousands, useful life in years):

	2023				2022			
	Gross Carrying Amount	Impairment Charges	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Impairment Charges	Accumulated Amortization	Net Carrying Amount
Customer relationships	\$ 17,492	\$ —	\$ (8,617)	\$ 8,875	\$ 17,492	\$ —	\$ (6,232)	\$ 11,260
Trade name	2,680	—	(1,697)	983	2,680	—	(1,161)	1,519
Proprietary software	1,042	—	(758)	284	1,592	(336)	(816)	440
Non-compete agreements	1,292	(533)	(701)	58	1,292	—	(445)	847
Vendor relationships	20,400	(15,111)	(5,289)	—	23,700	(2,811)	(3,700)	17,189
Total intangible assets	\$ 42,906	\$ (15,644)	\$ (17,062)	\$ 10,200	\$ 46,756	\$ (3,147)	\$ (12,354)	\$ 31,255

The Company's intangible assets include those long-lived intangible assets acquired as part of the acquisitions discussed in Note 2 to the consolidated financial statements. 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.

For the year ended June 30, 2023, the Company determined that impairment triggers existed for the remaining vendor relationship recognized through the acquisition of a lead distribution company (refer to Note 2 to the consolidated financial statements for further details), and as a result does not expect any future economic benefit to be derived from this relationship as the relationship has been terminated. Accordingly, the Company determined that as the relationship has been terminated, the associated non-compete agreement recognized through the acquisition is no longer enforceable, and thus does not provide any future economic benefit to the Company. As such, the Company recorded impairment charges to the Senior segment for the remaining net book values of the vendor relationship and the non-compete agreement of \$15.1 million and \$0.5 million, respectively, for the year ended June 30, 2023, in general and administrative expense in the consolidated statement of comprehensive income (loss).

For the year ended June 30, 2022, the Company determined that impairment triggers existed for one of the vendor relationships recognized through the acquisition of a lead distribution company (refer to Note 2 to the consolidated financial statements for further details). As such, the Company performed a recoverability analysis for the asset group, which is included in the Senior segment, and determined that the asset group as a whole was recoverable. However, as the Company did not expect any future economic benefit to be derived from this relationship, the Company recorded an impairment charge of \$2.8 million to the Senior segment. In addition, during the year ended June 30, 2022, the Company determined that impairment triggers existed for the proprietary software

acquired through the Express Med acquisition. As the Company did not expect any future economic benefit from the use of the software, the Company recorded an impairment charge to the Healthcare Services segment of \$0.3 million.

For the years ended June 30, 2023, 2022, and 2021, amortization expense related to intangible assets totaled \$5.4 million, \$6.6 million, \$4.6 million, respectively, recorded in general and administrative expense in the consolidated statements of comprehensive income (loss). The weighted-average remaining useful life of intangible assets was 3.6 and 6.2 years as of June 30, 2023 and 2022, respectively.

As of June 30, 2023, expected amortization expense in future fiscal periods were as follows (in thousands):

	Trade Name	Proprietary Software	Non-compete agreements	Customer relationships	Total
2024	\$ 536	\$ 156	\$ 20	\$ 2,319	\$ 3,031
2025	447	128	20	2,316	2,911
2026	—	—	18	2,313	2,331
2027	—	—	—	1,927	1,927
Total	\$ 983	\$ 284	\$ 58	\$ 8,875	\$ 10,200

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 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 June 30, 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 year ended June 30, 2023, there were no indicators of impairment. The Company conducted a quantitative analysis for the Healthcare Services reporting unit utilizing the discounted cash flow method under the income approach and the peer-based guideline public company method under the market approach with a weighting of 75% and 25%, respectively, and incorporating the use of significant unobservable inputs, or Level 3 inputs, as defined by the fair value hierarchy of ASC 820. For the discounted cash flow method, a discount rate of 13.7% was determined using the weighted average cost of capital which considers market and industry data as well as company-specific risk factors for each reporting unit in determining the appropriate discount rate to be used. For the peer-based guideline public company method, the reporting unit's fair value was determined through review of published multiples of earnings of comparable entities with similar operations and economic characteristics and applying the multiples to various financial data of the reporting unit. Based on the quantitative analysis, the Company determined that the fair value of the Healthcare Services reporting unit substantially exceeded its carrying value, thus, no impairment charges were recorded during the year ended June 30, 2023.

For the year ended June 30, 2022, the Company determined that a reassessment of the reporting units was appropriate, as the Company no longer viewed the components within Senior as a single reporting unit due to their growing divergence from what were previously similar economic characteristics. Accordingly, the Company separated the Healthcare Services business from the Senior reporting unit and into its own reporting unit. Using the relative fair value approach, goodwill of \$39.2 million and \$29.1 million were re-allocated to Senior and Healthcare Services, respectively. The Company then performed a quantitative analysis for each reporting unit utilizing the discounted cash flow method under the income approach and the peer-based guideline public company method under the market approach with a weighting of 75% and 25%, respectively, and incorporating the use of significant unobservable inputs, or Level 3 inputs, as defined by the fair value hierarchy of ASC 820. For the discounted cash flow method, the discount rate was determined using the weighted average cost of capital which considers market and industry data as well as company-specific risk factors for each reporting unit in determining the appropriate discount rate to be used. For the peer-based guideline public company method, the reporting units' fair values were

determined through review of published multiples of earnings of comparable entities with similar operations and economic characteristics and applying the multiples to various financial data of the reporting unit. Based on the quantitative analysis, the Company determined that the fair value of the Auto & Home reporting unit was less than its carrying value. Accordingly, the Company recorded goodwill impairment charges of \$5.4 million in the consolidated statement of comprehensive income (loss) for the year ended June 30, 2022, representing the entirety of the goodwill assigned to the Auto & Home reporting unit. The Company also determined that the fair value of the Senior reporting unit was less than its carrying value. Accordingly, the Company recorded impairment charges of \$39.2 million to goodwill impairment in the consolidated statement of comprehensive income (loss) for the year ended June 30, 2022. Goodwill for the Healthcare Services reporting unit was not impaired based on the analysis performed, as the reporting unit's fair value substantially exceeded its carrying amount.

There were no goodwill impairment charges recorded during the year ended June 30, 2021.

8. EMPLOYEE BENEFIT PLANS

The Company has a pretax savings plan covering nearly all of its employees that is intended to qualify under Section 401(k) of the Internal Revenue Code. The Company matches each employee's contributions up to 2% per plan year. Additionally, the Company may make a discretionary profit-sharing contribution based on achieving certain financial metrics to individuals who've participated in the plan during the year. The Company's contributions were \$4.5 million, \$3.0 million, \$3.6 million for the years ended June 30, 2023, 2022, and 2021, respectively.

In addition, the Company offers an employee stock purchase plan (the "ESPP"), which was amended and restated effective as of April 1, 2022. The purpose of the 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. The ESPP was suspended effective April 1, 2023. Refer to note 12 to the consolidated financial statements for further detail.

The Company maintains self-insured medical benefit plans for its employees. The accrued liabilities associated with this program are based on the Company's estimate of the ultimate costs to settle known claims as well as claims incurred but not yet reported as of the balance sheet date. The accrued liability for our self-insured benefit plans, which is included in accrued compensation and benefits on the consolidated balance sheets, was \$2.8 million and \$2.5 million as of June 30, 2023, and 2022, respectively.

9. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Company uses derivative financial instruments to hedge against its exposure to fluctuations in interest rates associated with the Term Loans (as defined in Note 10 to the consolidated financial statements). To accomplish this hedging strategy, the Company enters into interest rate swaps designated as cash flow hedges that are designed to be highly correlated to the underlying terms of the debt instruments to which their forecasted, variable-rate payments are tied. To qualify for hedge accounting, the Company documents and assesses effectiveness at inception and in subsequent reporting periods. The fair value of interest rate swaps are recorded on the consolidated balance sheets as an asset or liability with the related gains or losses reported as a component of accumulated other comprehensive income. The changes in fair value are reclassified from accumulated other comprehensive income into earnings as an offset to interest expense, net in the same period that the hedged items affect earnings. The Company does not engage in the use of derivative instruments for speculative or trading purposes.

As of June 30, 2023, the Company had an outstanding 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. As of June 30, 2023, the Amended Interest Rate Swap had a fair value of \$17.9 million and was recorded in other assets in the consolidated balance sheet. 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. As of June 30,

2023, the Company estimates that \$13.8 million will be reclassified into interest expense during the next twelve months.

The following table presents the fair value of the Company's derivative financial instrument on a gross basis, as well as its classification on the Company's consolidated balance sheets as of June 30:

<i>(in thousands)</i>	2023		2022	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives Designated as Hedging Instruments				
Cash flow hedge	Other assets	\$ 17,861	Other assets	\$ 15,219

The following table presents the unrealized gains deferred to accumulated other comprehensive income resulting from the Company's derivative instruments designated as cash flow hedging instruments as of June 30:

<i>(in thousands)</i>	2023	2022
Unrealized gain, before taxes	\$ 12,072	\$ 14,621
Income tax expense	(3,098)	(3,752)
Unrealized gain, net of taxes	\$ 8,974	\$ 10,869

The following table presents information about the reclassification of gains and losses from accumulated other comprehensive income into earnings resulting from the Company's derivative instruments designated as cash flow hedging instruments as of June 30:

<i>(in thousands)</i>	2023	2022
Interest expense (income), net	\$ (9,431)	\$ 835
Income tax expense (benefit)	2,420	(217)
Net reclassification into earnings	\$ (7,011)	\$ 618

Amounts included in accumulated other comprehensive income are recorded net of the related income tax effects. The following table details the changes in accumulated other comprehensive income:

<i>(in thousands)</i>	Derivative Instruments
Balance at June 30, 2022	\$ 11,716
Unrealized gains, net of related tax expense of \$(3.1) million	8,974
Amount reclassified into earnings, net of related taxes of \$2.4 million	(7,011)
Balance at June 30, 2023	\$ 13,679

10. DEBT

Debt consisted of the following as of June 30:

(in thousands)

	2023		2022	
Term Loans (effective interest rate 13.3%)	\$	707,509	\$	713,327
Unamortized debt issuance costs and debt discount		(9,001)		(7,735)
Total debt		698,508		705,592
Less current portion of long-term debt:		(33,883)		(7,169)
Long-term debt	\$	664,625	\$	698,423

Senior Secured Credit Facility—On November 5, 2019, the Company entered into a \$425.0 million 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, August 26, 2022, and May 5, 2023, the Company entered into amendments to the credit agreement (individually, the “First Amendment”, “Second Amendment”, “Third Amendment”, “Fourth Amendment”, and “Fifth 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 consolidated statement of comprehensive income (loss) 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. In addition, the Fourth Amendment provided 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. 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. Finally, the Fifth Amendment decreased the minimum asset coverage ratio required to be maintained by the Company as of March 31, 2024. 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 June 30, 2023 and (2) Term Loans outstanding in an aggregate principal amount of \$707.5 million as of June 30, 2023.

The Term Loans 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 accrues 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 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 June 30, 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 June 30, 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 \$8.7 million and \$5.5 million for the year ended June 30, 2023 and 2022, respectively, which is included in interest expense, net in the Company's consolidated statements of comprehensive income (loss).

On September 11, 2023, the Company entered into a Sixth Amendment to the Senior Secured Credit Facility (the "Sixth Amendment") by and among the Company, certain of its existing lenders, and Wilmington Trust, National Association, as administrative agent. The Sixth Amendment amends the Senior Secured Credit Facility to decrease the minimum asset coverage ratio required to be maintained by the Company as of June 30, 2024.

11. COMMITMENTS AND CONTINGENCIES

Lease Obligations—Refer to Note 5 to the 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 still 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 its 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.

12. SHAREHOLDERS' EQUITY

Common Stock—As of June 30, 2023, the Company has reserved the following authorized, but unissued, shares of common stock:

ESPP	159
Stock awards outstanding under 2020 Plan	12,541,441
Stock awards available for grant under 2020 Plan	6,243,568
Options outstanding under 2003 Plan	539,804
Total	19,324,972

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 Company’s IPO, which provides for the grant of incentive stock options (“ISOs”), nonstatutory stock options (“NSOs”), stock appreciation rights, restricted stock awards, restricted stock unit awards (“RSUs”), performance-based restricted stock units (“PSUs”), price-vested restricted stock units (“PVUs”) and other forms of equity compensation (collectively, “stock awards”). All stock 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 June 30, 2023, pursuant to future awards under the Company’s 2020 Stock Plan is 6,243,568. 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 ISOs will be 4,000,000. The shares of common stock covered by any award 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 our consolidated statements of comprehensive income (loss) was as follows for the periods presented:

(in thousands)	Year Ended June 30,		
	2023	2022	2021
Share-based compensation related to:			
Equity classified stock options	\$ 3,249	\$ 3,145	\$ 1,732
Equity classified RSUs	5,958	3,948	2,274
Equity classified PSUs	100	(578)	705
Equity classified PVUs	1,876	—	—
Total	\$ 11,183	\$ 6,515	\$ 4,711

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 consolidated statements of comprehensive income (loss).

During the year ended June 30, 2023, there were no stock options granted. The Company used the following weighted-average assumptions for the stock options granted during the years ended June 30, 2022 and 2021:

	Year Ended June 30,	
	2022	2021
Volatility	36.0%	25.0%
Risk-free interest rate	1.4%	0.4%
Dividend yield	—%	—%
Assumed forfeitures	—%	—%
Expected term (in years)	6.25	6.24
Weighted-average fair value (per share)	\$3.36	\$4.90

The following table summarizes stock option activity under the Stock Plans for the year ended June 30, 2023:

	Number of Options	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term (in Years)	Aggregate Intrinsic Value (in Thousands)
Outstanding—June 30, 2022	5,211,585	\$ 9.14		
Options granted	—	—		
Options exercised	(1,139,324)	0.56		
Options forfeited/expired/cancelled	(224,922)	11.27		
Outstanding—June 30, 2023	3,847,339	\$ 11.56	7.44	\$ 178
Vested and exercisable—June 30, 2023	1,808,490	\$ 11.36	6.68	\$ 178

As of June 30, 2023, there was \$5.0 million in unrecognized share-based compensation cost related to unvested stock options granted, which is expected to be recognized over a weighted-average period of 1.94 years.

The Company received cash of \$0.6 million, \$1.3 million, and \$0.9 million in connection with stock options exercised during the years ended June 30, 2023, 2022, and 2021.

Restricted Stock—The following table summarizes restricted stock unit activity under the 2020 Stock Plan for the year ended June 30, 2023:

	Number of Restricted Stock Units	Weighted-Average Grant Date Fair Value
Unvested as of June 30, 2022	810,310	\$ 13.50
Granted	4,819,590	1.50
Vested	(421,746)	10.44
Forfeited	(296,541)	3.83
Unvested as of June 30, 2023	4,911,613	\$ 2.57

As of June 30, 2023, there was \$8.4 million of unrecognized share-based compensation cost related to unvested restricted stock units granted, which is expected to be recognized over a weighted-average period of 1.87 years.

Performance Stock—The following table summarizes performance stock unit activity under the 2020 Stock Plan for the year ended June 30, 2023:

	Number of Performance Stock Units	Weighted-Average Grant Date Fair Value
Unvested as of June 30, 2022	13,293	\$ 17.97
Granted	—	—
Vested	—	—
Forfeited	(5,236)	18.58
Performance adjustment ⁽¹⁾	5,308	—
Unvested as of June 30, 2023	13,365	\$ 17.96

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

If certain 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 ranges from 0% to 150% of the target, and the number of shares that could be earned for the fiscal year 2022 tranche ranges from 0% to 200% of the target. The fiscal year 2021 tranche vested on September 13, 2023, at approximately 12% of the target, and approximately 13,365 shares were issued. The fiscal year 2022 tranche is estimated to be at 0% of the target as of June 30, 2023. As of June 30, 2023, there was less than \$0.1 million of unrecognized share-based compensation cost related to the fiscal year 2021 tranche, which is expected to be recognized over a weighted-average period of 0.17 years.

Price-Vested Units—During the year ended June 30, 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 recognized in the consolidated statements of comprehensive income (loss). These assumptions include estimating the volatility of the Company's common stock price over the expected term, 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, the cost of equity, and the dividend yield assumption which is based on the Company's dividend payment history and management's expectations of future dividend payments.

During the years ended June 30, 2022 and 2021, there were no PVU's granted. The Company used the following weighted-average assumptions for the PVU's granted during the year ended June 30, 2023:

	Year Ended June 30,
	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 year ended June 30, 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	(178,464)	1.22
Invested as of June 30, 2023	4,044,180	\$ 1.22

As of June 30, 2023, there was \$3.1 million of unrecognized share-based compensation cost related to unvested PVU's granted, which is expected to be recognized over a weighted-average period of 1.72 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 years ended June 30, 2023, and 2022, the Company issued 876,933 and 466,468 shares, respectively, to its employees, and as of June 30, 2023, there are 159 shares reserved for future issuance under the plan. The Company received cash of \$0.6 million, \$1.9 million, and \$1.0 million in connection with ESPP purchases during the years ended June 30, 2023, 2022, and 2021, respectively. The Company recorded share-based compensation expense related to the ESPP of \$0.1 million, \$0.5 million, and \$0.4 million for the years ended June 30, 2023, 2022, and 2021, respectively. The ESPP was suspended effective April 1, 2023.

13. 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)	Year Ended June 30,		
	2023	2022	2021
Senior:			
Commission revenue:			
Medicare advantage	\$ 500,501	\$ 409,090	\$ 595,132
Medicare supplement	1,668	5,224	23,431
Prescription drug plan	513	(170)	1,652
Dental, vision, and health	3,855	15,056	15,969
Other commission revenue	2,697	7,824	2,156
Total commission revenue	509,234	437,024	638,340
Total other revenue	80,897	90,883	86,471
Total Senior revenue	590,131	527,907	724,811
Healthcare Services:			
Total pharmacy revenue	239,547	59,460	1,791
Total other revenue	12,528	10,575	2,099
Total Healthcare Services revenue	252,075	70,035	3,890
Life:			
Commission revenue:			
Term	70,094	65,539	80,588
Final expense	56,488	68,295	74,227
Total commission revenue	126,582	133,834	154,815
Total other revenue	19,250	20,139	22,854
Total Life revenue	145,832	153,973	177,669
Auto & Home:			
Total commission revenue	20,450	25,851	27,621
Total other revenue	1,412	2,030	3,292
Total Auto & Home revenue	21,862	27,881	30,913
Eliminations:			
Total commission revenue	(2,796)	(9,191)	(2,004)
Total other revenue	(4,256)	(6,560)	(5,298)
Total Elimination revenue	(7,052)	(15,751)	(7,302)
Total commission revenue	653,470	587,518	818,772
Total pharmacy revenue	239,547	59,460	1,791
Total other revenue	109,831	117,067	109,418
Total revenue	\$ 1,002,848	\$ 764,045	\$ 929,981

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)

Balance as of June 30, 2021	\$	845,897
Commission revenue recognized		386,625
Net commission revenue adjustment from change in estimate		(212,220)
Amounts recognized as accounts receivable, net		(181,676)
Balance as of June 30, 2022		838,626
Commission revenue recognized		259,933
Net commission revenue adjustment from change in estimate		(7,442)
Change in estimate from mutual contract termination		(10,427)
Amounts recognized as accounts receivable, net		(240,192)
Balance as of June 30, 2023	\$	840,498

For the year ended June 30, 2023, the \$7.4 million net commission revenue adjustment from change in estimate includes adjustments related to revenue recognized in prior fiscal years, based on the Company's reassessment of each of its cohorts' transaction prices. It includes a negative adjustment of \$9.4 million for Senior, a positive adjustment of \$2.2 million for Auto & Home, and a negative adjustment of \$0.2 million for Life. Additionally, the Company recorded a \$10.4 million change in estimate related to the mutual termination of a contract with a certain Auto & Home carrier to provide for the ability to migrate the book of business to other carriers.

For the year ended June 30, 2022, the \$212.2 million net commission revenue adjustment from change in estimate includes adjustments from the Company's reassessment of each of its cohorts' transaction prices. \$193.3 million of the total adjustment were from Senior MA policies, due to the increase in actual lapse rates for MA policies during calendar year 2021, and cohort and tail adjustments due to overall lower persistency. Approximately 63%, 28%, and 9% of the \$193.3 million cohort and tail adjustment were from approved policies sold in fiscal years 2021, 2020, and 2019, respectively. \$4.4 million of the total adjustment were from Life policies, related to cohort and tail adjustments due to overall lower persistency.

The Company's contract liabilities on the consolidated balance sheet represent unamortized upfront payments received for commission revenue, production bonuses, and marketing development funds, for which the performance obligations have not yet been met and are anticipated to be recognized over the next twelve months. During the year ended June 30, 2022, there was no material activity within the contract liability rollforward, as the performance obligation was typically met within the same period the cash was received. All of the remaining balance in contract liabilities as of June 30, 2022, was recognized in revenue in fiscal year 2023 and is included in the Commission revenue recognized line below. A roll forward of contract liabilities (current) for the year ended June 30, 2023, is shown below:

Balance as of June 30, 2022	\$	3,404
Commission revenue recognized		(47,285)
Other revenue recognized		(28,754)
Amounts recognized as contract liabilities		74,326
Balance as of June 30, 2023	\$	1,691

14. INCOME TAXES

Income tax expense consists of the following for the periods presented:

(in thousands)	Year Ended June 30,		
	2023	2022	2021
Current income taxes:			
Federal	\$ 102	\$ —	\$ —
State	544	479	149
Total	646	479	149
Deferred income taxes:			
Federal	(12,365)	(77,242)	27,860
State	1,119	(15,539)	5,147
Total	(11,246)	(92,781)	33,007
Income tax expense (benefit)	\$ (10,600)	\$ (92,302)	\$ 33,156

The Company's statutory federal tax rate was 21% for each of the years ended June 30, 2023, 2022, and 2021, respectively. The Company's state tax rate (net of federal benefit) was 2.24%, 4.98%, and 3.22% for the years ended June 30, 2023, 2022, and 2021, respectively.

The differences from the Company's federal statutory tax rate to the effective tax rate shown below for the year ended June 30, 2023, were primarily related to state income taxes, RSU vestings, executive officer compensation, and the recording of a valuation allowance for state tax attributes that the Company does not expect to utilize prior to expiration. For the year ended June 30, 2022, the differences were primarily due to the net effects of state income taxes, and for the year ended June 30, 2021, were primarily due to the net effects of state income taxes partially offset by HPIP tax credits and the exercise of non-qualified stock options.

The following reconciles the statutory federal income tax rate to the effective income tax rate for the periods presented:

	Year Ended June 30,		
	2023	2022	2021
Federal statutory rate	21.0%	21.0%	21.0%
Differences in income tax expense resulting from:			
State income taxes	3.1	5.0	3.2
Executive officer compensation	(1.1)	—	—
Equity compensation	(1.1)	—	—
Change in valuation allowance	(5.4)	—	—
Change in state tax rate	—	(1.9)	(0.3)
Kansas HPIP credit	—	—	(0.5)
Non-qualified stock option exercises	—	—	(3.6)
Deferred adjustments	(1.1)	—	—
Other	(0.1)	(0.4)	1.2
Effective income tax rate	15.3%	23.7%	21.0%

Significant components of the deferred tax assets and liabilities were as follows as of June 30:

<i>(in thousands)</i>	2023	2022
Deferred tax assets:		
Accruals and other	\$ 17,299	\$ 11,903
Lease liability	8,543	10,616
Interest expense limitation	43,479	25,691
Net operating losses	153,930	168,105
Credit carryforward	4,733	6,262
Basis difference in fixed and amortizable assets	8,183	1,397
Total deferred tax assets	236,167	223,974
Less: Valuation allowance	(3,716)	—
Deferred tax assets, net of valuation allowance	232,451	223,974
Deferred tax liabilities:		
Commissions receivable	(261,207)	(266,449)
Lease right-of-use asset	(6,103)	(7,605)
Interest rate swap	(4,722)	—
Total deferred tax liabilities	(272,032)	(274,054)
Net long-term deferred tax liabilities	\$ (39,581)	\$ (50,080)

As of June 30, 2023, a valuation allowance of \$3.7 million was established for deferred tax assets related to certain state specific net operating losses and credits, as it is more likely than not that those assets will not be realized. As the Company is currently in a three-year cumulative loss position, it cannot consider the projections of future income as part of the valuation allowance analysis and have considered the other sources of future taxable income described under ASC 740 when evaluating the need for a valuation allowance. After evaluating these sources of taxable income, and considering the jurisdiction and character of the deferred tax assets, the Company

continues to recognize its deferred tax assets as of June 30, 2023, as it believes it is more likely than not that the net deferred tax assets will be realized, outside of the deferred tax asset related to certain state credits noted above where a valuation allowance has been established. For the year ended June 30, 2022, the Company did not record a valuation allowance as it believed it was more likely than not that the net deferred tax assets would be realized.

As of June 30, 2023 and 2022, there were no benefits related to uncertain tax positions that, if recognized, would affect the effective tax rate. The Company will continue to evaluate the need for any potential reserve.

As of June 30, 2023, the Company has NOL carryforwards for federal and state income tax purposes of \$606.7 million and \$661.7 million, respectively. Other than the federal NOLs generated for the tax years ended June 30, 2022 and 2021, which have an indefinite carryforward period, the federal carryforwards will expire during tax years 2035 through 2039. The state carryforwards will expire during tax years 2026 through 2044. As of June 30, 2023, the Company has state income tax credit carryforwards of \$6.0 million. These state tax credits will expire during tax years 2027 through 2039.

The Company is subject to income taxes in the US federal and various state jurisdictions. Tax regulations within each jurisdiction are subject to interpretation of the related tax laws and regulations and require the application of significant judgment. The federal tax returns from tax years 2019 through 2021 and state tax returns from tax years 2018 through 2021 remain open to examination by significant domestic taxing jurisdictions to which the Company is subject. NOLs generated by the Company are open to examination until the expiration of the statutes of limitations for the years when the NOLs are utilized.

15. NET INCOME (LOSS) PER SHARE

The Company calculates net income (loss) per share as defined by ASC Topic 260, *"Earnings per Share"*. 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:

(in thousands, except per share amounts)	Year Ended June 30,		
	2023	2022	2021
Basic:			
Numerator:			
Net income (loss) attributable to common shareholders	\$ (58,544)	\$ (297,504)	\$ 124,859
Denominator:			
Weighted-average common stock outstanding	166,140	164,042	162,889
Net income (loss) per share—basic:	<u>\$ (0.35)</u>	<u>\$ (1.81)</u>	<u>\$ 0.77</u>
Diluted:			
Numerator:			
Net income (loss) attributable to common and common equivalent shareholders	\$ (58,544)	\$ (297,504)	\$ 124,859
Denominator:			
Weighted-average common stock outstanding	166,140	164,042	162,889
Stock options outstanding to purchase shares of common stock including unvested RSU's and from the ESPP ⁽¹⁾	—	—	2,655
Total common and common equivalent shares outstanding	<u>166,140</u>	<u>164,042</u>	<u>165,544</u>
Net income (loss) per share—diluted:	<u>\$ (0.35)</u>	<u>\$ (1.81)</u>	<u>\$ 0.75</u>

(1) Excluded from the computation of net loss per share-diluted for the years ended June 30, 2023 and 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 for the periods presented because including them would have been anti-dilutive consisted of the following as of June 30:

(in thousands)	2023	2022	2021
Stock options outstanding to purchase shares of common stock including unvested RSU's and from the ESPP	8,456	5,382	784

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)	2023	2022	2021
Shares subject to outstanding PVU's	4,346	—	—
Shares subject to outstanding PSU's	9	168	121
Total	<u>4,355</u>	<u>168</u>	<u>121</u>

16. 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 available financial information and the operating results 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 the change in 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 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, with the exception of commissions receivable; therefore, assets by segment are not presented.

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

Year Ended June 30, 2023

<i>(in thousands)</i>	Senior	Healthcare Services	Life	Auto & Home	Corp & Elims	Consolidated
Revenue	\$ 590,131	\$ 252,075	\$ 145,832	\$ 21,862	\$ (7,052) ⁽¹⁾	\$ 1,002,848
Operating expenses	(435,054)	(274,844)	(122,759)	(21,782)	(73,985) ⁽²⁾	(928,424)
Other income (expenses), net	—	—	—	1	(122)	(121)
Adjusted EBITDA	\$ 155,077	\$ (22,769)	\$ 23,073	\$ 81	\$ (81,159)	\$ 74,303
Share-based compensation expense						(11,310)
Transaction costs ⁽³⁾						(5,569)
Depreciation and amortization						(27,881)
Loss on disposal of property, equipment, and software, net						(749)
Impairment of long-lived assets						(17,332)
Interest expense, net						(80,606)
Income tax benefit						10,600
Net loss						\$ (58,544)

(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 \$51.4 million in salaries and benefits for certain general, administrative, and IT related departments, and \$19.5 million in professional services fees.

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

Year Ended June 30, 2022

	Senior	Healthcare Services	Life	Auto & Home	Corp & Elims	Consolidated
Revenue	\$ 527,907	\$ 70,035	\$ 153,973	\$ 27,881	\$ (15,751) ⁽¹⁾	\$ 764,045
Operating expenses	(689,609)	(102,132)	(154,102)	(22,448)	(56,058) ⁽²⁾	(1,024,349)
Other expenses, net	—	—	—	—	(202)	(202)
Adjusted EBITDA	\$ (161,702)	\$ (32,097)	\$ (129)	\$ 5,433	\$ (72,011)	\$ (260,506)
Share-based compensation expense						(7,052)
Non-recurring expenses ⁽³⁾						(4,730)
Depreciation and amortization						(24,724)
Loss on disposal of property, equipment, and software						(1,456)
Goodwill impairment						(44,596)
Impairment of long-lived assets						(3,147)
Interest expense, net						(43,595)
Income tax benefit						92,302
Net loss						\$ (297,504)

(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 \$44.2 million in salaries and benefits for certain general, administrative, and IT related departments, and \$18.2 million in professional services fees.

(3) These expenses primarily consist of costs incurred for amendments to the Senior Secured Credit Facility, costs related to acquisitions, and severance expenses.

Year Ended June 30, 2021

	Senior	Healthcare Services	Life	Auto & Home	Corp & Elims	Consolidated
Revenue	\$ 724,811	\$ 3,890	\$ 177,669	\$ 30,913	\$ (7,302) ⁽¹⁾	\$ 929,981
Operating expenses	(479,646)	(5,280)	(155,127)	(22,735)	(46,899) ⁽²⁾	(709,687)
Other income (expenses), net	—	2	—	—	(100)	(98)
Adjusted EBITDA	\$ 245,165	\$ (1,388)	\$ 22,542	\$ 8,178	\$ (54,301)	\$ 220,196
Share-based compensation expense						(5,165)
Non-recurring expenses ⁽³⁾						(6,065)
Fair value adjustments to contingent earnout obligations						(1,488)
Depreciation and amortization						(16,142)
Loss on disposal of property, equipment and software						(686)
Interest expense, net						(29,320)
Loss on extinguishment of debt						(3,315)
Income tax expense						(33,156)
Net income						\$ 124,859

(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 \$34.0 million in salaries and benefits for certain general, administrative, and IT related departments, and \$13.4 million in professional services fees.

(3) These expenses primarily consist of costs incurred for the First Amendment to the Senior Secured Credit Facility, recent acquisitions, re-designation of the hedge, and the Secondary Offering.

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 consolidated financial statements. All of the Company's long-lived assets are located in the United States. For the year ended June 30, 2023, two insurance carrier customers, both from the Senior Segment, accounted for 33% (UHC) and 20% (Humana) of total revenue. For the year ended June 30, 2022, three insurance carrier customers, all from the Senior Segment, accounted for 18% (UHC), 17% (Wellcare), and 12% (Humana) of total revenue. For the year ended June 30, 2021, three insurance carrier customers, all from the Senior Segment, accounted for 24% (UHC), 19% (Humana), and 15% (Wellcare) of total revenue.

17. RELATED-PARTY TRANSACTIONS

InsideResponse sells leads to a senior healthcare distribution platform that is owned in part by individuals related to one of the Company's shareholders or who are members of the Company's management. The Company earned less than \$0.1 million and \$0.4 million in lead generation revenue, which is recorded in other revenue in the consolidated statements of comprehensive income (loss), as a result of this relationship for the years ended June 30, 2023 and 2022, respectively, and did not have any outstanding accounts receivable as of either June 30, 2023 and 2022, respectively.

The Company has also purchased leads from this senior healthcare distribution platform. Lead costs incurred with this firm for the years ended June 30, 2023, 2022, and 2021 were not material. The Company did not have any outstanding payables with this firm as of June 30, 2023, and June 30, 2022. In addition, the Company has

acted as the Field Marketing Organization on behalf of this firm. The net financial impact of this relationship to the Company was not material for each of the years ended June 30, 2023, 2022, and 2021.

The Company leases operating facilities for SelectRx from a related party as this individual has entered into an employment contract with the Company as part of the acquisition. Refer to Note 5 for a discussion of our related party lease.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Our Disclosure Controls and Procedures

As of June 30, 2023, 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) was 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.

Our management has concluded that the financial statements included elsewhere in this Annual Report on Form 10-K present fairly, in all material respects, our financial position, results of operations and cash flows in conformity with GAAP.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). Our internal control over financial reporting includes policies and procedures that provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with U.S. GAAP. Our management conducted an evaluation of the effectiveness of our internal control over financial reporting as of June 30, 2023, utilizing the framework in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. Based on this assessment, management concluded that its internal control over financial reporting was effective as of June 30, 2023.

The Company's independent registered public accounting firm, Deloitte & Touche LLP, has audited the effectiveness of the Company's internal control over financial reporting as of June 30, 2023. Its report is included below.

Changes in Internal Control over Financial Reporting

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 fourth quarter of fiscal 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of SelectQuote, Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of SelectQuote, Inc. and subsidiaries (the “Company”) as of June 30, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of June 30, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended June 30, 2023, of the Company and our report dated September 13, 2023, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed 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. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

ITEM 9B. OTHER INFORMATION

On September 11, 2023, the Company entered into a Sixth Amendment to the Senior Secured Credit Facility (the “Sixth Amendment”) by and among the Company, certain of its existing lenders, and Wilmington Trust, National Association, as administrative agent. The Sixth Amendment amends the Senior Secured Credit Facility to decrease the minimum asset coverage ratio required to be maintained by the Company as of June 30, 2024.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item with respect to the Company's Directors is contained in the 2023 Proxy Statement, to be filed with the SEC, under the heading "Proposal One: Election of Directors" and is incorporated by reference in this Annual Report on Form 10-K.

The information required by this item with respect to the Company's executive officers is contained in the 2023 Proxy Statement under the heading "Executive Officers" and is incorporated by reference in this Annual Report on Form 10-K.

To the extent applicable, the information required by this item with respect to compliance with Section 16(a) of the Exchange Act is contained in the 2023 Proxy Statement under the heading "Delinquent Section 16(a) Reports" and is incorporated by reference in this Annual Report on Form 10-K.

The information required by this item with respect to the procedures by which stockholders may recommend nominees to the Board of Directors is contained in the 2023 Proxy Statement under the heading "Corporate Governance—Stockholder Recommendations and Nominations to the Board" and is incorporated by reference in this Annual Report on Form 10-K.

The information required by this item with respect to the Company's Audit Committee, including the Audit Committee's members and its financial expert, is contained in the 2023 Proxy Statement under the heading "Corporate Governance —Audit Committee" and is incorporated by reference in this Annual Report on Form 10-K.

We have adopted a written Code of Business Conduct and Ethics (our "Code of Business Conduct"), which applies to all our directors, officers, and other employees, including our principal executive officer and principal financial officer. A copy of our Code of Business Conduct is available on our corporate website, www.selectquote.com, under "Investor Relations—Governance—Governance Documents." The information contained on our website does not constitute a part of this Annual Report on Form 10-K. We will provide any person, without charge, upon request, a copy of our Code of Business Conduct. Such requests should be made in writing to the attention of our General Counsel at the following address: SelectQuote, Inc., 6800 West 115th Street, Suite 2511, Overland Park, Kansas 66211. We intend to make all required disclosure regarding any amendments to, or waivers from, any provisions of our Code of Business Conduct at the same location of our website, www.selectquote.com.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item with respect to the compensation of our directors and executive officers is contained in the 2023 Proxy Statement under the headings "Corporate Governance—Non-Employee Director Compensation" and "Executive Compensation," respectively, and is incorporated by reference in this Annual Report on Form 10-K.

The information required by this item with respect to compensation policies and practices as they relate to the Company's risk management is contained in the 2023 Proxy Statement under the heading "Executive Compensation—Compensation and Risk" and is incorporated by reference in this Annual Report on Form 10-K.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item with respect to securities authorized for issuance under the Company's equity compensation plans is contained in the 2023 Proxy Statement under the heading "Equity Compensation Plan Information" and is incorporated by reference in this Annual Report on Form 10-K.

The information required by this item with respect to the security ownership of certain beneficial owners and management is contained in the 2023 Proxy Statement under the heading “Security Ownership of Certain Beneficial Ownership and Management” and is incorporated by reference in this Annual Report on Form 10-K.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item with respect to transactions with related persons is contained in the 2023 Proxy Statement under the heading “Certain Relationships and Related Party Transactions” and is incorporated by reference in this Annual Report on Form 10-K.

The information required by this item with respect to director independence is contained in the 2023 Proxy Statement under the headings “Corporate Governance—Director Independence” and “Corporate Governance—Board Meetings and Committees” and is incorporated by reference in this Annual Report on Form 10-K.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this item is contained in the 2023 Proxy Statement under the heading “Proposal Two: Ratification of Appointment of Independent Registered Public Accounting Firm” and is incorporated by reference in this Annual Report on Form 10-K.

PART IV**ITEM 15. EXHIBIT AND FINANCIAL STATEMENT SCHEDULES**

(a) We have filed the following documents as part of this Annual Report on Form 10-K:

1. Consolidated Financial Statements

Information in response to this Item is included in Item 8 of Part II of this Annual Report on Form 10-K.

2. Financial Statement Schedules

All financial statement schedules have been omitted because they are not applicable, not material or because the required information is included in Item 8 of Part II of this Annual Report on Form 10-K.

3. Exhibits

The following documents listed below in the Exhibit Index of the Annual Report on Form 10-K are incorporated by reference or are furnished or filed (as applicable) with this Annual Report on Form 10-K, in each case as indicated therein.

(b) None.

(c) None.

Exhibit Number	Exhibit Description
3.1	Sixth Amended and Restated Certificate of Incorporation of SelectQuote, Inc. (incorporated by reference to Exhibit 3.1 to SelectQuote, Inc.'s Current Report on Form 8-K (File No. 001-39295) filed with the SEC on May 26, 2020)
3.2	Amended and Restated Bylaws of SelectQuote, Inc. (incorporated by reference to Exhibit 3.2 to SelectQuote, Inc.'s Current Report on Form 8-K (File No. 001-39295) filed with the SEC on May 26, 2020)
4.1	Form of Common Stock Certificate of SelectQuote, Inc. (incorporated by reference to Exhibit 4.1 to SelectQuote, Inc.'s Registration Statement on Form S-1 (File No. 333-236555) filed with the SEC on May 15, 2020)
4.2	Amended and Restated Series D Preferred Stock Investors' Rights and Stockholders Agreement, dated November 4, 2019, by and among the Company and certain of its investors (incorporated by reference to Exhibit 4.2 to SelectQuote, Inc.'s Registration Statement on Form S-1 (File No. 333-236555) filed with the SEC on February 21, 2020)
4.3	Amendment No. 1 to the Amended and Restated Series D Preferred Stock Investors' Rights and Stockholders Agreement, dated April 17, 2020, by and among SelectQuote, Inc. and certain of its investors (incorporated by reference to Exhibit 4.3 to SelectQuote, Inc.'s Registration Statement on Form S-1 (File No. 333-236555) filed with the SEC on May 8, 2020)
4.4	Description of Capital Stock
10.1#	Employment Agreement, dated as of May 21, 2019, by and between the Company and Tim Danker (incorporated by reference to Exhibit 10.1 to SelectQuote, Inc.'s Registration Statement on Form S-1 (File No. 333-236555) filed with the SEC on February 21, 2020)
10.2#	Employment Agreement, dated as of May 21, 2019, by and between the Company and William Grant III (incorporated by reference to Exhibit 10.3 to SelectQuote, Inc.'s Registration Statement on Form S-1 (File No. 333-236555) filed with the SEC on February 21, 2020)
10.3#	Employment Agreement, dated as of May 21, 2019, by and between the Company and Robert Grant (incorporated by reference to Exhibit 10.4 to SelectQuote, Inc.'s Annual Report on Form 10-K (File No. 001-39295) filed with the SEC on August 26, 2021)

10.4#	SelectQuote, Inc. 2003 Stock Incentive Plan, as amended on January 26, 2012 and May 5, 2020 (incorporated by reference to Exhibit 10.5 to SelectQuote, Inc.'s Registration Statement on Form S-1 (File No. 333-236555) filed with the SEC on May 8, 2020)
10.5#	Form of Notice of Stock Option Award under the Company's 2003 Stock Incentive Plan (incorporated by reference to Exhibit 10.7 to SelectQuote, Inc.'s Registration Statement on Form S-1 (File No. 333-236555) filed with the SEC on February 21, 2020)
10.6#	SelectQuote, Inc. 2020 Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.8 to SelectQuote, Inc.'s Registration Statement on Form S-1 (File No. 333-236555) filed with the SEC on March 5, 2020)
10.7#	SelectQuote, Inc. 2020 Employee Stock Purchase Plan (as Amended and Restated Effective as of April 1, 2022) (incorporated by reference to Exhibit 10.1 to SelectQuote, Inc.'s Quarterly Report on Form 10-Q (File No. 001-39295) filed with the SEC on May 5, 2022)
10.8#	Form of Restricted Stock Unit Agreement for Employees under SelectQuote, Inc.'s 2020 Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.11 to SelectQuote, Inc.'s Annual Report on Form 10-K (File No. 001-39295) filed with the SEC on August 29, 2022)
10.9#	Form of Restricted Stock Unit Agreement for Non-Employee Directors under SelectQuote, Inc.'s 2020 Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.11 to SelectQuote, Inc.'s Annual Report on Form 10-K (File No. 001-39295) filed with the SEC on August 26, 2021)
10.10#	Form of Stock Option Agreement for Employees under SelectQuote, Inc.'s 2020 Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.12 to SelectQuote, Inc.'s Annual Report on Form 10-K (File No. 001-39295) filed with the SEC on August 26, 2021)
10.11#	Form of Stock Option Agreement for Non-Employee Directors under SelectQuote, Inc.'s 2020 Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.13 to SelectQuote, Inc.'s Annual Report on Form 10-K (File No. 001-39295) filed with the SEC on August 26, 2021)
10.12#	Form of Performance Stock Unit Agreement under SelectQuote, Inc.'s 2020 Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.14 to SelectQuote, Inc.'s Annual Report on Form 10-K (File No. 001-39295) filed with the SEC on August 26, 2021)
10.13#	Form of Price-Vested Unit Agreement under SelectQuote, Inc.'s 2020 Omnibus Stock Incentive Plan
10.14#	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.10 to SelectQuote, Inc.'s Registration Statement on Form S-1 (File No. 333-236555) filed with the SEC on February 21, 2020)
10.15	Credit Agreement, dated as of November 5, 2019, by and among the Company, certain subsidiaries of the Company, the lenders party thereto, Morgan Stanley Capital Administrators, Inc., as Administrative Agent, and UMB Bank, N.A., as Revolver Agent (incorporated by reference to Exhibit 10.4 to SelectQuote, Inc.'s Registration Statement on Form S-1 (File No. 333-236555) filed with the SEC on February 21, 2020)
10.15.1	First Amendment to Credit Agreement, dated as of February 24, 2021, by and among SelectQuote, Inc., the lenders and other parties party thereto and Morgan Stanley Capital Administrators, Inc., as administrative agent (incorporated by reference to Exhibit 10.1 of SelectQuote, Inc.'s Current Report on Form 8-K (File No. 001-39295) filed with the SEC on February 24, 2021)
10.15.2	Second Amendment to Credit Agreement, dated as of November 2, 2021, by and among SelectQuote, Inc., the lenders and other parties thereto, and Morgan Stanley Capital Administrators, Inc., as administrative agent (incorporated by reference to Exhibit 10.1 to SelectQuote, Inc.'s Current Report on Form 8-K (File No. 001-39295) filed with the SEC on November 4, 2021)
10.15.3	Third Amendment to Credit Agreement, dated as of December 23, 2021, by and among SelectQuote, Inc., the lenders and other parties thereto, Morgan Stanley Capital Administrators, Inc., as administrative agent and UMB Bank, N.A., as Revolver Agent for itself and the Revolving Lenders (incorporated by reference to Exhibit 10.1 to SelectQuote, Inc.'s Current Report on Form 8-K (File No. 001-39295) filed with the SEC on December 27, 2021)
10.15.4	Fourth Amendment to Credit Agreement, dated as of August 26, 2022, by and among SelectQuote, Inc., the lenders and other parties thereto, Wilmington Trust, National Association, as administrative agent and UMB Bank, N.A., as Revolver Agent for itself and the Revolving Lenders (incorporated by reference to Exhibit 10.1 to SelectQuote, Inc.'s Current Report on Form 8-K (File No. 001-39295) filed with the SEC on August 29, 2022)*

10.15.5	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 (incorporated by reference to Exhibit 10.1 to SelectQuote, Inc.'s Quarterly Report on Form 10-Q (File No. 001-39295) filed with the SEC on May 10, 2023)
10.15.6	Sixth Amendment to Credit Agreement, dated as of September 11, 2023, by and among SelectQuote, Inc., the lenders and other parties thereto, and Wilmington Trust, National Association, as administrative agent
21.1	Subsidiaries of SelectQuote, Inc.
23.1	Consent of Deloitte & Touche LLP
31.1	Certification of Chief Executive Officer of SelectQuote, Inc. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer of SelectQuote, Inc. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1†	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
32.2†	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
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
104.1	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

Indicates management contract or compensation plan.

† The certifications attached as Exhibits 32.1 and 32.2 that accompany this Annual Report on Form 10-K, 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 Annual Report on Form 10-K, irrespective of any general incorporation language contained in such filing.

* Certain schedules have been omitted from this exhibit in accordance with Item 601(a)(5) of Regulation S-K. The Company agrees to furnish a copy of any omitted schedules to the Securities and Exchange Commission upon request.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

SELECTQUOTE, INC.

By:	/s/ Timothy Danker
Name:	Timothy Danker
Title:	Chief Executive Officer
Date:	September 13, 2023

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on September 13, 2023.

	Signature	Title
By:	/s/ Timothy Danker Timothy Danker	Chief Executive Officer and Director (Principal Executive Officer)
By:	/s/ Ryan M. Clement Ryan Clement	Chief Financial Officer (Principal Financial Officer)
By:	/s/ Stephanie Fisher Stephanie Fisher	Chief Accounting Officer (Principal Accounting Officer)
By:	/s/ Donald L. Hawks III Donald L. Hawks III	Chairman of the Board of Directors
By:	/s/ W. Thomas Grant II W. Thomas Grant II	Vice Chairman of the Board of Directors
By:	/s/ Earl H. Devanny III Earl H. Devanny III	Director
By:	/s/ Denise L. Devine Denise L. Devine	Director
By:	/s/ Kavita K. Patel Kavita K. Patel	Director
By:	/s/ Raymond F. Weldon Raymond F. Weldon	Director

DESCRIPTION OF CAPITAL STOCK

General

Our authorized capital stock consists of 700,000,000 shares of common stock, par value \$0.01 per share, and 70,000,000 shares of preferred stock, par value \$0.01 per share.

Common Stock

Each holder of our common stock is entitled to one vote for each share on all matters to be voted upon by the common stockholders. There are no cumulative voting rights. Subject to any preferential rights of any outstanding preferred stock, holders of our common stock are entitled to receive ratably the dividends, if any, as may be declared from time to time by our Board of Directors out of funds legally available for that purpose. If there is a liquidation, dissolution, or winding up of our Company, holders of our common stock would be entitled to ratable distribution of our assets remaining after the payment in full of liabilities and any preferential rights of any outstanding preferred stock.

Holders of our common stock do not have any preemptive or conversion rights or other subscription rights, and there are no redemption or sinking fund provisions applicable to the common stock. All outstanding shares of our common stock are fully paid and non-assessable. The rights, preferences and privileges of the holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

Preferred Stock

Under the terms of our Sixth Amended and Restated Certificate of Incorporation (our “Certificate of Incorporation”), our Board of Directors is authorized, subject to limitations prescribed by the Delaware General Corporation Law (the “DGCL”) and by our Certificate of Incorporation, to issue up to 70,000,000 shares of preferred stock in one or more series without further action by the holders of our common stock. Our Board of Directors has the discretion, subject to limitations prescribed by the DGCL and by our Certificate of Incorporation, to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock. We have no current plans to issue any shares of preferred stock.

Anti-Takeover Effects of Various Provisions of Delaware Law and Our Sixth Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws

Provisions of the DGCL and our Certificate of Incorporation and amended and restated bylaws (our “Bylaws”) could make it more difficult to acquire SelectQuote by means of a tender offer, proxy contest, or otherwise, or to remove incumbent officers and directors. These provisions, summarized below, may discourage certain types of coercive takeover practices and takeover bids that our Board of Directors may consider inadequate and may encourage persons seeking to acquire control of the Company to first negotiate with our Board of Directors. SelectQuote believes that the benefits of increased protection of its ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure it outweigh the disadvantages of discouraging takeover or acquisition proposals because, among other things, negotiation of these proposals could result in an improvement of their terms.

Delaware Anti-Takeover Statute

As a Delaware corporation, SelectQuote is subject to Section 203 of the DGCL regarding corporate takeovers. In general, Section 203 of the DGCL prohibits a publicly held Delaware corporation from engaging in a “business combination” with an “interested stockholder” for a period of three years following the time the person became an interested stockholder, unless:

- prior to the date of the transaction, our Board of Directors has approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock outstanding at the time such transaction commenced, excluding, for purposes of determining the number of shares outstanding, (a) shares owned by persons who are directors and also officers and (b) shares owned by employee stock plans in which employee participants do not have the right to

determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

- on or subsequent to such time the business combination is approved by our Board of Directors and authorized at a meeting of stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock not owned by the interested stockholder.

In this context, a “business combination” includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. An “interested stockholder” is a person who, together with affiliates and associates, owns or, within three years prior to the determination of interested stockholder status owned, 15% or more of our outstanding voting stock. The existence of this provision would be expected to have an anti-takeover effect with respect to transactions not approved in advance by our Board of Directors, including discouraging attempts that might result in a premium over the market price for the shares of common stock held by our stockholders.

A Delaware corporation may “opt out” of Section 203 with an express provision in its original certificate of incorporation or an express provision in its certificate of incorporation or bylaws resulting from amendments approved by holders of at least a majority of our outstanding voting shares. We have not elected to “opt out” of Section 203. However, subject to certain restrictions, we may elect to “opt out” of Section 203 by an amendment to our Certificate of Incorporation or Bylaws.

Classified Board

Our Certificate of Incorporation and Bylaws provide that our Board of Directors be divided into three classes, each of which is composed initially of two or three directors. The directors designated as Class I directors have terms expiring at the annual meeting of stockholders to be held in 2023. The directors designated as Class II directors have terms expiring at the annual meeting of stockholders to be held in 2024, and the directors designated as Class III directors have terms expiring at the annual meeting of stockholders to be held in 2022. Directors for each class are elected at the annual meeting of stockholders held in the year in which the term for that class expires and, thereafter, will serve for an additional term of three years, subject to their earlier resignation or removal. At any meeting of stockholders for the election of directors at which a quorum is present, the election will be determined by a plurality of the votes cast by the stockholders entitled to vote in the election. Under the classified board provisions, it may take two elections of directors for any individual or group to gain control of our Board of Directors. Accordingly, these provisions could discourage a third party from initiating a proxy contest, making a tender offer, or otherwise attempting to gain control of SelectQuote.

Removal of Directors

Our Certificate of Incorporation provides that our stockholders may remove our directors only for cause, by an affirmative vote of holders of at least a majority of the voting power of the then-outstanding shares of voting stock.

Amendments to Certificate of Incorporation and Bylaws

Our Certificate of Incorporation provides that it may be amended or altered in any manner provided by the DGCL. Our Bylaws may be adopted, amended, altered, or repealed by stockholders upon the approval of at least two-thirds of the voting power of all of the then-outstanding shares of stock entitled to vote at an election of directors. Additionally, our Certificate of Incorporation and Bylaws provide that our Bylaws may be adopted, amended, altered, or repealed by the Board of Directors.

Size of Board and Vacancies

Our Certificate of Incorporation and Bylaws provide that the number of directors on our Board of Directors is fixed exclusively by our Board of Directors. Any vacancies on our Board of Directors resulting from any increase in the authorized number of directors or the death, resignation, retirement, disqualification, removal from office, or other cause will be filled by a majority of the Board of Directors then in office, whether or not less than a quorum. Our Certificate of Incorporation and Bylaws provide that any director appointed to fill a vacancy on our Board of Directors will hold office for a term expiring at the annual meeting of stockholders at which the term of office of the class to which he or she been appointed expires and until such director’s successor shall have been duly elected and qualified.

Special Stockholder Meetings

Our Bylaws provide that only the chairman of the Board of Directors, the chief executive officer, or an officer acting at the request of a majority of the members of the Board of Directors pursuant to a resolution approved by the Board of the Directors may call special meetings of SelectQuote stockholders. Stockholders may not call special stockholder meetings.

Stockholder Action by Written Consent

Our Certificate of Incorporation prohibits the right of our stockholders to act by written consent. From and after the effectiveness of our Certificate of Incorporation, stockholder action must take place at the annual or a special meeting of SelectQuote stockholders.

Requirements for Advance Notification of Stockholder Nominations and Proposals

Our Bylaws establish advance notice procedures with respect to stockholder proposals and nomination of candidates for election as directors, as well as minimum qualification requirements for stockholders making the proposals or nominations. Additionally, our Bylaws require that candidates nominated by stockholders for election as director disclose their qualifications and make certain representations, including that (a) they are not a party to any undisclosed voting commitment, any voting commitment that could interfere with their ability to fulfill their fiduciary duties as a director of SelectQuote, should they be elected, or any undisclosed agreement pursuant to which they would receive compensation, reimbursement or indemnification in connection with their service as a director of SelectQuote, (b) they will be in compliance, should they be elected, with the Company's corporate governance guidelines and the Company's conflict of interest, confidentiality, and stock ownership and trading policies, and (c) they will abide by the procedures for the election of directors in our Bylaws.

No Cumulative Voting

The DGCL provides that stockholders do not have the right to cumulate votes in the election of directors unless the company's certificate of incorporation provides otherwise. Our Certificate of Incorporation does not provide for cumulative voting.

Undesignated Preferred Stock

The authority our Board of Directors possesses to issue preferred stock could potentially be used to discourage attempts by third parties to obtain control of SelectQuote through a merger, tender offer, proxy contest, or otherwise by making such attempts costlier or more difficult. Our Board of Directors may be able to issue preferred stock with voting rights or conversion rights that, if exercised, could adversely affect the voting power of the holders of common stock.

Corporate Opportunities

Our Certificate of Incorporation provides that, to the fullest extent permitted by law, we have, on behalf of ourselves, our stockholders, and any of our and their respective affiliates, renounced any interest or expectancy in, or in being notified of or offered an opportunity to participate in, any business opportunity that may be presented to our directors that are not our employees or to any of their affiliates, partners, or other representatives, and that no such person has any duty to communicate or offer such business opportunity to us or any of our affiliates or stockholders or shall be liable to us or any of our affiliates or stockholders for breach of any duty, as a director or otherwise, by reason of the fact that such person pursues or acquires such business opportunity, directs such business opportunity to another person, or fails to present such business opportunity, or information regarding such business opportunity, to us or any of our affiliates or stockholders, unless, in the case of any such person who is a director of the Company, such business opportunity is expressly offered to such director solely in his or her capacity as a director of the Company.

Limitations on Liability, Indemnification of Officers and Directors and Insurance

Elimination of Liability of Directors

The DGCL authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties as directors, and our Certificate of Incorporation includes such an exculpation provision. Our Certificate of Incorporation provides that, to the fullest extent permitted by the DGCL, no director will be personally liable to us or to our stockholders for monetary damages for breach of fiduciary duty as a director. While our Certificate of Incorporation provides directors with protection from awards for monetary damages for breaches of their duty of care, it does not eliminate this duty. Accordingly, our Certificate of Incorporation has no effect on the availability of equitable remedies such as an injunction or rescission based on a director's breach of his or her duty of care. The provisions of our Certificate

of Incorporation described above apply to an officer of SelectQuote only if he or she is a director of SelectQuote and is acting in his or her capacity as director, and does not apply to officers of SelectQuote who are not directors.

Indemnification of Directors, Officers and Employees

Our Certificate of Incorporation and Bylaws require us to indemnify any person who was or is a party or is threatened to be made a party to or is otherwise involved in any threatened, pending or completed action, suit or proceeding by reason of the fact that he or she is or was a director or officer of SelectQuote, or is or was serving at the request of SelectQuote as a director, officer, trustee, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans maintained or sponsored by SelectQuote, against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) incurred or suffered by such person in connection with such proceeding if the person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of SelectQuote, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

We are authorized under our Certificate of Incorporation and Bylaws to purchase and maintain insurance to protect SelectQuote and any current or former director, officer, employee or agent of SelectQuote or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not SelectQuote would have the power to indemnify such person against such expense, liability or loss under the DGCL.

We have entered into indemnification agreements with each of our directors and officers. The indemnification agreements provide that we will indemnify each indemnitee to the fullest extent permitted by the DGCL from and against all loss and liability suffered and expenses, judgments, fines and amounts paid in settlement incurred in connection with defending, investigating or settling any threatened, pending, or completed action, suit or proceeding related to the indemnitee's service with the Company. Additionally, we agree to advance to the indemnitee expenses incurred in connection therewith.

The limitation of liability and indemnification provisions in these indemnification agreements and our Certificate of Incorporation and Bylaws may discourage stockholders from bringing a lawsuit against our directors for breach of fiduciary duty. These provisions also may reduce the likelihood of derivative litigation against our directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. In addition, your investment in our common stock may be adversely affected to the extent we pay the costs of settlement and damage awards under these indemnification provisions.

Exclusive Forum

Our Certificate of Incorporation provides that, unless the Board of Directors otherwise determines, the state courts located within the State of Delaware or, if no state court located in the State of Delaware has jurisdiction, the federal court for the District of Delaware, will be the sole and exclusive forum for any derivative action or proceeding brought on behalf of SelectQuote, any action asserting a claim of breach of a fiduciary duty owed by any director or officer of SelectQuote to SelectQuote or our stockholders, any action asserting a claim against SelectQuote or any director or officer of SelectQuote arising pursuant to any provision of the DGCL or Certificate of Incorporation or Bylaws, or any action asserting a claim against SelectQuote or any director or officer of SelectQuote governed by the internal affairs doctrine. Under our Certificate of Incorporation, to the fullest extent permitted by law, this exclusive forum provision will apply to all actions asserting covered Delaware state law claims, including any other claims, such as federal securities law claims, that a stockholder chooses to bring in the same action. This exclusive forum provision does not apply to actions that do not assert any covered Delaware state law claims, such as, for example, any action asserting solely federal securities law claims.

Authorized but Unissued Shares

Our authorized but unissued shares of common stock and preferred stock will be available for future issuance without stockholder approval. We may use additional shares for a variety of purposes, including future public offerings to raise additional capital, to fund acquisitions, and as employee compensation. The existence of authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of SelectQuote by means of a proxy contest, tender offer, merger, or otherwise.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare Trust Company, N.A.

Listing

Our shares of common stock are listed on the New York Stock Exchange under the symbol “SLQT”.

PRICE-VESTED UNIT AGREEMENT

This Price-Vested Unit Agreement (this “Agreement”), dated as of _____, 20__ (the “Grant Date”), is made between SelectQuote, Inc. (the “Company”) and _____ (the “Participant”).

WITNESSETH

The SelectQuote, Inc. 2020 Omnibus Incentive Plan (the “Plan”) (any and all capitalized terms used in this Agreement and not defined herein shall have the meanings ascribed to them in the Plan) provides for the grant of Price-Vested Units. In consideration of the mutual promises and covenants made herein and the mutual benefits to be derived herefrom, the parties hereto agree as follows:

1. Grant and Vesting of Price-Vested Units.

(a) Subject to the terms and conditions set forth in this Agreement and in the Plan, the Company hereby grants to the Participant, as of the Grant Date, ____ restricted stock units (the “Price-Vested Units”), each with respect to one Share. The Price-Vested Units shall become vested pursuant to the vesting conditions described in Exhibit A hereto.

(b) Notwithstanding any other provision hereof, in the event that the Participant violates any of the restrictive covenants set forth in the applicable Employee Agreement between the Participant and the Company (or in any other agreement between the Participant and the Company), (i) the Price-Vested Units, to the extent unvested, shall be immediately forfeited, and (ii) the Company may require the Participant to repay the proceeds of any Price-Vested Unit settlement (measured based on the Fair Market Value on the date of settlement) that occurred during the year prior to such violation. The Participant hereby agrees to be subject to any clawback policy of the Company and acknowledges that any such policy shall apply to (but its application shall not be limited to) the Price-Vested Units granted hereunder and any Shares issued in respect thereof.

2. Settlement of Units.

As soon as practicable after any Price-Vested Units have vested, the Company shall, subject to Section 6 of this Agreement, issue one Share to the Participant in respect of each vested Price-Vested Unit. The obligation of the Company to deliver Shares hereunder shall be subject to all applicable laws, rules, and regulations and such approvals by governmental agencies as may be deemed appropriate by the Committee, including such actions as Company counsel shall deem necessary or appropriate to comply with relevant securities laws and regulations. The Company may require that the Participant represent that the Participant is acquiring Shares for the Participant’s own account, or such other representation as the Committee deems appropriate.

3. Nontransferability.

The Price-Vested Units shall not be transferable by the Participant by means of sale, assignment, exchange, encumbrance, pledge, hedge or otherwise.

4. Grant Subject to Plan Provisions.

This grant is made pursuant to the Plan, the terms of which are incorporated herein by reference, and in all respects shall be interpreted in accordance with the Plan. This grant is subject to the provisions of the Plan and to interpretations, regulations and determinations

concerning the Plan established from time to time by the Committee in accordance with the provisions of the Plan, including, but not limited to, provisions pertaining to (a) rights and obligations with respect to withholding taxes, (b) the registration, qualification or listing of the Shares, (c) capital or other changes of the Company and (d) other requirements of applicable law. The Committee shall have the authority to interpret and construe this Agreement pursuant to the terms of the Plan, and its decisions shall be conclusive as to any questions arising hereunder. In the event of any conflict between this Agreement and the terms of the Plan, the terms of the Plan shall control.

5. No Shareholder Rights.

The Participant shall not be entitled to any rights of a stockholder with respect to the Price-Vested Units (including, without limitation, any voting rights or rights with respect to dividends). Notwithstanding the foregoing, upon the Company's payment of an ordinary cash dividend with respect to shares of Common Stock, the number of Price-Vested Units shall be increased by dividing the amount of dividend the Participant would have received had the Participant owned a number of shares of Common Stock equal to the number of Price-Vested Units then credited to the Participant's account by the Fair Market Value of a share of Common Stock on the last trading day before the date of the dividend payment. The units, shares or property so credited will be subject to the same restrictions applicable to the underlying Price-Vested Units and other terms and conditions applicable to the underlying Price-Vested Units and will be taken into account in determining the number of Shares to be delivered pursuant to Section 2 hereof.

6. Taxes and Withholding.

No later than the date as of which an amount first becomes includible in the gross income of the Participant for federal, state, local or foreign income tax purposes with respect to any Price-Vested Units, the Participant shall pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, any federal, state, local and foreign taxes that are required by applicable laws and regulations to be withheld with respect to such amount. The obligations of the Company under this Agreement shall be conditioned on compliance by the Participant with this Section 6, and the Company shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Participant, including deducting such amount from the delivery of shares or cash issued upon settlement of the Price-Vested Units that gives rise to the withholding requirement.

7. Effect of Agreement.

The rights and interests of the Participant under this Agreement may not be sold, assigned, encumbered or otherwise transferred except, in the event of the death of the Participant, by will or by the laws of descent and distribution. The rights and protections of the Company hereunder shall extend to any successors or assigns of the Company and to the Company's parents, subsidiaries, and affiliates. This Agreement may be assigned by the Company without the Participant's consent. Except as otherwise provided hereunder, this Agreement shall be binding upon and shall inure to the benefit of any successor or successors of the Company. The invalidity or enforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. Nothing in this Agreement or the Plan shall confer upon the Participant any right to continue in the employ or service of the Company or any of its affiliates or interfere in any way with the right of the Company or any such affiliates to terminate the Participant's employment or service at any time.

8. Governing Law; Captions.

This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware, without regard to the principles of conflicts of law thereof. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

9. Signature in Counterparts.

This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. The parties hereto confirm that any facsimile copy of another party's executed counterpart of this Agreement (or its signature page thereof) will be deemed to be an executed original thereof.

IN WITNESS WHEREOF, as of the date first above written, the Company has caused this Agreement to be executed on its behalf by a duly authorized officer and the Participant has hereunto set the Participant's hand.

SELECTQUOTE INC.

By: _____
Name: _____
Title: _____

PARTICIPANT

[Name of Participant]

Exhibit A

PRICE-VESTED UNITS: VESTING CONDITIONS

The Price-Vested Units shall become vested solely to the extent that both the service- and performance-based vesting conditions set forth below are satisfied.

- **Service-Based Vesting Condition:** The Price-Vested Units shall satisfy this Service-Based Vesting Condition as to 1/3 of the Price-Vested Units on each of the first, second, and third anniversaries of the Grant Date (rounded down to the nearest share, except that any fractional share shall become vested on the third anniversary of the Grant Date), subject to the Participant not experiencing a Termination of Service prior to such vesting dates.
- **Performance-Based Vesting Condition:** The Price-Vested Units shall satisfy this Performance-Based Vesting Condition to the extent that the average closing price (on the New York Stock Exchange or other principal exchange on which the shares of Company's common stock are traded) of the Company's common stock reaches the levels set forth below for a period of 60 consecutive trading days at any time prior to the fifth (5th) anniversary of the Grant Date.

Stock Price	% of PVUs Vested
\$[]	25%
\$[]	50%
\$[]	75%
\$[]	100%

In the event of a Change in Control, the Performance-Based Vesting Condition shall be deemed satisfied based on the price per share of the Company's common stock payable as a result of such Change in Control, with any in-kind consideration valued based on the fair market value of such consideration as of immediately prior to the Change in Control. To the extent that the Change in Control consideration described in the preceding sentence falls between the stock price levels set forth in the table above, the number of PVUs that are deemed to satisfy the Performance-Based Vesting Condition shall be determined by linear interpolation. The provisions of Section 10 of the Plan shall otherwise apply to the Price-Vested Units.

If the Participant incurs a Termination of Service prior the achievement of both the Service-Based Vesting Condition and the Performance-Based Vesting Condition with respect to any portion of the Price-Vested Units, such portion of the Price-Vested Units shall be forfeited by the Participant effective immediately upon such Termination of Service and shall cease to be eligible for vesting hereunder. To the extent unvested, the Price-Vested Units shall be forfeited by the Participant on the fifth (5th) anniversary of the Grant Date.

SIXTH AMENDMENT TO CREDIT AGREEMENT

THIS SIXTH AMENDMENT TO CREDIT AGREEMENT (this “**Agreement**”) is entered into as of September 11, 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, that certain Fourth Amendment to Credit Agreement, dated as of August 26, 2022 and that certain Fifth Amendment to Credit Agreement, dated as of May 5, 2023, 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 Sixth 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 “1.846:1.00” appearing opposite “June 30, 2024” in the table appearing therein and (b) insert “1.480:1.00” in lieu thereof.
- (ii) Section 4.1(b) of the Credit Agreement is hereby amended and restated as follows:

“commencing with the Fiscal Quarter ending September 30, 2022, within forty-five (45) days after the end of each Fiscal Quarter (other than the fourth Fiscal Quarter) of each Fiscal Year, a copy of the unaudited consolidated balance sheet of the Borrower and its Subsidiaries, and the related consolidated statements of income and cash flows as of the

end of such Fiscal Quarter and for the portion of the Fiscal Year then ended, all certified on behalf of the Borrower by an appropriate Responsible Officer of the Borrower as fairly presenting, in all material respects, in accordance with GAAP, the financial position and the results of operations of the Borrower and its Subsidiaries, subject to normal year-end adjustments and absence of footnote disclosures; provided that, such balance sheet and/or related consolidated statements of income and cash flows shall not contain any statement (including in any footnote and/or commentary thereto) that there is substantial doubt or similar disclosure about the Borrower's ability to continue or operate as a going concern or the Borrower's inability to comply with any applicable financial covenants or otherwise be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope (in each case, except as a result of the impending maturity of any Facility or any other Indebtedness)."

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 4. 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 Sixth 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 Sixth 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 foregoing conditions set forth in this Section 4 shall have been satisfied shall be the "**Sixth Amendment Effective Date**".

SECTION 5. **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 Sixth 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 6. **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 Sixth Amendment Effective Date, references to the Amended Credit Agreement.

SECTION 7. 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 8. 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 9. 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 10. **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 11. **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 12. **Captions.** The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

SECTION 13. **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 14. **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/ Ryan Clement
Name: Ryan Clement
Title: Chief Financial Officer

**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. Feil
Name: Joseph B. Feil
Title: Vice President

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

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

By: /s/ Jean-Pierre Jetté
Name: Jean-Pierre Jetté
Title: Authorized Signatory

ARES CAPITAL CORPORATION,
as a Consenting Lender

By: /s/ Michael L. Smith
Name: Michael L. Smith
Title: Authorized Signatory

CION ARES DIVERSIFIED CREDIT FUND,
as a Consenting Lender

By: /s/ Michael L. Smith
Name: Michael L. Smith
Title: Authorized Signatory

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

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

By: /s/ Michael L. Smith
Name: Michael L. Smith
Title: Authorized Signatory

ARES ND CSF HOLDINGS LLC,
as a Consenting Lender

By: Ares Capital Management LLC, as servicer

By: /s/ Michael L. Smith
Name: Michael L. Smith
Title: Authorized Signatory

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/ Michael L. Smith
Name: Michael L. Smith
Title: Authorized Signatory

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

By: Ares Capital Management LLC, its investment manager

By: /s/ Michael L. Smith
Name: Michael L. Smith
Title: Authorized Signatory

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

By: Ares Capital Management LLC, its investment manager

By: /s/ Michael L. Smith
Name: Michael L. Smith
Title: Authorized Signatory

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

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

By: /s/ Michael L. Smith
Name: Michael L. Smith
Title: Authorized Signatory

By: /s/ Michael L. Smith
Name: Michael L. Smith
Title: Authorized Signatory

FEDERAL INSURANCE COMPANY,
as a Consenting Lender
By: Ares Capital Management LLC, its investment manager
By: /s/ Michael L. Smith
Name: Michael L. Smith
Title: Authorized Signatory

GREAT AMERICAN INSURANCE COMPANY,
as a Consenting Lender
By: Ares Capital Management LLC, its investment manager
By: /s/ Michael L. Smith
Name: Michael L. Smith
Title: Authorized Signatory

GREAT AMERICAN LIFE INSURANCE COMPANY,
as a Consenting Lender
By: Ares Capital Management LLC, its investment manager
By: /s/ Michael L. Smith
Name: Michael L. Smith
Title: Authorized Signatory

BOWHEAD IMC LP,
as a Consenting Lender
By: Ares Capital Management LLC, its investment manager
By: /s/ Michael L. Smith
Name: Michael L. Smith
Title: Authorized Signatory

SWISS REINSURANCE AMERICA CORPORATION,

as a Consenting Lender

By: Ares Capital Management LLC, its investment manager

By: /s/ Michael L. Smith
Name: Michael L. Smith
Title: Authorized Signatory

ADF I HOLDINGS LLC,

as a Consenting Lender

By: Ares Capital Management LLC, as servicer

By: /s/ Michael L. Smith
Name: Michael L. Smith
Title: Authorized Signatory

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

By: Ares Capital Management LLC, its investment manager

By: /s/ Michael L. Smith
Name: Michael L. Smith
Title: Authorized Signatory

ARES SFERS HOLDINGS LLC,
as a Consenting Lender

By: Ares Capital Management LLC, as servicer

By: /s/ Michael L. Smith
Name: Michael L. Smith
Title: Authorized Signatory

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/ Michael L. Smith

Name: Michael L. Smith

Title: Authorized Signatory

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/ Michael L. Smith
Name: Michael L. Smith
Title: Authorized Signatory

SDL FINANCE 1 LP,
as a Consenting Lender

By: Ares Capital Management LLC, as servicer

By: /s/ Michael L. Smith
Name: Michael L. Smith
Title: Authorized Signatory

SDL FINANCE 2 LP,
as a Consenting Lender

By: Ares Capital Management LLC, as servicer

By: /s/ Michael L. Smith
Name: Michael L. Smith
Title: Authorized Signatory

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

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

By: /s/ Michael L. Smith
Name: Michael L. Smith
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/ Michael L. Smith
Name: Michael L. Smith
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/ Michael L. Smith
Name: Michael L. Smith
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/ Michael L. Smith
Name: Michael L. Smith
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/ Michael L. Smith
Name: Michael L. Smith
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/ Michael L. Smith
Name: Michael L. Smith
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/ Michael L. Smith
Name: Michael L. Smith
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/ Michael L. Smith
Name: Michael L. Smith
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/ Michael L. Smith
Name: Michael L. Smith
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/ Michael L. Smith
Name: Michael L. Smith
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/ Michael L. Smith
Name: Michael L. Smith

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 Person

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 Person

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 Person

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 Person

BCRED SUMMIT PEAK FUNDING LLC,
as a Consenting Lender

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

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

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 Person

BCRED CASTLE PEAK FUNDING LLC,
as a Consenting Lender

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

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

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

By: Blackstone Private Credit Fund, as Collateral Manager
By: Blackstone Credit BDC Advisors LLC, as Investment Advisor

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

BCRED WINDOM PEAK FUNDING LLC,
as a Consenting Lender

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

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

Subsidiaries of the Registrant

Name of Subsidiary	State of Organization
SelectQuote Insurance Services	California
Tiburon Insurance Services	California
SelectQuote Auto & Home Insurance Services, LLC	Delaware
ChoiceMark Insurance Services, Inc.	Delaware
Inside Response, LLC	Kansas
SelectQuote Ventures, Inc.	Delaware
Population Health, Inc.	Delaware
Express Med Pharmaceuticals, Inc., dba SelectRx PA	Pennsylvania
Simple Meds, LLC, dba SelectRx IN	Nebraska

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-238692 and 333-269776 on Form S-8 of our reports dated September 13, 2023, relating to the financial statements of SelectQuote, Inc. and the effectiveness of SelectQuote Inc.'s internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended June 30, 2023.

/s/ Deloitte & Touche LLP

Kansas City, MO

September 13, 2023

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

I, Timothy Danker, certify that:

1. I have reviewed this annual report on Form 10-K 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: September 13, 2023

/s/ Timothy Danker

Name: Timothy 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 M. Clement, certify that:

1. I have reviewed this annual report on Form 10-K 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: September 13, 2023

/s/ Ryan M. Clement

Name: Ryan M. 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, Timothy 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 Annual Report of the Company on Form 10-K for the period ended June 30, 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: September 13, 2023

/s/ Timothy Danker

Name: Timothy 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 M. 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 Annual Report of the Company on Form 10-K for the period ended June 30, 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: September 13, 2023

/s/ Ryan M. Clement

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