

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

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2025
OR

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

001-39295
(Commission File Number)

SelectQuote, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

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

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

66211
(Zip Code)

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

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

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

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

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

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

Large accelerated filer	☐	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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The registrant had outstanding 172,721,268 shares of common stock as of April 30, 2025.

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

	PART I FINANCIAL INFORMATION	PAGE
<u>Item 1.</u>	<u>Financial Statements (unaudited)</u>	
	<u>Condensed Consolidated Balance Sheets as of March 31, 2025 and June 30, 2024</u>	<u>2</u>
	<u>Condensed Consolidated Statements of Comprehensive Income (Loss) for the Three and Nine Months Ended March 31, 2025 and 2024</u>	<u>4</u>
	<u>Condensed Consolidated Statements of Changes in Shareholders' Equity for the Three and Nine Months Ended March 31, 2025 and 2024</u>	<u>5</u>
	<u>Condensed Consolidated Statements of Cash Flows for the Nine Months Ended March 31, 2025 and 2024</u>	<u>7</u>
	<u>Notes to Condensed Consolidated Financial Statements</u>	<u>9</u>
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>38</u>
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>57</u>
<u>Item 4.</u>	<u>Controls and Procedures</u>	<u>58</u>
	PART II OTHER INFORMATION	
<u>Item 1.</u>	<u>Legal Proceedings</u>	<u>59</u>
<u>Item 1A.</u>	<u>Risk Factors</u>	<u>59</u>
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>59</u>
<u>Item 3.</u>	<u>Defaults Upon Senior Securities</u>	<u>59</u>
<u>Item 4.</u>	<u>Mine Safety Disclosures</u>	<u>59</u>
<u>Item 5.</u>	<u>Other Information</u>	<u>59</u>
<u>Item 6.</u>	<u>Exhibits</u>	<u>61</u>
	<u>Signatures</u>	<u>62</u>

PART I **FINANCIAL INFORMATION**

ITEM 1. FINANCIAL STATEMENTS

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

(Unaudited)

(In thousands)

	March 31, 2025	June 30, 2024
ASSETS		
CURRENT ASSETS:		
Cash, cash equivalents, and restricted cash	\$ 84,795	\$ 42,690
Accounts receivable, net of allowances of \$12.0 million and \$8.2 million, respectively	184,879	150,035
Commissions receivable-current	75,326	119,871
Other current assets	15,216	20,327
Total current assets	360,216	332,923
COMMISSIONS RECEIVABLE—Net	839,757	761,446
PROPERTY AND EQUIPMENT—Net	15,411	18,973
SOFTWARE—Net	14,425	13,978
OPERATING LEASE RIGHT-OF-USE ASSETS	24,799	23,437
INTANGIBLE ASSETS—Net	7,098	10,194
GOODWILL	29,438	29,438
OTHER ASSETS	4,689	3,519
TOTAL ASSETS	\$ 1,295,833	\$ 1,193,908
LIABILITIES, PREFERRED STOCK, AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 77,713	\$ 36,587
Accrued expenses	17,481	16,904
Accrued compensation and benefits	59,257	57,594
Operating lease liabilities—current	4,847	4,709
Current portion of long-term debt	28,991	45,854
Contract liabilities	945	8,066
Other current liabilities	4,469	4,873
Total current liabilities	193,703	174,587
LONG-TERM DEBT, NET—less current portion	362,493	637,480
DEFERRED INCOME TAXES	39,980	37,478
OPERATING LEASE LIABILITIES	26,183	25,685
OTHER LIABILITIES	115,649	1,877
Total liabilities	738,008	877,107

	March 31, 2025	June 30, 2024
COMMITMENTS AND CONTINGENCIES (Note 10)		
PREFERRED STOCK:		
Senior Non-Convertible Preferred Stock, \$0.01 par value, 350,000 shares and no shares issued and outstanding as of March 31, 2025 and June 30, 2024, respectively, current liquidation preference of \$354.4 million and \$0.0 million as of March 31, 2025 and June 30, 2024, respectively	207,613	—
SHAREHOLDERS' EQUITY:		
Common stock, \$0.01 par value	1,727	1,694
Additional paid-in capital	583,542	580,764
Accumulated deficit	(235,057)	(269,769)
Accumulated other comprehensive income (loss)	—	4,112
Total shareholders' equity	350,212	316,801
TOTAL LIABILITIES, PREFERRED STOCK, AND SHAREHOLDERS' EQUITY	\$ 1,295,833	\$ 1,193,908

See accompanying notes to the condensed consolidated financial statements.

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
REVENUE:				
Commissions and other services	\$ 222,889	256,118	\$ 663,338	\$ 690,702
Pharmacy	185,271	120,282	518,154	323,865
Total revenue	408,160	376,400	1,181,492	1,014,567
OPERATING COSTS AND EXPENSES:				
Cost of commissions and other services revenue	79,412	84,315	246,283	254,250
Cost of goods sold—pharmacy revenue	162,304	106,172	448,029	284,360
Marketing and advertising	92,733	109,276	254,222	288,676
Selling, general, and administrative	41,685	34,971	122,850	97,049
Technical development	9,967	8,604	29,086	24,291
Total operating costs and expenses	386,101	343,338	1,100,470	948,626
INCOME FROM OPERATIONS	22,059	33,062	81,022	65,941
INTEREST EXPENSE, NET	(20,407)	(24,330)	(67,160)	(70,141)
CHANGE IN FAIR VALUE OF WARRANTS	32,986	—	25,344	—
OTHER EXPENSE, NET	(37)	(12)	(70)	(51)
INCOME (LOSS) BEFORE INCOME TAX EXPENSE (BENEFIT)	34,601	8,720	39,136	(4,251)
INCOME TAX EXPENSE (BENEFIT)	8,579	169	4,424	(1,143)
NET INCOME (LOSS)	\$ 26,022	\$ 8,551	\$ 34,712	\$ (3,108)
Senior Non-Convertible Preferred Stock accumulated dividends and accretion	(5,787)	—	(5,787)	—
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON SHAREHOLDERS	\$ 20,235	\$ 8,551	\$ 28,925	\$ (3,108)
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON SHAREHOLDERS PER SHARE:				
Basic	\$ 0.11	\$ 0.05	\$ 0.17	\$ (0.02)
Diluted	\$ 0.03	\$ 0.05	\$ 0.13	\$ (0.02)
WEIGHTED-AVERAGE COMMON STOCK OUTSTANDING USED IN PER SHARE AMOUNTS:				
Basic	178,156	169,070	173,462	168,291
Diluted	186,639	170,956	178,895	168,291
OTHER COMPREHENSIVE INCOME (LOSS) NET OF TAX:				
Change in cash flow hedge	\$ —	\$ (1,771)	\$ (4,112)	\$ (7,203)
OTHER COMPREHENSIVE LOSS	—	(1,771)	(4,112)	(7,203)
COMPREHENSIVE INCOME (LOSS)	\$ 26,022	\$ 6,780	\$ 30,600	\$ (10,311)

See accompanying notes to the condensed consolidated financial statements.

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

Three Months Ended March 31, 2025						
	Common Stock		Additional Paid-In Capital	Retained Earnings / (Accumulated Deficit)	Accumulated Other Comprehensive Income	Total Shareholders' Equity
	Shares	Amount				
BALANCES-December 31, 2024	172,126	\$ 1,721	\$ 585,360	\$ (261,079)	\$ —	\$ 326,002
Net income	—	—	—	26,022	—	26,022
Exercise of employee stock options, net of shares withheld for cashless exercises and to cover tax withholdings	48	—	74	—	—	74
Vesting of restricted stock unit awards and performance stock unit awards net of shares withheld to cover tax withholdings	102	1	(124)	—	—	(123)
Vesting of price vested unit awards net of shares withheld to cover tax withholdings	445	5	(941)	—	—	(936)
Share-based compensation expense	—	—	4,960	—	—	4,960
Senior Non-Convertible Preferred Stock accretion	—	—	(1,417)	\$ —	\$ —	(1,417)
Senior Non-Convertible Preferred Stock accumulated dividends	—	—	(4,370)	\$ —	\$ —	(4,370)
BALANCES-March 31, 2025	<u>172,721</u>	<u>\$ 1,727</u>	<u>\$ 583,542</u>	<u>\$ (235,057)</u>	<u>\$ —</u>	<u>\$ 350,212</u>

Three Months Ended March 31, 2024						
	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Shareholders' Equity
	Shares	Amount				
BALANCES-December 31, 2023	168,974	\$ 1,690	\$ 573,883	\$ (247,303)	\$ 8,247	\$ 336,517
Net income	—	—	—	8,551	—	8,551
Gain on cash flow hedge, net of tax	—	—	—	—	858	858
Amount reclassified into earnings, net tax	—	—	—	—	(2,629)	(2,629)
Exercise of employee stock options, net of shares withheld for cashless exercises and to cover tax withholdings	16	—	8	—	—	8
Vesting of restricted stock unit awards and performance stock unit awards net of shares withheld to cover tax withholdings	169	2	(17)	—	—	(15)
Share-based compensation expense	—	—	3,515	—	—	3,515
BALANCES-March 31, 2024	<u>169,159</u>	<u>\$ 1,692</u>	<u>\$ 577,389</u>	<u>\$ (238,752)</u>	<u>\$ 6,476</u>	<u>\$ 346,805</u>

See accompanying notes to the condensed consolidated financial statements.

Nine Months Ended March 31, 2025						
	Common Stock		Additional	Retained	Accumulated	Total
	Shares	Amount	Paid-In	Earnings/(Accumulated	Other	Shareholders'
			Capital	Deficit)	Comprehensive	Equity
					Income (Loss)	
BALANCES-June 30, 2024	169,385	\$ 1,694	\$ 580,764	\$ (269,769)	\$ 4,112	\$ 316,801
Net income	—	—	—	34,712	—	34,712
Loss on cash flow hedge, net of tax	—	—	—	—	(432)	(432)
Amount reclassified into earnings, net of tax	—	—	—	—	(3,680)	(3,680)
Exercise of employee stock options, net of shares withheld for cashless exercises and to cover tax withholdings	95	—	112	—	—	112
Vesting of restricted stock unit awards net of shares withheld to cover tax withholdings	2,681	27	(3,841)	—	—	(3,814)
Vesting of price vested unit awards net of shares withheld to cover tax withholdings	560	6	(1,211)	—	—	(1,205)
Share-based compensation expense	—	—	13,505	—	—	13,505
Senior Non-Convertible Preferred Stock accretion	—	—	(1,417)	—	—	(1,417)
Senior Non-Convertible Preferred Stock accumulated dividends	—	—	(4,370)	—	—	(4,370)
BALANCES-March 31, 2025	<u>172,721</u>	<u>\$ 1,727</u>	<u>\$ 583,542</u>	<u>\$ (235,057)</u>	<u>\$ —</u>	<u>\$ 350,212</u>

Nine Months Ended March 31, 2024						
	Common Stock		Additional	Retained	Accumulated	Total
	Shares	Amount	Paid-In	Earnings/(Accumulated	Other	Shareholders'
			Capital	Deficit)	Comprehensive	Equity
					Income (Loss)	
BALANCES-June 30, 2023	166,867	\$ 1,669	\$ 567,266	\$ (235,644)	\$ 13,679	\$ 346,970
Net loss	—	—	—	(3,108)	—	(3,108)
Gain on cash flow hedge, net of tax	—	—	—	—	929	929
Amount reclassified into earnings, net of tax	—	—	—	—	(8,132)	(8,132)
Exercise of employee stock options, net of shares withheld for cashless exercises and to cover tax withholdings	16	—	8	—	—	8
Vesting of restricted stock unit awards and performance stock unit awards net of shares withheld to cover tax withholdings	2,276	23	(397)	—	—	(374)
Share-based compensation expense	—	—	10,512	—	—	10,512
BALANCES-March 31, 2024	<u>169,159</u>	<u>\$ 1,692</u>	<u>\$ 577,389</u>	<u>\$ (238,752)</u>	<u>\$ 6,476</u>	<u>\$ 346,805</u>

See accompanying notes to the condensed consolidated financial statements.

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

	Nine Months Ended March 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 34,712	\$ (3,108)
Adjustments to reconcile net income (loss) to net cash, cash equivalents, and restricted cash used in operating activities:		
Depreciation and amortization	15,584	18,591
Loss on disposal of property, equipment, and software	160	13
Share-based compensation expense	13,505	10,512
Deferred income taxes	4,424	(2,151)
Amortization of debt issuance costs and debt discount	3,880	4,863
Write-off of debt issuance costs	93	293
Accrued interest payable in kind	13,301	14,323
Change in fair value of warrants	(25,344)	—
Non-cash lease expense	2,849	1,945
Bad debt expense	4,203	4,602
Changes in operating assets and liabilities:		
Accounts receivable, net	(39,047)	(103,121)
Commissions receivable	(33,765)	7,375
Other assets	(343)	(2,620)
Accounts payable and accrued expenses	41,163	36,073
Operating lease liabilities	(3,574)	(3,802)
Other liabilities	(5,985)	11,453
Net cash provided by (used in) operating activities	25,816	(4,759)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(1,690)	(3,114)
Proceeds from sales of property and equipment	—	253
Purchases of software and capitalized software development costs	(6,513)	(6,065)
Net cash used in investing activities	(8,203)	(8,926)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Revolving Credit Facility	166,900	—
Payments on Revolving Credit Facility	(166,900)	—
Payments on Term Loans	(384,644)	(30,412)
Proceeds on ABS Notes	99,095	—
Payments on ABS Notes	(11,723)	—
Payments on other debt	(202)	(112)
Proceeds from common stock options exercised and employee stock purchase plan	112	8
Proceeds from issuance of Senior Non-Convertible Preferred Stock	337,855	—
Senior Non-Convertible Preferred Stock issuance costs	(7,076)	—
Payments of tax withholdings related to net share settlement of equity awards	(5,019)	(374)
Payments of debt issuance costs	(2,479)	(773)
Net cash provided by (used in) financing activities	25,919	(31,663)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	43,532	(45,348)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH —Beginning of period	42,690	83,156
CASH, CASH EQUIVALENTS AND RESTRICTED CASH —End of period	\$ 86,222	\$ 37,808

See accompanying notes to the condensed consolidated financial statements.

	Nine Months Ended March 31,	
	2025	2024
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid, net	\$ (50,737)	\$ (50,023)
Payment of income taxes, net	(3,115)	(185)
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES:		
Capital expenditures in accounts payable and accrued expenses	314	1,825
Issuance of liability-classified warrants	137,581	—
Senior Non-Convertible Preferred Stock accretion	1,417	—
Senior Non-Convertible Preferred Stock accumulated dividends	4,370	—

See accompanying notes to the condensed consolidated financial statements.

SELECTQUOTE, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Description of Business—SelectQuote, Inc. (together with its subsidiaries, the “Company” or “SelectQuote”) is a leading technology-enabled, direct-to-consumer distribution platform for selling insurance policies 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, and also includes a small lead generation business, InsideResponse, LLC (“InsideResponse”). 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, Population Health, and most recently, SelectPatient Management (“SPM”). SelectRx is a Patient-Centered Pharmacy Home™ (“PCPH”) accredited pharmacy, which offers essential prescription medications, OTC medications, customized medication packaging, and medication therapy management. Population Health uses data from personal Health Risk Assessments (“HRAs”) completed by our agents to connect the consumer to the relevant health-related service, like SelectRx, SPM, or one of our many health-related partners. SPM launched in 2024 from the acquisition of an existing chronic care management platform, helps patients navigate their chronic conditions and manage them using a comprehensive treatment plan.

Basis of Presentation—The accompanying unaudited condensed consolidated financial statements include the accounts of SelectQuote, Inc., and its wholly owned subsidiaries: SelectQuote Insurance Services, SelectQuote Auto & Home Insurance Services, LLC, ChoiceMark Insurance Services, Inc., Tiburon Insurance Services, InsideResponse, and SelectQuote Ventures, Inc. The unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) for interim financial information and reflect all normal recurring adjustments that are necessary to present fairly the results for the interim periods presented. All intercompany accounts and transactions have been eliminated in consolidation. Certain information and disclosures normally included in annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted in accordance with those rules and regulations and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. The unaudited condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements in our Annual Report on Form 10-K for the year ended June 30, 2024, filed with the Securities and Exchange Commission on September 13, 2024 (the “Annual Report”), and include all adjustments necessary for the fair presentation of our financial position for the periods presented. Our results for the periods presented in our financial statements are not necessarily indicative of the results to be expected for any subsequent period, including for the year ending June 30, 2025, and therefore should not be relied upon as an indicator of future results. The accompanying unaudited condensed consolidated financial statements and related notes should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2024.

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 Senior segment’s revenue is highest in the second and third quarters.

Use of Estimates—The preparation of condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities and disclosure of contingent assets and liabilities. The Company regularly assesses these estimates; however, actual amounts could differ from those estimates. The most significant items involving management’s estimates include estimates of revenue recognition, accounts receivable, net, commissions receivable, the provision for income taxes, share-based

compensation, and valuation of intangible assets, goodwill, and liability classified warrants. The impact of changes in estimates is recorded in the period in which they become known.

Significant Accounting Policies—Apart from the below, there have been no material changes to the Company’s significant accounting policies as described in our Annual Report.

Warrants—The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant’s specific terms and applicable authoritative guidance in ASC 480, *Distinguishing Liabilities from Equity* (“ASC 480”), and ASC 815, *Derivatives and Hedging* (“ASC 815”). The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to our own common shares and whether the warrant holders could potentially require “net cash settlement” in a circumstance outside of our control, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent reporting period.

Senior Non-Convertible Preferred Stock—In accordance with ASC 480, the Company accounts for equity instruments as temporary equity if they are redeemable for cash or other assets, at the option of the holder, at a fixed or determinable price on a fixed or determinable date, or upon occurrence of an event that is not solely within the control of the issuer. Redeemable equity instruments are initially carried at the fair value of the equity instrument at the issuance date, which is subsequently adjusted at each balance sheet if the instrument is currently redeemable, or probable of becoming redeemable. The Senior Non-Convertible Preferred Stock (as defined in Note 7) issued in connection with the Senior Non-Convertible Preferred Stock Purchase Agreements as described in Note 7 are classified as temporary equity in the condensed consolidated balance sheet. The Company elected the accreted redemption value method under which it accretes changes in redemption value over the period from the date of issuance of the Senior Non-Convertible Preferred Stock to the earliest redemption date (the sixth anniversary) using the effective interest method. Such adjustments are treated as a deemed dividend against paid-in-capital.

Cash, Cash Equivalents, and Restricted Cash—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 and U.S. Government securities. 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. The Company’s restricted cash balance consists of specified deposit accounts to be used only to fund payments related to the Notes (as defined in Note 6) entered into on October 15, 2024. The following table summarizes the cash, cash equivalents and restricted cash included on the condensed consolidated balance sheet.

<i>(in thousands)</i>	March 31, 2025		June 30, 2024	
Current assets:				
Cash and cash equivalents	\$	80,106	\$	42,690
Restricted cash - current		4,689		—
Total current assets		84,795		42,690
Other assets:				
Other assets		1,427		—
Total cash, cash equivalents and restricted cash	\$	86,222	\$	42,690

Recent Accounting Pronouncements—In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2023-07 – *Segment Reporting (Topic ASC 280) Improvements to Reportable Segment Disclosures*, which improves reportable segment disclosure requirements, primarily through enhanced disclosure about significant segment expenses. The enhancements under this update 1) require disclosure of significant segment expenses that are regularly provided to the chief operating decision maker

(“CODM”) and included within each reported measure of segment profit or loss, 2) require disclosure of other segment items by reportable segment and a description of the composition of other segment items 3) require annual disclosures to also be provided in interim periods, 4) clarify use of more than one measure of segment profit or loss by the CODM, 5) require that the title of the CODM be disclosed and an explanation of how the CODM uses the reported measures of segment profit or loss to make decisions, and 6) require that entities with a single reportable segment provide all disclosures required by this update and required under ASC 280. ASU 2023-07 is effective for public business entities for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of this ASU on its financial statements.

In December 2023, the FASB issued ASU No. 2023-09 – *Income Taxes (Topic ASC 740) Income Taxes*. This ASU improves the transparency of income tax disclosures by requiring (1) consistent categories and greater disaggregation of information in the rate reconciliation and (2) income taxes paid disaggregated by jurisdiction. It also includes certain other amendments to improve the effectiveness of income tax disclosures. The amendments in ASU 2023-09 are effective for annual periods beginning after December 15, 2024. This change will apply on a prospective basis to annual financial statements for periods beginning after the effective date. However, retrospective application in all prior periods presented is permitted. The Company is currently evaluating the impact of this ASU on its financial statements.

In November 2024, the FASB issued ASU No. 2024-03 - *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40)*. In January 2025, the FASB issued ASU 2025-01, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date* to clarify the effective date of ASU 2024-03. The amendments in this ASU require a public business entity to disclose specific information about certain costs and expenses in the notes to its financial statements for interim and annual reporting periods. The objective of the disclosure requirements is to provide disaggregated information about a public business entity's expenses to help investors (a) better understand the entity's performance, (b) better assess the entity's prospects for future cash flows, and (c) compare an entity's performance over time and with that of other entities. The additional disclosures under this update include (1) disclosing the amounts of purchases of inventory, employee compensation, depreciation, intangible asset amortization, and depreciation, depletion, and amortization recognized as part of oil and gas-producing activities (DD&A) (or other amounts of depletion expense) that are included in each relevant expense caption, (2) include certain amounts that are already required to be disclosed under current generally accepted accounting principles (GAAP) in the same disclosure as the other disaggregation requirements, (3) disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively, and (4) disclose the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses. The amendments in this ASU are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of this ASU on its financial statements.

2. PROPERTY AND EQUIPMENT—NET

Property and equipment—net consisted of the following:

<i>(in thousands)</i>	March 31, 2025	June 30, 2024
Computer hardware	\$ 18,273	\$ 18,036
Machinery and equipment ⁽¹⁾	17,981	16,451
Leasehold improvements	18,980	18,870
Furniture and fixtures	4,874	4,705
Work in progress	330	308
Total	60,438	58,370
Less accumulated depreciation ⁽²⁾	(45,027)	(39,397)
Property and equipment—net	\$ 15,411	\$ 18,973

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

(2) During the nine months ended March 31, 2025, the Company disposed of \$0.7 million of fully depreciated computer hardware.

Work in progress as of March 31, 2025 and June 30, 2024, primarily represents equipment utilized in SelectRx operations not yet put into service and not yet being depreciated. Depreciation expense for the three months ended March 31, 2025 and 2024, was \$1.9 million and \$3.3 million, respectively, and \$6.5 million and \$9.4 million for the nine months ended March 31, 2025 and 2024, respectively.

3. SOFTWARE—NET

Software—net consisted of the following:

<i>(in thousands)</i>	March 31, 2025	June 30, 2024
Software	\$ 27,569	\$ 28,287
Work in progress	9	78
Total	27,578	28,365
Less accumulated amortization ⁽¹⁾	(13,153)	(14,387)
Software—net	\$ 14,425	\$ 13,978

(1) During the nine months ended March 31, 2025, the Company disposed of \$7.3 million of fully amortized software.

Work in progress represents costs incurred for software not yet put into service and not yet being amortized. For the three months ended March 31, 2025 and 2024, the Company capitalized internal-use software and website development costs of \$2.4 million and \$2.2 million, respectively, and recorded amortization expense of \$2.0 million and \$2.6 million, respectively. For the nine months ended March 31, 2025 and 2024, the Company capitalized internal-use software and website development costs of \$6.5 million and \$6.1 million, respectively, and recorded amortization expense of \$6.0 million and \$6.9 million, respectively.

4. 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, CA; Centennial, CO; Overland Park, KS; Olathe, KS; Oakland, CA; Indianapolis, IN; and Monaca, PA. The Company's operating leases have remaining lease terms of less than one year up to twelve years. 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.

During the nine months ended March 31, 2025, the Company entered into four finance leases for equipment with commencement dates August 1, 2024 and September 19, 2024, resulting in new right-of-use assets obtained in exchange for new lease liabilities of \$1.3 million.

During the three months ended March 31, 2025, the Company entered into one operating lease for the new Olathe, Kansas pharmacy with a commencement date of March 1, 2025, resulting in new right-of-use assets obtained in exchange for new lease liabilities of \$3.8 million.

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

(in thousands)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
Finance lease costs ⁽¹⁾	\$ 148	\$ 41	\$ 397	\$ 125
Operating lease costs ⁽²⁾	1,845	1,271	5,362	4,371
Short-term lease costs	63	61	188	183
Variable lease costs ⁽³⁾	199	203	481	498
Sublease income	(559)	(574)	(1,673)	(1,721)
Total net lease costs	\$ 1,696	\$ 1,002	\$ 4,755	\$ 3,456

(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 condensed consolidated statements of comprehensive income (loss).

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

Maturities of Lease Liabilities—As of March 31, 2025, remaining maturities of lease liabilities for each of the next five fiscal years and thereafter are as follows:

(in thousands)	Operating leases	Finance leases	Total
Remainder fiscal 2025	\$ 2,071	\$ 105	\$ 2,176
2026	7,893	400	8,293
2027	7,133	393	7,526
2028	6,744	362	7,106
2029	6,845	362	7,207
Thereafter	16,109	30	16,139
Total undiscounted lease payments	46,795	1,652	48,447
Less: interest	15,765	400	16,165
Present value of lease liabilities	\$ 31,030	\$ 1,252	\$ 32,282

Sublease income—The Company subleases portions of its office facilities in Overland Park, KS and Centennial, CO, which run through July 31, 2029, and November 30, 2026, respectively. Sublease income is recorded on a straight-line basis as a reduction of lease expense in the condensed consolidated statements of comprehensive income (loss). The Company may consider entering into additional sublease arrangements in the future.

As of March 31, 2025, the future minimum fixed sublease receipts under non-cancelable operating lease agreements are as follows:

(in thousands)

	Total
Remainder fiscal 2025	\$ 643
2026	2,587
2027	2,180
2028	1,931
2029	1,931
Thereafter	161
Total sublease income	\$ 9,433

5. 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 below (dollars in thousands, useful life in years):

	March 31, 2025			June 30, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	\$ 17,492	\$ (12,673)	\$ 4,819	\$ 17,492	\$ (10,936)	\$ 6,556
Trade name	2,680	(2,635)	45	2,680	(2,233)	447
Proprietary software	4,342	(2,131)	2,211	4,342	(1,189)	3,153
Non-compete agreements	100	(77)	23	100	(62)	38
Total intangible assets	\$ 24,614	\$ (17,516)	\$ 7,098	\$ 24,614	\$ (14,420)	\$ 10,194

The Company's intangible assets include those long-lived intangible assets acquired as part of acquisitions. The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. There were no impairment triggers identified with respect to the Company's long-lived assets during the three and nine months ended March 31, 2025 and 2024.

For the three months ended March 31, 2025 and 2024, amortization expense related to intangible assets totaled \$1.0 million and \$0.8 million, respectively, and \$3.1 million and \$2.3 million for the nine months ended March 31, 2025 and 2024, respectively, recorded in selling, general and administrative expense in the condensed consolidated statements of comprehensive income (loss). The weighted-average remaining useful life of intangible assets was 2.04 and 2.70 years as of March 31, 2025 and June 30, 2024, respectively.

As of March 31, 2025, expected amortization expense in future fiscal periods were as follows (in thousands):

	Trade Name	Proprietary Software	Non-compete agreements	Customer relationships	Total
Remainder fiscal 2025	\$ 45	\$ 286	\$ 5	\$ 579	\$ 915
2026	—	1,100	18	2,313	3,431
2027	—	825	—	1,927	2,752
Total	\$ 45	\$ 2,211	\$ 23	\$ 4,819	\$ 7,098

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 prior period acquisitions. Goodwill is assigned to reporting units that are expected to benefit from the synergies of the business combination as of the acquisition date and becomes identified with that reporting unit in its entirety. As such, the reporting unit as a whole supports the recovery of its goodwill. As of March 31, 2025, the Company’s goodwill balance of \$29.4 million, all of which is assigned to the Healthcare Services reporting unit and reportable segment, was related to the acquisitions of Express Meds, Simple Meds, and SelectPatient Management.

The Company performs its annual goodwill impairment testing as of April 1, or more frequently if it believes that indicators of impairment exist. During the three and nine months ended March 31, 2025 and 2024, there were no indicators of impairment.

6. DEBT

Debt consisted of the following:

<i>(in thousands)</i>	March 31, 2025	June 30, 2024
Revolving credit facility	\$ —	\$ —
Term Loans	316,860	688,203
Class A Notes	52,966	—
Class B Notes	35,311	—
Unamortized debt issuance costs and debt discount	(13,653)	(4,869)
Total debt	391,484	683,334
Less current portion of long-term debt:	(28,991)	(45,854)
Long-term debt	\$ 362,493	\$ 637,480

The combined aggregate amount of expected payments associated with the Notes and maturities associated with the Term Loans as of March 31, 2025 are as follows:

<i>(in thousands)</i>	Remainder fiscal 2025	2026	2027	2028	2029	Total
Revolving credit facility	\$ —	\$ —	\$ —	\$ —	\$ —	—
Term Loans	3,573	54,001	13,128	246,158	—	316,860
Class A Notes	2,912	11,717	10,593	8,650	19,094	52,966
Class B Notes	1,942	7,811	7,062	5,767	12,729	35,311
Total obligations	\$ 8,427	\$ 73,529	\$ 30,783	\$ 260,575	\$ 31,823	\$ 405,137

As of March 31, 2025, the Company was in compliance with all financial covenants pursuant to its debt obligations.

Significant changes in the Company’s debt during the nine months ended March 31, 2025 were as follows:

Senior Secured Credit Facility

On November 5, 2019, the Company entered into a credit agreement (together with any subsequent amendments, the “Senior Secured Credit Facility”) with Wilmington Trust, National Association, as administrative agent, UMB Bank, N.A., as revolver agent and revolving lender, and the other lenders party thereto. The Senior Secured Credit Facility, through additional amendments in subsequent years, has provided for total proceeds from

borrowings of \$887.3 million (the “Term Loans”) and a revolving credit facility with \$71.7 million available to borrow as of March 31, 2025 (the “Revolving Credit Facility”).

On September 12, 2024, the Company entered into a tenth amendment (the “Tenth Amendment”) to its Credit Agreement. The Tenth Amendment, among other things, (1) established a new class of consenting term loans and extended the maturity date to September 15, 2025, (2) established a second class of non-extended Term Loans with a maturity date of May 15, 2025, and (3) modified or added certain financial covenant ratios required to be maintained by the Company as of various reporting dates. Pursuant to the amendment, the Company paid fees of \$0.7 million to its lenders.

On October 15, 2024, the Company entered into an eleventh amendment (the “Eleventh Amendment”) to its Credit Agreement to (1) extend the scheduled maturity date of the consenting Term Loans to September 30, 2027, (2) modify financial covenant ratios required to be maintained by the Company as of various reporting dates, and (3) allow the Company to enter into the Indenture (as defined below). Prior to the Eleventh Amendment, the Company fully repaid the non-extended Term Loans in the amount of \$14.2 million on October 15, 2024. The obligations of the Company under the Senior Secured Credit Facility continue to be guaranteed by certain of the Company’s subsidiaries and secured by a security interest in the assets of the Company, subject to certain exceptions. In connection with the Eleventh Amendment and Indenture (as defined below), the Company issued an aggregate 5,568,360 warrants to the term lenders under the Senior Secured Credit Facility (the “Eleventh Amendment Warrants”). Refer to Note 8 to the condensed consolidated financial statements for further details on the Eleventh Amendment Warrants.

On February 10, 2025, the Company entered into a Twelfth Amendment (the “Twelfth Amendment”) to the Senior Secured Credit Facility. The Twelfth Amendment permits certain amendments to the Senior Secured Credit Facility to, among other things, (1) made certain modifications to the applicable asset coverage and minimum liquidity covenants and (2) adjusted the cash and payable in kind interest applicable to the outstanding Term Loans as set forth below. The amendments set forth in the Twelfth Amendment were effective concurrently with the Company’s receipt of the proceeds from the issuance of the Senior Non-Convertible Preferred Stock and the Senior Non-Convertible Preferred Stock Warrants (as defined in Note 7) pursuant to the Senior Non-Convertible Preferred Stock Purchase Agreements on February 28, 2025.

The Term Loans bear interest on the outstanding principal amount thereof at a rate per annum equal to the sum of (a) cash interest in the amount of either, at the Company’s option, (i) SOFR (subject to a floor of 3.00%) plus 6.50% or (ii) a base rate plus 5.50%, and (b) payable in kind interest ranging from —% to 3.00% determined based on the asset coverage ratio as of the end of the applicable test period. Beginning April 1, 2025, the Company’s payable in kind interest rate will be zero. The effective interest rate for the Term Loans as of March 31, 2025 was 13.8%. In accordance with the Twelfth Amendment, the interest rate may decrease prior to January 1, 2027 if the Company achieves certain repayment events. The Revolving Credit Facility accrues interest on amounts drawn at a rate per annum equal to either, at the Company’s option, (a) SOFR (subject to a floor of 1.0%) plus 5.0% or (b) a base rate plus 4.0%. The effective interest rate for the Revolving Credit Facility as of March 31, 2025 was 11.5%.

Securitization and Indenture

On October 15, 2024, the Company and certain of its subsidiaries, including SQ ABS Issuer, LLC (the “Issuer”), a special purpose entity and wholly-owned subsidiary of the Company, entered into a Note Purchase Agreement (the “Note Purchase Agreement”) with the purchasers party thereto (the “Purchasers”). Pursuant to the Note Purchase Agreement, the Issuer issued \$60.0 million of senior secured 7.80% Class A Notes and \$40.0 million of senior secured 9.65% Class B Notes (together the “Notes”) to the Purchasers. The Notes are governed by an Indenture, dated as of October 15, 2024, with UMB Bank, N.A. as indenture trustee (the “Indenture”). The Notes have a final legal maturity of October 20, 2039 and an anticipated repayment date of September 20, 2028. The Company used the proceeds obtained from the issuance of the Notes to repay a portion of its outstanding Term Loans in conjunction with the Eleventh Amendment.

The Notes are secured by a specified pool of renewal commissions that include both accounts receivable for policy renewals as well as commissions receivable for estimated future policy renewals (collectively, the “Subject Renewal Commissions”). The Subject Renewal Commissions are associated with underlying Medicare Advantage policies effective prior to January 1, 2024 and active as of August 31, 2024. As of March 31, 2025, there were \$11.5 million and \$54.0 million of Subject Renewal Commissions included in short-term commissions receivable and long-term commissions receivable, respectively, on the condensed consolidated balance sheet.

Under the terms of the Indenture, the Company services the transferred Subject Renewal Commissions, and the related collections are remitted to a segregated bank account. The funds in the segregated account are used only to fund payments related to the Indenture and is considered restricted cash. The Company’s restricted cash balance totaled \$6.1 million as of March 31, 2025, of which \$4.7 million was included within cash, cash equivalents, and restricted cash and \$1.4 million was classified as long-term and included within other assets on the Company’s condensed consolidated balance sheet.

The Notes contain covenants that, among other things, limit the ability of the Issuer to: (i) sell, transfer, or dispose of assets without the consent of a majority of the noteholders, (ii) create or permit liens on its assets (other than certain permitted liens) and (iii) incur indebtedness (other than permitted indebtedness).

The Notes issued in connection with the Indenture bear interest on the unpaid principal amount at 7.80% and 9.65% for Class A and Class B Notes, respectively. The Notes amortize based on a target loan-to-value calculation, and if any Notes remain outstanding after September 2028, then all available funds of the Issuer will be swept to pay down the Notes. After September 2028 and October 2030, interest will increase an additional 2.00% and 4.00% per annum, respectively, on any Notes outstanding. The effective interest rate for the Class A and Class B Notes as of March 31, 2025 was 9.11% and 11.02%, respectively.

As the Indenture was entered into in conjunction with the Eleventh Amendment, the Company performed an analysis under ASC 470, *Debt*, and determined that debt modification accounting was appropriate for the Term Loans and Notes. The additional debt discount costs incurred in connection with the Eleventh Amendment and Indenture include the fair value of the Eleventh Amendment Warrants, fees paid on behalf of lenders, and original issue discount on the Notes. The Company incurred a total of \$3.7 million in debt issuance costs and \$2.7 million in debt discount related to the Indenture, of which none of the debt issuance costs were capitalized and \$2.7 million in debt discount were deferred.

The Company incurred a total of \$51.1 million in debt issuance costs and debt discounts related to the Senior Secured Credit Facility and Notes, of which \$35.2 million in debt issuance costs were capitalized and \$8.6 million in debt discounts were deferred. The costs associated with the Term Loans and Notes are being amortized using the effective interest method over the term of the respective debt instruments. The costs associated with the Revolving Credit Facility are being amortized on a straight-line basis over the remaining term of the Senior Secured Credit Facility. The amortization of debt issuance costs associated with the Company’s debt is included in interest expense, net in the Company’s condensed consolidated statements of comprehensive income (loss).

During the nine months ended March 31, 2025, the Company repaid \$11.7 million of the outstanding balance on the Notes.

The Company has used derivative financial instruments to hedge against its exposure to fluctuations in interest rates associated with the Term Loans. Prior to the swap’s termination on November 5, 2024, the Company was party to an interest rate swap contract in respect of a receive-variable, pay-fixed interest rate swap on the notional amount of \$325.0 million of the Company’s total outstanding Term Loans balance with a fixed rate of 6.00% plus 0.931%. The amount reclassified from accumulated other comprehensive income (loss) into interest expense on the condensed consolidated statement of comprehensive income (loss) upon termination was \$0.7 million.

Variable Interest Entity

The Issuer was formed on July 24, 2023 as a bankruptcy remote and separate legal entity with its own creditors who will be entitled, prior to and upon the liquidation of the Issuer, to be satisfied out of the Issuer's assets prior to any assets becoming available to the Company. Accordingly, the assets of the Issuer are not available to pay creditors of the Company or any of its subsidiaries.

The Issuer, as described above, meets the definition of a variable interest entity ("VIE") for which the Company is the primary beneficiary because it has the power over the significant activities of the VIE in its capacity as the servicer of the Subject Renewal Commissions. As such, the Issuer's assets, liabilities, and financial results of operations are consolidated in the Company's condensed consolidated financial statements. As of March 31, 2025, the Issuer's liabilities included in the condensed consolidated balance sheet primarily consisted of the borrowings under the Indenture of \$88.3 million.

7. Senior Non-Convertible Preferred Stock

On February 10, 2025, the Company entered into the Senior Non-Convertible Preferred Stock Purchase Agreements with each of NL Monarch Holdings LLC ("Morgan Stanley") and NL Monarch Holdings II LLC ("Bain Capital" and together with Morgan Stanley, the "Investors"), providing for an aggregate investment by the Investors of \$350.0 million in the Company (collectively, the "Investment"). In exchange for the Investment, the Company issued to the Investors 350,000 shares of Senior Non-Convertible Preferred Stock of the Company, par value \$0.01 per share, (the "Senior Non-Convertible Preferred Stock"), with a face value per share of \$1,000 ("Original Liquidation Preference"), and agreed to issue to the Investors up to an aggregate amount of 30,833,333 warrants to purchase shares of the Company's common stock, par value \$0.01 (the "Senior Non-Convertible Preferred Stock Warrants"). Refer to Note 8 to the condensed consolidated financial statements for further detail on the Senior Non-Convertible Preferred Stock Warrants. At close, the Company reimbursed certain of the Investors' expenses and paid to the Investors an aggregate closing fee of 3.00% of the aggregate purchase price. The Company used the net proceeds from the Investment to repay \$260.0 million of the Company's outstanding Term Loan balance, \$4.9 million of accrued Term Loan interest, \$13.0 million of transaction costs incurred at issuance, \$40.0 million of the Company's outstanding Revolving Credit Facility balance, and \$20.0 million of cash to fund operations. In connection with the Investment, the Company also entered into a Director Designation Agreement with an affiliate of each Investor pursuant to which the Company appointed a representative of each Investor to the Company's Board of Directors at closing.

The Company evaluated the Senior Non-Convertible Preferred Stock under ASC 480 and concluded the instrument will be classified as temporary equity on the condensed consolidated balance sheet, as the Senior Non-Convertible Preferred Stock will become redeemable at the option of the Investors upon occurrence of an event that is not solely within the control of the Company. The \$350.0 million in gross proceeds from the Senior Non-Convertible Preferred Stock have been allocated to the Senior Non-Convertible Preferred Stock and Senior Non-Convertible Preferred Stock Warrants using the with-and-without method based on the fair values of the Senior Non-Convertible Preferred Stock Warrants at issuance. Upon issuance, \$221.0 million of the gross proceeds were allocated to the Senior Non-Convertible Preferred Stock and \$129.0 million to the Senior Non-Convertible Preferred Stock Warrants, respectively. The \$10.5 million closing fee and \$1.7 million in fees paid on behalf of the Investors were attributed to the Senior Non-Convertible Preferred Stock, resulting in net proceeds of \$337.9 million. Of the \$11.4 million total issuance costs incurred, \$7.1 million was allocated to the Senior Non-Convertible Preferred Stock based on a relative fair value approach and treated as a reduction in carrying value. The remainder was allocated to the Senior Non-Convertible Preferred Stock Warrants and expensed.

Dividends

Dividends on the Senior Non-Convertible Preferred Stock will accrue and accumulate quarterly at a rate of 14.5% per annum, subject to certain increases in the event of the occurrence of certain events of default, and to a decrease to 13.5% per annum if (a) the dividends are paid in cash, (b) liquidity is no less than \$50.0 million, and (c) the outstanding balance of the Term Loans is less than or equal to \$200.0 million. To the extent the Company does not pay such dividends in cash, dividends on each outstanding share of Senior Non-Convertible Preferred Stock will accrue and accumulate on a daily basis and compound quarterly at the then applicable dividend rate on the Original

Liquidation Preference plus the aggregate amount of unpaid accrued dividends (the “Accreted Liquidation Preference”).

Given the Company expects the earliest redeemable event to be the sixth anniversary of the issuance, the Company is able to determine an expected redemption price in accordance with the Senior Non-Convertible Preferred Stock Purchase Agreements on the sixth anniversary date. The Company has presented the Senior Non-Convertible Preferred Stock in temporary equity and is accreting the discount using the effective interest method. The implied effective interest rate is approximately 19.0% per annum.

Ranking and Liquidation Preference

The Senior Non-Convertible Preferred Stock ranks senior to the common stock and each other existing or future classes or series of capital stock or common stock equivalents of the Company, including with respect to payments of dividends and distributions on, and in the liquidation, dissolution or winding up, and upon any distribution of the assets of, the Company. Upon the liquidation, dissolution, or winding up of the affairs of the Company, or upon the occurrence of certain events constituting a preferred default pursuant to the Certificate of Designation for the Senior Non-Convertible Preferred Stock (a “Liquidation Event”), the Company shall redeem all shares of Senior Non-Convertible Preferred Stock as of the date of the Liquidation Event. A redemption shall be in preference to and in priority over any distribution or other payment to a holder of any common stock, and at a price per share of Senior Non-Convertible Preferred Stock equal to the sum of the then current Accreted Liquidation Preference, plus the aggregate amount of any accrued and unpaid dividends (the “Liquidation Preference”).

Redemption Rights

In accordance with the Senior Non-Convertible Preferred Stock Purchase Agreements, the Senior Non-Convertible Preferred Stock may be redeemed by the Investors upon the earlier of (i) the date which is six months following the latest maturity date under the Senior Secured Credit Facility (as may be extended from time to time), but only if all outstanding amounts due by the Company pursuant to the Credit Agreement are not repaid, extended or refinanced in full prior to such latest maturity date, and (ii) the sixth anniversary of issuance. The redemption date is contingent upon the occurrence or non-occurrence of Term Loan repayments, maturity extensions, or refinancing by the Company and does not embody an unconditional obligation of the Company as of issuance to redeem the Senior Non-Convertible Preferred Stock. From December 1, 2025 through December 31, 2025, the Company holds the right to redeem a maximum amount of 50,000 shares of Senior Non-Convertible Preferred Stock from the holders of the Senior Non-Convertible Preferred Stock, on a pro rata basis, for an amount per share equal to the product of (i) 1.145 multiplied by (ii) the Original Liquidation Preference (“Early Redemption Amount”). At any time on or after the sixth anniversary of the issuance date, the Company may elect to redeem all or a portion of the Senior Non-Convertible Preferred Stock for an amount equal to the then current Liquidation Preference.

8. Warrants to Purchase Shares of Common Stock

Eleventh Amendment Warrants

Concurrent with the entry into the Eleventh Amendment and Indenture on October 15, 2024, the Company issued an aggregate 5,568,360 Eleventh Amendment Warrants to the term lenders under the Senior Secured Credit Facility. Each Eleventh Amendment Warrant entitles the holder to purchase one share of Common Stock at an exercise price of \$3.00 per share, payable in cash or on a cashless basis according to the formula set forth in the Eleventh Amendment Warrant agreements. The exercise price of the Eleventh Amendment Warrants and the number of shares issuable upon exercise are subject to adjustments for stock splits, combinations, stock dividends or similar events. The Eleventh Amendment Warrants vest upon the occurrence of a milestone repayment failure or, in the absence of a milestone repayment failure, in four ratable annual installments commencing on the one-year anniversary of the original issue date. If a \$350.0 million repayment event on the Term Loans occurs on or prior to December 31, 2025, and the first tranche warrant shares have not previously vested, then (i) the first tranche warrant shares shall be forfeited, and (ii) any vested first tranche warrant shares shall be cancelled. The Eleventh

Amendment Warrants expire four years after the initial vesting date. As of March 31, 2025, none of the Eleventh Amendment Warrants were vested.

The Company evaluated the Eleventh Amendment Warrants under ASC 815, and concluded that they do not meet the criteria to be classified in stockholders' equity and should be classified as a derivative liability. For the Eleventh Amendment Warrants, this conclusion was reached due to the variable settlement amount of the Eleventh Amendment Warrant shares. Therefore, the freestanding Eleventh Amendment Warrants are reflected as liabilities on the condensed consolidated balance sheet at their estimated fair value. Subsequent changes in the estimated fair value are reflected in change in fair value of warrants in the accompanying condensed consolidated statements of comprehensive income (loss).

Senior Non-Convertible Preferred Stock Warrants

Pursuant to the Senior Non-Convertible Preferred Stock Purchase Agreements, the Company agreed to issue to the Investors warrants to purchase up to an aggregate 30,833,333 shares of the Company's common stock. The issued Senior Non-Convertible Preferred Stock Warrants are divided into three tranches that the Investors each hold; (A) warrants to purchase 13,481,481 shares of Common Stock at an initial exercise price of \$0.01 per share; (B) warrants to purchase 10,111,111 shares of Common Stock at an initial exercise price of \$3.92 per share; and (C) warrants to purchase 7,240,741 shares of Common Stock at an initial exercise price of \$5.50 per share. The exercise price of the Senior Non-Convertible Preferred Stock Warrants and the number of shares issuable upon exercise are subject to adjustments for stock splits, combinations, stock dividends or similar events. The Company issued 85% of the Senior Non-Convertible Preferred Stock Warrants that are allocated to each Investor on February 28, 2025. The Senior Non-Convertible Preferred Stock Warrants are fully vested and exercisable, payable in cash or on a cashless basis according to the formula set forth in the Senior Non-Convertible Preferred Stock Purchase Agreements, upon issuance. On January 2, 2026, the Company will issue the remaining 15% of the Senior Non-Convertible Preferred Stock Warrants ("Contingent Warrants") that are allocated to each Investor, provided that if on or prior to December 31, 2025 the Company has made an Early Redemption Amount, then the number of Contingent Warrants to be issued to the Investors on January 2, 2026 will be reduced pro rata by a percentage equal to the Early Redemption Amount divided by \$50.0 million. If the Early Redemption Amount equals \$50.0 million, then the Contingent Warrants will not be issued to either of the Investors. The Senior Non-Convertible Preferred Stock Warrants expire ten years following the date of issuance. As of March 31, 2025, none of the Senior Non-Convertible Preferred Stock Warrants were exercised.

As outlined in the Senior Preferred Stock Purchase Agreement, the Investors can require the Company to repurchase all of their outstanding Senior Non-Convertible Preferred Stock Warrants at fair value in cash based on the earlier of: (i) payment in full by the Company of all amounts due by the Company in respect of each issued and outstanding share of Preferred Stock, and (ii) the sixth anniversary of the Senior Non-Convertible Preferred Stock original issue date. If the Company makes the payment in full, there is a settlement alternative that allows for the Investors to request for the Company to purchase all of their outstanding Preferred Warrant shares at fair value in cash ("Put Right").

Due to the Put Right, the Company evaluated the Senior Non-Convertible Preferred Stock Warrants under ASC 480 and concluded that they do not meet the criteria to be classified in stockholders' equity and should be classified as a liability. Therefore, the freestanding Senior Non-Convertible Preferred Stock Warrants are reflected as liabilities on the condensed consolidated balance sheet at their estimated fair value. Subsequent changes in the estimated fair value are reflected in other expense in the accompanying condensed consolidated statements of comprehensive income (loss).

9. Fair Value Measurements

The Company determines the fair value of its financial instruments in accordance with the provisions of ASC 820, *Fair Value Measurements* (“ASC 820”), which establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities
- Level 2 - Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability
- Level 3 - Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect our own estimates of assumptions that market participants would use in pricing the asset or liability.

The carrying amounts of the Company’s cash, accounts receivable, accounts payable, accrued compensation, and accrued liabilities approximate their fair values due to the short-term nature of these instruments. The following tables present information about the Company’s assets and liabilities that are measured at fair value on a recurring basis as of March 31, 2025 and June 30, 2024 and indicate the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

		As of March 31, 2025			
(in thousands)		Level 1	Level 2	Level 3	Total
Assets:					
Cash equivalents					
Money market funds	\$	318	\$ —	\$ —	\$ 318
Liabilities:					
Other long-term liabilities					
Warrant liability	\$	—	\$ —	\$ 112,838	\$ 112,838

		As of June 30, 2024			
(in thousands)		Level 1	Level 2	Level 3	Total
Assets:					
Cash equivalents					
Money market funds	\$	307	\$ —	\$ —	\$ 307
Other current assets					
Cash flow hedge	\$	—	\$ 5,027	\$ —	\$ 5,027

Money market funds—Represents 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 and U.S. Government securities. 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.

Cash flow hedge—Represents derivative financial instruments that the Company uses to hedge against its exposure to fluctuations in interest rates associated with the Term Loans. Refer to Note 6 to the condensed consolidated financial statements for further details on the Company’s cash flow hedge. 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.

Warrant liability—The Company utilizes the Black-Scholes-Merton option pricing model for the liability classified warrants each reporting period, with changes in fair value recognized in the condensed consolidated statements of comprehensive income (loss). The estimated fair value of the liability classified warrants is determined using Level 3 inputs. Inherent in an option pricing model are estimates and assumptions related to expected share-price volatility, risk-free interest rate, expected dividend yield, and expected life. These estimates and assumptions could vary significantly, which could result in material differences in the fair values assigned to the assets and liabilities.

The expected life of the Eleventh Amendment Warrants is assumed to be equivalent to their remaining contractual term based upon the vesting date assumed for each tranche. The Company assumed all four tranches will vest on the four consecutive anniversaries of the original issue date. The Company estimates the expected volatility of its common stock based on the Company's historical volatility. The risk-free interest rate is based on the U.S. Treasury zero-coupon yield curve on the valuation date for a maturity similar to the expected remaining life of the Eleventh Amendment Warrants. The Company does not plan to pay a dividend during the Eleventh Amendment Warrant term, nor have they historically, thus the dividend rate will remain at zero.

The fair value of the Eleventh Amendment Warrants has been estimated with the following assumptions:

	March 31, 2025							
	Tranche 1		Tranche 2		Tranche 3		Tranche 4	
Stock price ⁽¹⁾	\$	3.34	\$	3.34	\$	3.34	\$	3.34
Exercise price	\$	3.00	\$	3.00	\$	3.00	\$	3.00
Expected volatility		107.01 %		104.53 %		104.53 %		104.53 %
Risk-free interest rate		3.87 %		3.92 %		3.99 %		4.05 %
Expected dividend-yield		— %		— %		— %		— %
Expected life (years)		4.54 years		5.54 years		6.54 years		7.54 years
Fair value per warrant	\$	2.61	\$	2.72	\$	2.84	\$	2.93

(1) The stock price is based on the closing stock price as of March 31, 2025.

The expected life of the Senior Non-Convertible Preferred Stock Warrants is assumed to be equivalent to their remaining contractual term. This includes the assumption that there will be no Early Redemption Amount paid and as a result the Senior Non-Convertible Preferred Stock Warrants will have an expected life equal to ten years from issuance. The exercise prices of each tranche are based upon the terms established in the Senior Non-Convertible Preferred Stock Purchase Agreements. The Company used a ten-year term matched zero-coupon interest rate and a ten-year look back term. The Company estimates the expected volatility of its common stock based on the Company's historical volatility. The risk-free interest rate is based on the U.S. Treasury zero-coupon yield curve on the valuation date for a maturity similar to the expected remaining life of the Senior Non-Convertible Preferred

Stock Warrants. The Company does not plan to pay a dividend during the Senior Non-Convertible Preferred Stock Warrants term, nor have they historically, thus the dividend rate will remain at zero.

The fair value of the Senior Non-Convertible Preferred Stock Warrants has been estimated with the following assumptions:

	March 31, 2025					
	Tranche A		Tranche B		Tranche C	
Stock price ⁽¹⁾	\$	3.34	\$	3.34	\$	3.34
Exercise price	\$	0.01	\$	3.92	\$	5.50
Expected volatility		104.53 %		104.53 %		104.53 %
Risk-free interest rate		4.17 %		4.17 %		4.17 %
Expected dividend-yield		— %		— %		— %
Expected life (years)		9.87 years		9.87 years		9.87 years
Fair value per warrant	\$	3.34	\$	3.04	\$	2.99

(1) The stock price is based on the closing stock price as of March 31, 2025.

Changes in Level 3 fair value measurements during the period ended March 31, 2025 were as follows:

	Warrant Liability
<i>(in thousands)</i>	
Balance as of June 30, 2024	\$ —
Issuance of Eleventh Amendment Warrants	8,628
Issuance of Senior Non-Convertible Preferred Stock Warrants	128,953
Change in fair value	(24,743)
Balance as of March 31, 2025	<u>\$ 112,838</u>

10. COMMITMENTS AND CONTINGENCIES

Lease Obligations—Refer to Note 4 to the condensed consolidated financial statements for commitments related to our operating leases.

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

Securities Class Actions and Stockholder Derivative Suit

On August 16, 2021, a putative securities class action lawsuit captioned *Hartel v. SelectQuote, Inc., et al.*, Case No. 1:21-cv-06903 ("the *Hartel* Action") was filed against the Company and two of its executive officers in the U.S. District Court for the Southern District of New York. The complaint asserts securities fraud claims on

behalf of a putative class of plaintiffs who purchased or otherwise acquired shares of the Company's common stock between February 8, 2021 and May 11, 2021 (the "Hartel Relevant Period"). Specifically, the complaint alleges the defendants violated Sections 10(b) and 20(a) and Rule 10b-5 of the Exchange Act by making materially false and misleading statements and failing to disclose material adverse facts about the Company's business, operations, and prospects, allegedly causing the Company's common stock to trade at artificially inflated prices during the Hartel Relevant Period. The plaintiffs seek unspecified damages and reimbursement of attorneys' fees and certain other costs.

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

On October 15, 2021, a motion to consolidate the Hartel Action and the WPBPPF Action was filed. On September 2, 2022, the court entered an order consolidating the Hartel and WPBPPF Actions under the caption *In re SelectQuote, Inc. Securities Litigation*, Case No. 1:21-cv-06903 (the "Securities Class Action") and appointing the West Palm Beach Police Pension Fund and City of Fort Lauderdale Police & Fire Retirement System as lead plaintiffs. On November 19, 2022, plaintiffs filed an amended complaint asserting similar allegations to those alleged in the Hartel and WPBPPF Actions in addition to new allegations regarding certain defendants' purported violation of Section 20A of the Exchange Act. The amended complaint also added Brookside Equity Partners LLC, one of the Company's principal stockholders, as a defendant. On January 27, 2023, the Company filed a motion to dismiss the amended complaint on behalf of itself and certain of its current and former officers and directors. Plaintiffs filed an opposition to the motion to dismiss on April 5, 2023, and the Company filed its reply to plaintiffs' opposition on May 10, 2023. On March 28, 2024, the court granted the Company's motion to dismiss, with leave to amend. Plaintiffs filed their second amended complaint on May 31, 2024. On July 31, 2024, the Company filed a motion to dismiss the second amended complaint. Plaintiffs filed their opposition to the Company's motion to dismiss on October 2, 2024, and the Company filed its reply to Plaintiffs' opposition on November 1, 2024. On April 3, 2025, the court dismissed Plaintiffs' second amended complaint. Plaintiffs filed a notice of appeal on May 5, 2025.

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 *Jadow* action as related to the *Hartel* Action and, on August 10, 2022, granted the parties' joint stipulation to stay the *Jadow* action pending the resolution of the motion to dismiss the Securities Class Action. The *Jadow* action remains stayed.

Other Matters

On May 1, 2025, the Company became aware the U.S. Attorney's Office for the District of Massachusetts had filed a complaint partially intervening in a *qui tam* action against the Company and certain of its competitors and carrier partners. The *qui tam* action, captioned *United States ex rel. Shea v. eHealth, Inc., et al.*, Case No. 21-cv-11777, was brought by a relator, a former employee of one of the Company's direct competitors, and was filed and remained under seal until it was unsealed by order of the U.S. District Court for the District of Massachusetts dated May 1, 2025. On the same date, the Company also became aware that the relator had filed a sealed amended complaint in the *qui tam* action on April 29, 2025, which complaint was also unsealed by the Court's order. The complaints allege that the Company and the other defendants named therein violated the Federal False Claims Act by engaging in various allegedly improper sales and marketing practices. The complaints seek, among other things, treble damages, civil penalties and costs. The Company denies the allegations made in the complaints and plans to defend the suit vigorously.

The Company currently believes that none of the above matters will 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 any of these matters.

11. SHAREHOLDERS' EQUITY

Common Stock—As of March 31, 2025, the Company has reserved the following authorized, but unissued, shares of common stock:

ESPP	159
Stock awards outstanding under 2020 Plan	18,932,801
Stock awards available for grant under 2020 Plan	3,581,792
Options outstanding under 2003 Plan	428,567
Total	22,943,319

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 ("ISO's"), nonstatutory stock options ("NSO's"), stock appreciation rights, restricted stock awards, restricted stock unit awards ("RSU's"), performance-based restricted stock units ("PSU's"), price-vested restricted stock units ("PVU's") and other forms of equity compensation (collectively, "stock awards"). All 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 March 31, 2025, pursuant to future awards under the Company's 2020 Stock Plan is 3,581,792. The number of shares of the Company's common stock reserved under the 2020 Stock Plan is subject to an annual increase on the first day of each fiscal year beginning on July 1, 2021, equal to 3% of the total outstanding shares of common stock as of the last day of the immediately

preceding fiscal year. The maximum number of shares of common stock that may be issued upon the exercise of ISO's will be 4,000,000. The shares of common stock covered by any award that is forfeited, terminated, expired, or lapsed without being exercised or settled for cash will again become available for issuance under the 2020 Stock Plan. With respect to any award, if the exercise price and/or tax withholding obligations are satisfied by delivering shares to the Company (by actual delivery or attestation), or if the exercise price and/or tax withholding obligations are satisfied by withholding shares otherwise issuable pursuant to the award, the share reserve shall nonetheless be reduced by the gross number of shares subject to the award.

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

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

(in thousands)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
Share-based compensation related to:				
Equity classified stock options	\$ 376	\$ 673	\$ 1,226	\$ 2,109
Equity classified RSU's	2,611	1,992	7,546	5,850
Equity classified PSU's	—	—	—	33
Equity classified PVU's	1,973	850	4,733	2,520
Total	\$ 4,960	\$ 3,515	\$ 13,505	\$ 10,512

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

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

During the nine months ended March 31, 2025 and 2024, there were no stock options granted. The following table summarizes stock option activity under the Stock Plans for the nine months ended March 31, 2025:

	Number of Options	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term (in Years)	Aggregate Intrinsic Value (in Thousands)
Outstanding—June 30, 2024	3,677,964	\$ 11.81		
Options granted	—	—		
Options exercised	(153,480)	2.12		
Options forfeited/expired/cancelled	(178,840)	10.59		
Outstanding—March 31, 2025	3,345,644	\$ 12.32	5.70	\$ 1,340
Vested and exercisable—March 31, 2025	2,886,086	\$ 12.64	5.55	\$ 1,162

As of March 31, 2025, there was \$0.7 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 0.55 years.

The Company received less than \$0.1 million of cash in connection with stock options exercised during the three months ended March 31, 2025 and 2024. The Company received \$0.1 million and less than \$0.1 million of cash in connection with stock options exercised during the nine months ended March 31, 2025 and 2024, respectively.

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

The following table summarizes restricted stock unit activity under the 2020 Stock Plan for the nine months ended March 31, 2025:

	Number of Restricted Stock Units	Weighted-Average Grant Date Fair Value
Unvested as of June 30, 2024	8,441,168	\$ 1.91
Granted	4,017,181	2.99
Vested	(3,640,363)	2.10
Forfeited	(284,075)	2.70
Unvested as of March 31, 2025	8,533,911	\$ 2.31

As of March 31, 2025, there was \$13.4 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 1.85 years.

Performance Stock—Based upon the terms of the PSU's granted, if certain performance metrics are met, PSU's vest at the end of a three-year performance period. The fiscal year 2021 tranche vested on September 13, 2023, at 13% of the target and 14,477 shares were issued. The fiscal year 2022 tranche did not reach the target as of June 30, 2024, and no shares vested thus all PSU's were forfeited back to the 2020 Stock Plan. As of March 31, 2025, there were no remaining PSU's granted thus there was no unrecognized compensation cost related to unvested performance stock units granted.

Price-Vested Units—During the nine months ended March 31, 2025, 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. For the awards granted during the nine months ended March 31, 2025 and 2024, they are divided into three and 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 nine or twelve tranches over each tranche’s requisite service period, which is the greater of the derived service period and the explicit service period.

The following table summarizes the number of shares, stock price hurdles, service periods, and performance periods for each tranche, for the PVU’s granted during the nine months ended March 31, 2025:

	Number of Shares per Tranche	Grant Date Fair Value (per Share)	Stock Price Hurdle (per Share)	Performance Period	Requisite Service Period
Tranche 1	772,027	\$ 3.98	\$ 3.13	August 1, 2024 - August 1, 2029	1 year - 3 years
Tranche 2	772,020	\$ 3.75	\$ 6.00	August 1, 2024 - August 1, 2029	1 year - 3 years
Tranche 3	772,027	\$ 3.49	\$ 9.00	August 1, 2024 - August 1, 2029	1.31 years - 3 years

The following table summarizes the number of shares, stock price hurdles, service periods, and performance periods for each tranche, for the PVU’s awarded during the nine months ended March 31, 2024:

	Number of Shares per Tranche	Grant Date Fair Value (per Share)	Stock Price Hurdle (per Share)	Performance Period	Requisite Service Period
Tranche 1	559,202	\$ 1.85	\$ 2.50	August 1, 2023 - August 1, 2028	1 year - 3 years
Tranche 2	559,175	\$ 1.69	\$ 5.00	August 1, 2023 - August 1, 2028	1.41 years - 3 years
Tranche 3	559,213	\$ 1.55	\$ 7.50	August 1, 2023 - August 1, 2028	1.96 years - 3 years
Tranche 4	559,185	\$ 1.45	\$ 10.00	August 1, 2023 - August 1, 2028	2.27 years - 3 years
Tranche 5	8,439	\$ 0.98	\$ 2.50	February 1, 2024 - February 1, 2029	1.29 years - 3 years
Tranche 6	8,437	\$ 0.84	\$ 5.00	February 1, 2024 - February 1, 2029	2.20 years - 3 years
Tranche 7	8,441	\$ 0.75	\$ 7.50	February 1, 2024 - February 1, 2029	2.64 years - 3 years
Tranche 8	8,438	\$ 0.67	\$ 10.00	February 1, 2024 - February 1, 2029	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 condensed 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.

The Company used the following weighted-average assumptions for the PVU's granted during the period presented below:

	Shares Granted August 1, 2024	Shares Granted February 1, 2024	Shares Granted August 1, 2023
Share price as of grant date	\$4.01	\$1.11	\$1.38
Volatility	88.8%	90.8%	94.3%
Risk-free interest rate	3.8%	3.7%	4.1%
Cost of Equity	12.6%	11.6%	9.2%
Dividend yield	—%	—%	—%

The following table summarizes price-vested stock unit activity under the 2020 Stock Plan for the nine months ended March 31, 2025:

	Number of Price-Vested Units	Weighted-Average Grant Date Fair Value
Invested as of June 30, 2024	6,170,385	\$ 1.37
Granted	2,316,074	3.74
Vested	(831,224)	1.32
Forfeited	(173,422)	2.01
Invested as of March 31, 2025	7,481,813	\$ 2.11

During the nine months ended March 31, 2025, the \$2.50, \$3.13 and \$4.00 stock price hurdles were achieved. As a result, one-third of the awards in the first tranche of PVU's with a \$2.50 price hurdle that were granted during the three months ended September 30, 2023 vested, two-thirds of the awards in the first tranche of PVU's with a \$4.00 price hurdle that were granted during the three months ended September 30, 2022 vested, and one-third of the awards in the first tranche of PVU's with a \$3.13 price hurdle that were granted during the three months ended September 30, 2024 will vest on the one year anniversary of issuance.

As of March 31, 2025, there was \$6.9 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 1.43 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. The ESPP was suspended effective April 1, 2023, and as of March 31, 2025 there are 159 shares reserved for future issuance under the plan.

12. 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:

(dollars in thousands)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
Senior:				
Medicare advantage commissions	\$ 145,453	\$ 184,740	\$ 446,640	\$ 477,081
Other Senior commissions	3,345	2,784	8,111	7,622
Other services	20,644	16,735	63,179	57,002
Total Senior revenue	169,442	204,259	517,930	541,705
Healthcare Services:				
Pharmacy	185,271	120,282	518,154	323,865
Other services	4,298	3,925	10,523	9,419
Total Healthcare Services revenue	189,569	124,207	528,677	333,284
Life:				
Term commissions	20,139	17,789	55,169	55,016
Final expense commissions	20,188	17,537	54,795	46,139
Other services	5,515	5,360	15,029	14,700
Total Life revenue	45,842	40,686	124,993	115,855
All other:				
Commissions	4,900	8,746	14,667	27,836
Other services	377	388	717	813
Total All other revenue	5,277	9,134	15,384	28,649
Eliminations:				
Commissions	(867)	(833)	(2,531)	(1,950)
Other services	(1,103)	(1,053)	(2,961)	(2,976)
Total Elimination revenue	(1,970)	(1,886)	(5,492)	(4,926)
Total Commissions and other services revenue	222,889	256,118	663,338	690,702
Total Pharmacy revenue	185,271	120,282	518,154	323,865
Total Revenue	\$ 408,160	\$ 376,400	\$ 1,181,492	\$ 1,014,567

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, 2024	\$	881,317
Commission revenue from revenue recognized		268,465
Net commission revenue adjustment from change in estimate		(5,154)
Amounts recognized as accounts receivable, net		(229,545)
Balance as of March 31, 2025	\$	915,083

For the nine months ended March 31, 2025, the \$5.2 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 positive adjustment of \$0.5 million for Life and a negative adjustment of \$7.7 million for Senior. The remaining positive adjustment of \$2.0 million relates to the Company's All other non-reportable segment. Refer to Note 15 to the condensed consolidated financial statements for further details on the Company's reportable segments.

The Company's contract liabilities on the condensed consolidated balance sheets represent unamortized upfront payments received as of March 31, 2025, for commission revenue for which the performance obligations have not yet been met and are anticipated to be recognized over the next twelve months.

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

(in thousands)

Balance as of June 30, 2024	\$	8,066
Commission and other services revenue recognized		(31,982)
Amounts recognized as contract liabilities		24,861
Balance as of March 31, 2025	\$	945

13. INCOME TAXES

For the three months ended March 31, 2025 and 2024, the Company recognized the Company recognized income tax expenses of \$8.6 million and \$0.2 million, respectively, representing effective tax rates of 24.8% and 1.9%, respectively. The differences from the federal statutory tax rate to the effective tax rates for the three months ended March 31, 2025, were primarily related to state income taxes and the recording of a valuation allowance for federal and state tax attributes that the Company does not expect to utilize prior to expiration, non-deductible warrant mark-to-market adjustment and excess officer compensation. The differences from the federal statutory tax rate to the effective tax rates for the three months ended March 31, 2024, were primarily related to state income taxes and the recording of a valuation allowance for federal tax attributes that the Company does not expect to utilize prior to expiration.

For the nine months ended March 31, 2025 and 2024, the Company recognized income tax expense and benefits of \$4.4 million and \$1.1 million, respectively, representing effective tax rates of 11.3% and 26.9%, respectively. The differences from the federal statutory tax rate to the effective tax rate for the nine months ended March 31, 2025, were primarily related to state income taxes and the recording of a valuation allowance for federal and state tax attributes that the Company does not expect to utilize prior to expiration, non-deductible warrant mark-to-market adjustment and excess officer compensation. The differences from the federal statutory tax rate to the effective tax rate for the nine months ended March 31, 2024, were primarily related to state income taxes and the recording of a valuation allowance for federal tax attributes that the Company does not expect to utilize prior to expiration.

As of March 31, 2025, the Company has a valuation allowance of \$16.8 million for deferred tax assets related to certain federal and state specific net operating losses, Sec. 163(j) carryforwards, and credits, as it is more likely than not that those assets will not be realized. As of June 30, 2024, the Company has a valuation allowance of

\$14.5 million for deferred tax assets related to certain federal and 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, *Income Taxes* when evaluating the need for a valuation allowance. Aside from the certain deferred tax assets related to federal and state credits and other attributes noted above where a valuation allowance has been established, the Company continues to recognize its deferred tax assets as of March 31, 2025 as it believes it is more likely than not that the net deferred tax assets will be realized. The Company will continue to evaluate the realizability of its deferred tax assets.

14. NET INCOME (LOSS) PER SHARE

The Company calculates net income (loss) per share as defined by ASC 260, *Earnings per Share* (“ASC 260”). Basic net income (loss) per share (“Basic EPS”) is computed by dividing net income (loss) attributable to common shareholders by the weighted-average common stock outstanding during the respective period. Per ASC 260, shares issuable for little to no consideration (“Penny Warrants”) should be included in the number of outstanding shares used for Basic EPS. As of March 31, 2025, the Company included the Tranche A Senior Non-Convertible Preferred Stock Warrants (excluding the Contingent Warrants) outstanding in the denominator of Basic EPS since the exercise price was \$0.01 per share thus are considered Penny Warrants.

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, common shares issuable upon the conclusion of each ESPP offering period, Eleventh Amendment Warrants, and Senior Non-Convertible Preferred Stock Warrants (excluding the Penny Warrants). 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, common stock issuable pursuant to the ESPP, Eleventh Amendment Warrants, and Senior Non-Convertible Preferred Stock Warrants 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:

<i>(in thousands, except per share amounts)</i>	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
Numerator:				
Net income (loss) attributable to common shareholders, basic	\$ 20,235	\$ 8,551	\$ 28,925	\$ (3,108)
Change in fair value of warrants ⁽¹⁾	(13,803)	—	(6,160)	—
Net income (loss) attributable to common shareholders, diluted	6,432	8,551	22,765	(3,108)
Denominator:				
Weighted-average common stock outstanding, basic	178,156	169,070	173,462	168,291
Stock options outstanding to purchase shares of common stock including unvested RSU's and from the ESPP ⁽²⁾	5,738	1,886	4,518	—
Dilutive effect of warrants to purchase common stock	2,745	—	915	—
Weighted-average common stock outstanding, diluted	186,639	170,956	178,895	168,291
Net income (loss) per share—basic:	<u>\$ 0.11</u>	<u>\$ 0.05</u>	<u>\$ 0.17</u>	<u>\$ (0.02)</u>
Net income (loss) per share—diluted:	<u>\$ 0.03</u>	<u>\$ 0.05</u>	<u>\$ 0.13</u>	<u>\$ (0.02)</u>

(1) Includes the change in fair value of warrant liabilities to the extent the related warrants to purchase common stock are dilutive.

(2) Excluded from the computation of net income (loss) per share-diluted for the nine months ended March 31, 2024 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:

<i>(in thousands)</i>	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
Stock options outstanding to purchase shares of common stock, unvested RSU's and shares from the ESPP	2,161	6,483	3,496	12,145

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:

<i>(in thousands)</i>	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
Shares subject to outstanding PVU's	7,482	6,244	7,422	6,268

The weighted average potential shares of common stock that were excluded from the calculation of net income (loss) per share-diluted because the exercise price of the warrants exceeded the average market price of the Company's common stock for the periods presented:

(in thousands)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
Warrants to purchase shares of common stock	7,241	—	4,270	—

15. SEGMENT INFORMATION

As of July 1, 2024, the Company has realigned its reportable segments for fiscal year 2025. The Auto & Home business does not meet the quantitative thresholds to be required to continue to be separately disclosed as a reportable segment in accordance with ASC 280, *Segment Reporting* (“ASC 280”). As a result, the Auto & Home business will be included in an “All Other” category. Prior period information has been recast to conform to the current presentation.

The Company’s operating segments have been determined in accordance with ASC 280. We currently have three reportable segments: i) Senior, ii) Healthcare Services, and iii) Life. Senior primarily sells senior Medicare-related health insurance products. Healthcare Services includes SelectRx, Population Health, and SelectPatient Management. Healthcare Services provides products and services to our Medicare policyholders, which are focused on improving patient health outcomes. Life primarily sells term life and final expense products. The All Other category is reflective of the revenue generated from selling individual automobile and homeowners’ insurance. Additionally, the Company accounts for non-operating activity, share-based compensation expense, depreciation and amortization, goodwill, long-lived asset and intangible asset impairments, certain intersegment eliminations, and the costs of providing corporate and other administrative services in our administrative division, Corporate & Eliminations. These services are not directly identifiable with our reportable segments and are shown in the tables below to reconcile the reportable segments to the consolidated financial statements. We have not aggregated any operating segments together to represent a reportable segment.

Our operating segments are determined based on how our chief executive officer, who also serves as our CODM manages our business, regularly accesses information, and evaluates performance for operating decision-making purposes, including allocation of resources. Adjusted EBITDA is our segment profit measure and a key measure used by our CODM and Board of Directors to understand and evaluate the operating performance of our business and on which internal budgets and forecasts are based and approved. We define Adjusted EBITDA as income (loss) before income tax expense (benefit) plus: (i) interest expense, net; (ii) depreciation and amortization; (iii) share-based compensation; (iv) goodwill, long-lived asset, and intangible assets impairments; (v) transaction costs; (vi) loss on disposal of property, equipment and software, net; (vii) other non-recurring expenses and income; and (viii) changes in fair value of warrant liabilities.

The following tables present information about the reportable segments for the periods presented. We do not report total assets by segment as our CODM does not use this information to evaluate operating segment performance. Accordingly, we do not regularly provide such information by segment to our CODM.

Our segment disclosure includes intersegment revenues, which consist of affiliate marketing fees for services provided by our Senior segment to our Healthcare Services and Life segments as well as services provided by Life to other segments. These intersegment transactions are recorded by each segment at amounts that we believe approximate fair value as if the transactions were between third parties and, therefore, impact segment performance. However, the revenue and corresponding expense are eliminated in consolidation. The elimination of such intersegment transactions is included within the “Eliminations of intersegment revenues” and “Corporate & elimination of intersegment profits” captions in the tables below.

The following table presents information about the reportable segments for the three months ended March 31, 2025:

<i>(in thousands)</i>	Senior	Healthcare Services	Life	Total
External revenue	\$ 167,565	\$ 189,496	\$ 45,822	\$ 402,883
Intersegment revenue	1,877	73	20	1,970
Total revenue from reportable segments	\$ 169,442	\$ 189,569	\$ 45,842	\$ 404,853
All other revenue				5,277
Eliminations of intersegment revenues				(1,970)
Total consolidated revenue				\$ 408,160

<i>(in thousands)</i>	Senior	Healthcare Services	Life	Total
Adjusted Segment EBITDA	\$ 45,701	\$ 6,445	\$ 6,364	\$ 58,510
All other Adjusted EBITDA				3,549
Corporate & elimination of intersegment profits				(24,336)
Share-based compensation expense				(4,960)
Transaction costs ⁽¹⁾				(5,813)
Depreciation and amortization				(4,925)
Loss on disposal of property, equipment, and software, net				(3)
Change in fair value of warrants				32,986
Interest expense, net				(20,407)
Income before income tax expense (benefit)				\$ 34,601

(1) These expenses primarily consist of financing transaction costs.

The following table presents information about the reportable segments for the three months ended March 31, 2024:

<i>(in thousands)</i>	Senior	Healthcare Services	Life	Total
External revenue	\$ 202,399	\$ 124,207	\$ 40,660	\$ 367,266
Intersegment revenue	1,860	—	26	1,886
Total revenue from reportable segments	\$ 204,259	\$ 124,207	\$ 40,686	\$ 369,152
All other revenue				9,134
Eliminations of intersegment revenues				(1,886)
Total consolidated revenue				\$ 376,400

(in thousands)

	Senior	Healthcare Services	Life	Total
Adjusted Segment EBITDA	\$ 61,494	\$ 1,609	\$ 3,138	\$ 66,241
All other Adjusted EBITDA				3,609
Corporate & elimination of intersegment profits				(23,252)
Share-based compensation expense				(3,515)
Transaction costs ⁽¹⁾				(3,325)
Depreciation and amortization				(6,704)
Loss on disposal of property, equipment, and software, net				(4)
Interest expense, net				(24,330)
Income before income tax expense (benefit)				<u>\$ 8,720</u>

(1) These expenses primarily consist of financing transaction costs.

The following table presents information about the reportable segments for the nine months ended March 31, 2025:

(in thousands)

	Senior	Healthcare Services	Life	Total
External revenue	\$ 512,735	\$ 528,443	\$ 124,930	\$ 1,166,108
Intersegment revenue	5,195	234	63	5,492
Total revenue from reportable segments	<u>\$ 517,930</u>	<u>\$ 528,677</u>	<u>\$ 124,993</u>	<u>\$ 1,171,600</u>
All other revenue				15,384
Eliminations of intersegment revenues				(5,492)
Total consolidated revenue				<u>\$ 1,181,492</u>

(in thousands)

	Senior	Healthcare Services	Life	Total
Adjusted Segment EBITDA	\$ 153,949	\$ 13,534	\$ 19,747	\$ 187,230
All other Adjusted EBITDA				9,645
Corporate & elimination of intersegment profits				(73,316)
Share-based compensation expense				(13,505)
Transaction costs ⁽¹⁾				(13,358)
Depreciation and amortization				(15,584)
Loss on disposal of property, equipment, and software, net				(160)
Change in fair value of warrants				25,344
Interest expense, net				(67,160)
Income before income tax expense (benefit)				<u>\$ 39,136</u>

(1) These expenses primarily consist of non-restructuring severance expenses (\$0.6 million) and financing transaction costs (\$12.8 million).

The following table presents information about the reportable segments for the nine months ended March 31, 2024:

<i>(in thousands)</i>	Senior	Healthcare Services	Life	Total
External revenue	\$ 536,857	\$ 333,284	\$ 115,777	\$ 985,918
Intersegment revenue	4,848	—	78	4,926
Total revenue from reportable segments	<u>\$ 541,705</u>	<u>\$ 333,284</u>	<u>\$ 115,855</u>	<u>\$ 990,844</u>
All other revenue				28,649
Eliminations of intersegment revenues				(4,926)
Total consolidated revenue				<u><u>\$ 1,014,567</u></u>

<i>(in thousands)</i>	Senior	Healthcare Services	Life	Total
Adjusted Segment EBITDA	\$ 138,871	\$ 6,911	\$ 12,945	\$ 158,727
All other Adjusted EBITDA				11,654
Corporate & elimination of intersegment profits				(67,746)
Share-based compensation expense				(10,512)
Transaction costs ⁽¹⁾				(7,629)
Depreciation and amortization				(18,591)
Loss on disposal of property, equipment, and software, net				(13)
Interest expense, net				(70,141)
Loss before income tax expense (benefit)				<u><u>\$ (4,251)</u></u>

(1) These expenses primarily consist of financing transaction costs.

Revenues from each of the reportable segments are earned from transactions in the United States and follow the same accounting policies used for the Company's condensed consolidated financial statements. All of the Company's long-lived assets are located in the United States. For the three months ended March 31, 2025, three insurance carrier customers accounted for 38% (UHC), 12% (Humana), and 15% (Aetna) of total revenue. For the three months ended March 31, 2024, three customers accounted for 27% (UHC), 18% (Humana), and 20% (Aetna) of total revenue. For the nine months ended March 31, 2025, three customers accounted for 36% (UHC), 13% (Humana), and 16% (Aetna) of total revenue. For the nine months ended March 31, 2024, three customers accounted for 30% (UHC), 18% (Humana) and 15% (Aetna) of total revenue, respectively. For all periods presented, the revenue was provided by both the Senior and Healthcare Services segments.

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

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

Company 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 selling insurance policies and healthcare services. Our insurance distribution business, which has operated continuously for nearly 40 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 nearly 40 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, a metric we refer to as "lifetime value of commissions" or "LTV", 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 LTV's. 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 LTV's and, ultimately, optimizing our financial performance and shareholder value.

SelectQuote has a long history of successful DTC product distribution and consumer engagement, and we bring this same capability to healthcare services. We saw a large opportunity to leverage our existing customer base and distribution model to improve education and access to healthcare services for our senior consumers and to create value for our shareholders and insurance carrier partners. SelectQuote's 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. Our healthcare services business seeks to provide consumers with a wide breadth of products supporting their needs, such as SelectRx, our Patient-Centered Pharmacy Home™ ("PCPH") accredited pharmacy, which has already demonstrated SelectQuote's ability to leverage our strong consumer engagement to drive immediate value using our existing operational infrastructure. Whether through acquisitions or

new partnerships, we continue to look for more opportunities to leverage our strengths to expand our healthcare services business.

We evaluate our business using the following three reportable 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 UHC, Humana, Aetna, and Wellcare. MA and MS plans accounted for 91% and 92% of our approved Senior policies for the three months ended March 31, 2025 and 2024, respectively, and 91% and 92% for the nine months ended March 31, 2025, and 2024, respectively, with other ancillary type policies accounting for the remainder.

Healthcare Services, launched in 2021, offers various health-related products and services through SelectRx, Population Health, and most recently, SelectPatient Management. SelectRx offers essential prescription medications, OTC medications, customized medication packaging, and medication therapy management, providing long-term pharmacy care that enables patients to optimize medication adherence to drive positive health outcomes, while enabling patients managing polypharmacy and multiple chronic conditions to remain at home. Through Population Health, we utilize our excellent consumer engagement capabilities to capture valuable self-reported information in real-time for our insurance carrier partners by completing Health Risk Assessments (“HRAs”). We then use that data to take a real-time, proactive, and personalized approach to offer various health-related products and services to the consumer, such as our pharmacy services from SelectRx. In 2024, we launched SelectPatient Management (“SPM”), via a \$4.0 million acquisition of an existing chronic care management platform, which offers providers, payers, and Accountable Care Organizations scalable, technology-enhanced services for patients living with chronic conditions. Through consistent, trust-based patient engagement, SPM helps patients navigate the care continuum, focusing on non-clinical factors so physicians can focus on the more critical needs of their patients. We believe that offering these services enables healthcare to be more accessible, convenient, and personalized for our members.

Life is one of the country’s largest and most established DTC insurance distributors for term life insurance, having sold over 2.5 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 20 years. Term life policies accounted for 41% and 41% of new premium within the Life segment for the three months ended March 31, 2025 and 2024, respectively, with final expense policies accounting for 59% and 59% for the three months ended March 31, 2025 and 2024, respectively. For the nine months ended March 31, 2025 and 2024, term life policies accounted for 41% and 45% of new premium within Life, respectively, with final expense policies accounting for 59% and 55%, respectively.

Our other operations which do not meet the criteria to be a separate reportable segment are consolidated and reported as “All other” which represents a shopping platform for auto, home, and specialty insurance lines.

The three and nine months ended March 31 referenced throughout the commentary below refers to the third quarter and fiscal year-to-date performance of our fiscal years ending on June 30, 2025 and 2024.

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 and the prescriptions shipped per day are the most appropriate measures used to evaluate the performance of Healthcare Services as these metrics drive top-line revenue. In Life, 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 the segment. Below are the most relevant business and operating metrics for each segment:

Senior

Submitted Policies

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

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
Medicare Advantage	201,817	226,692	588,872	602,936
All other ⁽¹⁾	22,858	18,677	65,975	57,646
Total	224,675	245,369	654,847	660,582

(1) Represents the submitted policies for medicare supplement, dental, vision and hearing, prescription drug plan and other.

Total submitted policies for all products decreased 8% for the three months ended March 31, 2025, compared to the three months ended March 31, 2024. This was driven by a 19% decrease in average total productive agents, offset by a 15% increase in overall close rates.

Total submitted policies for all products decreased 1% for the nine months ended March 31, 2025, compared to the nine months ended March 31, 2024. This was driven by a 22% decrease in average total productive agents, offset by a 13% increase in overall close rates.

Approved Policies

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

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
Medicare Advantage	168,001	185,716	507,530	517,973
All other ⁽¹⁾	17,623	16,390	50,316	48,570
Total	185,624	202,106	557,846	566,543

(1) Represents the approved policies for medicare supplement, dental, vision and hearing, prescription drug plan and other.

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

Total approved policies for all products decreased by 8% for the three months ended March 31, 2025, compared to the three months ended March 31, 2024, which correlates to the decrease in submitted policies.

Total approved policies for all products decreased 2% for the nine months ended March 31, 2025, compared to the nine months ended March 31, 2024. Fluctuations in approved policies are normally in direct correlation to submitted policies; however, the approved policies decreased slightly more than submitted policies due to carrier mix.

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, which does not include marketing development funds or production bonuses, 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 periods presented:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
Medicare Advantage	\$ 915	\$ 995	\$ 892	\$ 923
All other ⁽¹⁾	151	139	139	134

(1) Represents the weighted average LTV per approved policy.

The LTV per MA approved policy decreased 8% for the three months ended March 31, 2025, compared to the three months ended March 31, 2024, primarily due to carrier mix and specific carriers shifting away from upfront payment contracts, combined with deterioration in persistency due to recent plan terminations.

The LTV per MA approved policy decreased 3% for the nine months ended March 31, 2025, compared to the nine months ended March 31, 2024, primarily due to carrier mix and specific carriers shifting away from upfront payment contracts, combined with deterioration in provision for losses and persistency due to recent plan terminations.

Healthcare Services

The total number of SelectRx members represents the amount of active customers to which an order has been shipped and the prescriptions per day represents the total average prescriptions shipped per business day. These two metrics are the primary drivers of revenue for Healthcare Services.

SelectRx Members

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

	March 31, 2025	March 31, 2024
Total SelectRx Members	105,523	75,074

The total number of SelectRx members increased by 41% as of March 31, 2025, compared to March 31, 2024, due to our strategy to grow SelectRx membership.

Prescriptions Per Day

The following table shows the average prescriptions shipped per day for the periods presented:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
Prescriptions Per Day	29,015	20,216	26,942	17,582

Life

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

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
<i>(in thousands):</i>				
Term Premiums	\$ 18,930	\$ 16,788	\$ 51,459	\$ 52,376
Final Expense Premiums	27,681	23,724	74,292	62,811
Total	\$ 46,611	\$ 40,512	\$ 125,751	\$ 115,187

Total term premiums increased 13% for the three months ended March 31, 2025, compared to the three months ended March 31, 2024, due to an 8% increase in the number of policies sold, and a 4% increase in the average premium per policy sold. Final expense premiums increased 17% for the three months ended March 31, 2025, compared to the three months ended March 31, 2024, due to a 1% increase in the average premium per policy sold and a 15% increase in the number of policies sold.

Total term premiums decreased 2% for the nine months ended March 31, 2025, compared to the nine months ended March 31, 2024, due to a 6% decrease in the number of policies sold, partially offset by a 4% increase in the average premium per policy sold. Final expense premiums increased 18% for the nine months ended March 31, 2025, compared to the nine months ended March 31, 2024, due to a 2% increase in the average premium per policy sold and a 16% increase in the number of policies sold.

Key Components of our Results of Operations

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

(in thousands)	Three Months Ended March 31,				Nine Months Ended March 31,							
	2025		2024		2025		2024					
Revenue												
Commissions and other services	\$	222,889	55 %	\$	256,118	68 %	\$	663,338	56 %	\$	690,702	68 %
Pharmacy		185,271	45 %		120,282	32 %		518,154	44 %		323,865	32 %
Total revenue		408,160	100 %		376,400	100 %		1,181,492	100 %		1,014,567	100 %
Operating costs and expenses												
Cost of commissions and other services revenue		79,412	19 %		84,315	22 %		246,283	21 %		254,250	25 %
Cost of goods sold—pharmacy revenue		162,304	40 %		106,172	28 %		448,029	38 %		284,360	28 %
Marketing and advertising		92,733	23 %		109,276	30 %		254,222	22 %		288,676	29 %
Selling, general, and administrative		41,685	10 %		34,971	9 %		122,850	10 %		97,049	10 %
Technical development		9,967	2 %		8,604	2 %		29,086	2 %		24,291	2 %
Total operating costs and expenses		386,101	94 %		343,338	91 %		1,100,470	93 %		948,626	94 %
Income from operations		22,059	5 %		33,062	9 %		81,022	7 %		65,941	6 %
Interest expense, net		(20,407)	(5)%		(24,330)	(7)%		(67,160)	(6)%		(70,141)	(6)%
Change in fair value of warrant liabilities		32,986	8 %		—	— %		25,344	2 %		—	— %
Other expense, net		(37)	— %		(12)	— %		(70)	— %		(51)	— %
Income (loss) before income tax expense (benefit)		34,601	8 %		8,720	2 %		39,136	3 %		(4,251)	— %
Income tax expense (benefit)		8,579	2 %		169	— %		4,424	— %		(1,143)	— %
Net income (loss)	\$	26,022	6 %	\$	8,551	2 %	\$	34,712	3 %	\$	(3,108)	— %

Revenue

We earn revenue in the form of commission payments from our insurance carrier customers, for the initial year the insurance policy is in effect (“first year”) and, where applicable, for each subsequent year the policy renews (“renewal year”), in addition to production bonuses and marketing development funds received from some insurance carriers. Production bonuses are based on attaining various predetermined target sales levels or other agreed upon objectives, whereas marketing development funds may or may not contain such predetermined targets and are used to purchase leads. These, along with other services revenue from Healthcare Services (excluding SelectRx revenue discussed below) and our lead generation business, InsideResponse (of which the majority is eliminated as intersegment revenue), are presented in our consolidated statements of comprehensive income (loss) as commissions and other services revenue. Pharmacy revenue on the consolidated statements of comprehensive income (loss) includes revenue from the sale of prescription and OTC medication products from SelectRx.

Revenue is recognized at different milestones for Senior and Life and is based on the contractual enforceable rights, our historical experience, and established customer business practices. Other services revenues from our Healthcare Services segment (excluding SelectRx revenue discussed below) is recognized when the performance obligation has been met, which is at different times for our various services (e.g. the HRA has been performed, a transfer has been made to a health-related partner, or SPM has provided care management services to a member), the transaction price is known based on volume and contractual prices, and we have no further performance obligations. 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 all of our performance obligations and control of the product has been transferred to the customer. There are no future revenue streams or variable consideration associated as the transaction price is fixed at time of shipment, and any subsequent new order is its own performance obligation.

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

<i>(dollars in thousands)</i>	Three Months Ended March 31,		Percent Change	Nine Months Ended March 31,		Percent Change
	2025	2024	2025 vs. 2024	2025	2024	2025 vs. 2024
Commissions and other services	\$ 222,889	\$ 256,118	(13)%	\$ 663,338	\$ 690,702	(4)%
Pharmacy	185,271	120,282	54%	518,154	323,865	60%
Total revenue	\$ 408,160	\$ 376,400	8%	\$ 1,181,492	\$ 1,014,567	17%

Three Months Ended March 31, 2025 and 2024— Pharmacy revenue increased \$65.0 million, or 54%, primarily due to the 41% increase in members from the growth of the SelectRx business. Commissions and other services revenue decreased \$33.2 million, or 13%, for the three months ended March 31, 2025 primarily due to an increase in Life commissions revenue of \$5.0 million, offset by a decrease in Senior commissions revenue of \$38.7 million. The \$5.0 million increase in Life commissions revenue was driven by a \$2.7 million increase in final expense revenue and \$2.4 million increase in term revenue. Senior's decrease of \$38.7 million in commissions revenue was primarily driven by a 8% decrease in approved policies.

Nine Months Ended March 31, 2025 and 2024— Pharmacy revenue increased \$194.3 million, or 60%, primarily due to the 41% increase in members due to the expansion of the SelectRx business. Commission and other services revenue decreased \$27.4 million, or 4%, for the nine months ended March 31, 2025, primarily due to increases in Life commissions revenue and other Senior revenue of \$8.8 million and \$6.2 million, offset by decreases in Senior and other commissions revenue of \$30.0 million and \$13.2 million, respectively. The increase in Life commissions revenue was primarily driven by a \$8.7 million increase in final expense revenue. For Senior, this was driven by a 2% decrease in approved policies. The decrease in other commissions revenue was primarily driven by a \$13.2 million decrease in Auto & Home commissions revenue due to the change in strategic direction to reduce revenue growth for Auto & Home based on our limited resources.

Operating Costs and Expenses

Cost of Commissions and Other Services Revenue

Cost of commissions and other services revenue represents the direct costs associated with fulfilling our obligations to our customers in Senior, Life, and Healthcare Services (excluding SelectRx discussed below); 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 commissions and other services revenue for the periods presented and the percentage change from the prior year:

	Three Months Ended March 31,		Percent Change	Nine Months Ended March 31,		Percent Change
<i>(dollars in thousands)</i>	2025	2024	2025 vs. 2024	2025	2024	2025 vs. 2024
Cost of commissions and other services revenue	\$ 79,412	\$ 84,315	(6)%	\$ 246,283	\$ 254,250	(3)%

Three Months Ended March 31, 2025 and 2024—Cost of commissions and other service revenue decreased \$4.9 million, or 6%, for the three months ended March 31, 2025, primarily due to a \$2.7 million decrease in compensation costs, a \$1.3 million decrease in other operating expenses, and a \$0.8 million decrease in depreciation and amortization. The \$2.7 million decrease in compensation costs is primarily made up of a \$2.7 million decrease in costs for our sales and customer care agents in Senior and a \$2.3 million decrease in costs for other commissions agents, partially offset by a \$1.4 million increase in costs for sales and customer care agents in Life.

Nine Months Ended March 31, 2025 and 2024—Cost of commissions and other service revenue decreased \$8.0 million, or 3%, for the nine months ended March 31, 2025, primarily due to a \$1.3 million decrease in licensing fees in Senior, combined with a \$3.4 million decrease in compensation costs and a \$2.4 million decrease in other operating expenses. The \$3.4 million decrease in compensation costs is primarily made up of a \$6.0 million decrease in costs for our sales and customer care agents in Senior, offset by a \$2.3 million increase in costs for sales and customer care agents in Life.

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 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:

	Three Months Ended March 31,		Percent Change	Nine Months Ended March 31,		Percent Change
<i>(dollars in thousands)</i>	2025	2024	2025 vs. 2024	2025	2024	2025 vs. 2024
Cost of goods sold—pharmacy revenue	\$ 162,304	\$ 106,172	53%	\$ 448,029	\$ 284,360	58%

Three Months Ended March 31, 2025 and 2024—Cost of goods sold-pharmacy revenue increased \$56.1 million, or 53%, for the three months ended March 31, 2025, primarily due to a \$51.0 million increase in medication costs as the number of SelectRx members increased 41% over the prior year as well as a \$3.0 million increase in

compensation costs due to a 43% increase in the number of employees directly associated with fulfilling pharmacy orders.

Nine Months Ended March 31, 2025 and 2024—Cost of goods sold-pharmacy revenue increased \$163.7 million, or 58%, for the nine months ended March 31, 2025, primarily due to an \$143.0 million increase in medication costs as the number of SelectRx members increased 41% over the prior year as well as a \$13.0 million increase in compensation costs due to a 62% increase in the number of employees directly associated with fulfilling pharmacy orders.

Marketing and Advertising

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

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

<i>(dollars in thousands)</i>	Three Months Ended March 31,		Percent Change	Nine Months Ended March 31,		Percent Change
	2025	2024	2025 vs. 2024	2025	2024	2025 vs. 2024
Marketing and advertising	\$ 92,733	\$ 109,276	(15)%	\$ 254,222	\$ 288,676	(12)%

Three Months Ended March 31, 2025 and 2024—Marketing and advertising expenses decreased \$16.5 million, or 15%, for the three months ended March 31, 2025, primarily due to a \$12.9 million decrease in lead costs and a \$2.4 million decrease in compensation costs. The decrease in lead costs was attributable to an increase in close rates of approximately 15% for Senior during the period.

Nine Months Ended March 31, 2025 and 2024—Marketing and advertising expenses decreased \$34.5 million, or 12%, for the nine months ended March 31, 2025, due to a \$27.8 million decrease in lead costs and a \$4.2 million decrease in compensation costs. The decrease in lead costs was attributable to an increase in close rates of approximately 13% for Senior during the period.

Selling, General, and Administrative

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

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

<i>(dollars in thousands)</i>	Three Months Ended March 31,		Percent Change	Nine Months Ended March 31,		Percent Change
	2025	2024	2025 vs. 2024	2025	2024	2025 vs. 2024
Selling, general, and administrative	\$ 41,685	\$ 34,971	19%	\$ 122,850	\$ 97,049	27%

Three Months Ended March 31, 2025 and 2024—Selling, general, and administrative expenses increased \$6.7 million, or 19%, for the three months ended March 31, 2025, primarily due to a \$4.2 million increase in compensation costs, and a \$2.9 million increase in corporate development costs. The increase in compensation costs was primarily related the growth of SelectRx. The increase in corporate development costs is related to the Senior Non-Convertible Preferred Stock transaction.

Nine Months Ended March 31, 2025 and 2024—Selling, general, and administrative expenses increased \$25.8 million, or 27%, for the nine months ended March 31, 2025, primarily due to \$14.3 million increase in compensation costs, a \$4.2 million increase in bad debt expense related to SelectRx, and a \$6.0 million increase in corporate development costs. The increase in compensation costs was primarily related the growth of SelectRx. The increase in corporate development costs is related to the securitization and Senior Non-Convertible Preferred Stock transactions.

Technical Development

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

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

<i>(dollars in thousands)</i>	Three Months Ended March 31,		Percent Change	Nine Months Ended March 31,		Percent Change
	2025	2024	2025 vs. 2024	2025	2024	2025 vs. 2024
Technical development	\$ 9,967	\$ 8,604	16%	\$ 29,086	\$ 24,291	20%

Three Months Ended March 31, 2025 and 2024—Technical development expenses increased \$1.4 million, or 16%, for the three months ended March 31, 2025, primarily due to a \$1.5 million increase in compensation costs due to an increase in headcount for technology personnel.

Nine Months Ended March 31, 2025 and 2024—Technical development expenses increased \$4.8 million, or 20%, for the nine months ended March 31, 2025, primarily due to a \$4.7 million increase in compensation costs due to an increase in headcount for technology personnel.

Interest Expense, Net

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

<i>(dollars in thousands)</i>	Three Months Ended March 31,		Percent Change	Nine Months Ended March 31,		Percent Change
	2025	2024	2025 vs. 2024	2025	2024	2025 vs. 2024
Interest expense, net	\$ 20,407	\$ 24,330	(16)%	\$ 67,160	\$ 70,141	(4)%

Three Months Ended March 31, 2025 and 2024—Interest expense decreased \$3.9 million, or 16%, for the three months ended March 31, 2025, as a result of the Company’s lower cost of capital after completing the securitization transaction and utilizing the proceeds from the Senior Non-Convertible Preferred Stock transaction to repay \$260.0 million of the Company’s outstanding Term Loan balance

Nine Months Ended March 31, 2025 and 2024—Interest expense decreased \$3.0 million, or 4%, for the nine months ended March 31, 2025, as a result of the Company’s lower cost of capital after completing the securitization transaction and utilizing the proceeds from the Senior Non-Convertible Preferred Stock transaction to repay \$260.0 million of the Company’s outstanding Term Loan balance.

Income Taxes

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

<i>(dollars in thousands)</i>	Three Months Ended March 31,		Percent Change	Nine Months Ended March 31,		Percent Change
	2025	2024	2025 vs. 2024	2025	2024	2025 vs. 2024
Income tax expense (benefit)	\$ 8,579	\$ 169	4,976%	\$ 4,424	\$ (1,143)	(487)%
Effective tax rate	24.8 %	1.9 %		11.3 %	26.9 %	

Three Months Ended March 31, 2025 and 2024—For the three months ended March 31, 2025 and 2024, the Company recognized income tax expenses of \$8.6 million and \$0.2 million, respectively, representing effective tax rates of 24.8% and 1.9%, respectively. The differences from the federal statutory tax rate to the effective tax rates for the three months ended March 31, 2025, were primarily related to state income taxes and the recording of a valuation allowance for federal and state tax attributes that the Company does not expect to utilize prior to expiration, non-deductible change in fair value of warrants and excess officer compensation. The differences from the federal statutory tax rate to the effective tax rates for the three months ended March 31, 2024, were primarily related to state income taxes and the recording of a valuation allowance for federal tax attributes that the Company does not expect to utilize prior to expiration.

Nine Months Ended March 31, 2025 and 2024—For the nine months ended March 31, 2025 and 2024, the Company recognized an income tax expense and benefit of \$4.4 million and \$1.1 million, respectively, representing effective tax rates of 11.3% and 26.9%, respectively. The differences from the federal statutory tax rate to the effective tax rate for the nine months ended March 31, 2025, were primarily related to state income taxes and the recording of a valuation allowance for federal and state tax attributes that the Company does not expect to utilize prior to expiration, non-deductible warrant mark-to-market adjustment and excess officer compensation. The differences from the federal statutory tax rate to the effective tax rate for the Nine Months Ended March 31, 2024, were primarily related to state income taxes and the recording of a valuation allowance for federal tax attributes that the Company does not expect to utilize prior to expiration.

Segment Information

As of July 1, 2024, the Company has realigned its reportable segments for fiscal year 2025. The Auto & Home business does not meet the quantitative thresholds to be required to continue to be separately disclosed as a reportable segment in accordance with ASC 280. As a result, the Auto & Home business will be included in an “All Other” category. Prior period information has been recast to conform to the current presentation.

The Company’s operating segments have been determined in accordance with ASC 280. We currently have three reportable segments: i) Senior, ii) Healthcare Services, and iii) Life. Senior primarily sells senior Medicare-related health insurance products. Healthcare Services includes SelectRx, Population Health, and most recently,

SelectPatient Management. Healthcare Services provides products and services to our Medicare policyholders, which are focused on improving patient health outcomes. Life primarily sells term life and final expense products. The All Other category is reflective of the revenue generated from selling individual automobile and homeowners' insurance. Additionally, the Company accounts for non-operating activity, share-based compensation expense, depreciation and amortization, goodwill, long-lived asset and intangible asset impairments, certain intersegment eliminations, and the costs of providing corporate and other administrative services in our administrative division, Corporate & Eliminations. These services are not directly identifiable with our reportable segments and are shown in the tables below to reconcile the reportable segments to the consolidated financial statements. We have not aggregated any operating segments together to represent a reportable segment.

Our operating segments are determined based on how our chief executive officer, who also serves as our CODM manages our business, regularly accesses information, and evaluates performance for operating decision-making purposes, including allocation of resources. Adjusted EBITDA is our segment profit measure and a key measure used by our CODM and Board of Directors to understand and evaluate the operating performance of our business and on which internal budgets and forecasts are based and approved. We define Adjusted EBITDA as income (loss) before income tax expense (benefit) plus: (i) interest expense, net; (ii) depreciation and amortization; (iii) share-based compensation; (iv) goodwill, long-lived asset, and intangible assets impairments; (v) transaction costs; (vi) loss on disposal of property, equipment and software, net; (vii) other non-recurring expenses and income; and (viii) changes in fair value of warrant liabilities.

The following tables present information about the reportable segments for the periods presented. We do not report total assets by segment as our CODM does not use this information to evaluate operating segment performance. Accordingly, we do not regularly provide such information by segment to our CODM.

Our segment disclosure includes intersegment revenues, which consist of affiliate marketing fees for services provided by our Senior segment to our Healthcare Services and Life segments as well as services provided by Life to other segments. These intersegment transactions are recorded by each segment at amounts that we believe approximate fair value as if the transactions were between third parties and, therefore, impact segment performance. However, the revenue and corresponding expense are eliminated in consolidation. The elimination of such intersegment transactions is included within the "Eliminations of intersegment revenues" and "Corporate & elimination of intersegment profits" captions in the tables below.

Three Months Ended March 31, 2025:

(in thousands)

	Senior	Healthcare Services	Life	Total
External revenue	\$ 167,565	\$ 189,496	\$ 45,822	\$ 402,883
Intersegment revenue	1,877	73	20	1,970
Total revenue from reportable segments	<u>\$ 169,442</u>	<u>\$ 189,569</u>	<u>\$ 45,842</u>	<u>\$ 404,853</u>
All other revenue				5,277
Eliminations of intersegment revenues				(1,970)
Total consolidated revenue				<u><u>\$ 408,160</u></u>

(in thousands)

	Senior	Healthcare Services	Life	Total
Adjusted Segment EBITDA	\$ 45,701	\$ 6,445	\$ 6,364	\$ 58,510
All other Adjusted EBITDA				3,549
Corporate & elimination of intersegment profits				(24,336)
Share-based compensation expense				(4,960)
Transaction costs ⁽¹⁾				(5,813)
Depreciation and amortization				(4,925)
Loss on disposal of property, equipment, and software, net				(3)
Change in fair value of warrants				32,986
Interest expense, net				(20,407)
Income before income tax expense (benefit)				<u>\$ 34,601</u>

(1) These expenses primarily consist of financing transaction costs.

Three Months Ended March 31, 2024

(in thousands)

	Senior	Healthcare Services	Life	Total
External revenue	\$ 202,399	\$ 124,207	\$ 40,660	\$ 367,266
Intersegment revenue	1,860	—	26	1,886
Total revenue from reportable segments	<u>\$ 204,259</u>	<u>\$ 124,207</u>	<u>\$ 40,686</u>	<u>\$ 369,152</u>
All other revenue				9,134
Eliminations of intersegment revenues				(1,886)
Total consolidated revenue				<u>\$ 376,400</u>

(in thousands)

	Senior	Healthcare Services	Life	Total
Adjusted Segment EBITDA	\$ 61,494	\$ 1,609	\$ 3,138	\$ 66,241
All other Adjusted EBITDA				3,609
Corporate & elimination of intersegment profits				(23,252)
Share-based compensation expense				(3,515)
Transaction costs ⁽¹⁾				(3,325)
Depreciation and amortization				(6,704)
Loss on disposal of property, equipment, and software				(4)
Interest expense, net				(24,330)
Income before income tax expense (benefit)				<u>\$ 8,720</u>

(1) These expenses primarily consist of financing transaction costs.

Nine Months Ended March 31, 2025:

<i>(in thousands)</i>	Senior	Healthcare Services	Life	Total
External revenue	\$ 512,735	\$ 528,443	\$ 124,930	\$ 1,166,108
Intersegment revenue	5,195	234	63	5,492
Total revenue from reportable segments	\$ 517,930	\$ 528,677	\$ 124,993	\$ 1,171,600
All other revenue				15,384
Eliminations of intersegment revenues				(5,492)
Total consolidated revenue				\$ 1,181,492

<i>(in thousands)</i>	Senior	Healthcare Services	Life	Total
Adjusted Segment EBITDA	\$ 153,949	\$ 13,534	\$ 19,747	\$ 187,230
All other Adjusted EBITDA				9,645
Corporate & elimination of intersegment profits				(73,316)
Share-based compensation expense				(13,505)
Transaction costs ⁽¹⁾				(13,358)
Depreciation and amortization				(15,584)
Loss on disposal of property, equipment, and software, net				(160)
Change in fair value of warrants				25,344
Interest expense, net				(67,160)
Income before income tax expense (benefit)				\$ 39,136

(1) These expenses primarily consist of non-restructuring severance expenses (\$0.6 million) and financing transaction costs (\$12.8 million).

Nine Months Ended March 31, 2024

<i>(in thousands)</i>	Senior	Healthcare Services	Life	Total
External revenue	\$ 536,857	\$ 333,284	\$ 115,777	\$ 985,918
Intersegment revenue	4,848	—	78	4,926
Total revenue from reportable segments	\$ 541,705	\$ 333,284	\$ 115,855	\$ 990,844
All other revenue				28,649
Eliminations of intersegment revenues				(4,926)
Total consolidated revenue				\$ 1,014,567

(in thousands)

	Senior	Healthcare Services	Life	Total
Adjusted Segment EBITDA	\$ 138,871	\$ 6,911	\$ 12,945	\$ 158,727
All other Adjusted EBITDA				11,654
Corporate & elimination of intersegment profits				(67,746)
Share-based compensation expense				(10,512)
Transaction costs ⁽¹⁾				(7,629)
Depreciation and amortization				(18,591)
Loss on disposal of property, equipment, and software				(13)
Interest expense, net				(70,141)
Loss before income tax expense (benefit)				(4,251)

(1) These expenses primarily consist of financing transaction costs.

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

(dollars in thousands)	Three Months Ended March 31,				Nine Months Ended March 31,			
	2025	2024	\$	%	2025	2024	\$	%
Senior:								
Medicare advantage commissions	\$ 145,453	\$ 184,740	\$ (39,287)	(21) %	\$ 446,640	\$ 477,081	\$ (30,441)	(6) %
Other Senior commissions	3,345	2,784	561	20 %	8,111	7,622	489	6 %
Other services	20,644	16,735	3,909	23 %	63,179	57,002	6,177	11 %
Total Senior revenue	169,442	204,259	(34,817)	(17) %	517,930	541,705	(23,775)	(4) %
Healthcare Services:								
Pharmacy	185,271	120,282	64,989	54 %	518,154	323,865	194,289	60 %
Other services	4,298	3,925	373	10 %	10,523	9,419	1,104	12 %
Total Healthcare Services revenue	189,569	124,207	65,362	53 %	528,677	333,284	195,393	59 %
Life:								
Term commissions	20,139	17,789	2,350	13 %	55,169	55,016	153	— %
Final expense commissions	20,188	17,537	2,651	15 %	54,795	46,139	8,656	19 %
Other services	5,515	5,360	155	3 %	15,029	14,700	329	2 %
Total Life revenue	45,842	40,686	5,156	13 %	124,993	115,855	9,138	8 %
All other:								
Commissions	4,900	8,746	(3,846)	(44) %	14,667	27,836	(13,169)	(47) %
Other services	377	388	(11)	(3) %	717	813	(96)	(12) %
Total All other revenue	5,277	9,134	(3,857)	(42) %	15,384	28,649	(13,265)	(46) %
Eliminations:								
Commissions	(867)	(833)	(34)	4 %	(2,531)	(1,950)	(581)	30 %
Other services	(1,103)	(1,053)	(50)	5 %	(2,961)	(2,976)	15	(1) %
Total Elimination revenue	(1,970)	(1,886)	(84)	4 %	(5,492)	(4,926)	(566)	11 %
Total Commissions and other services revenue	222,889	256,118	(33,229)	(13) %	663,338	690,702	(27,364)	(4) %
Total Pharmacy revenue	185,271	120,282	64,989	54 %	518,154	323,865	194,289	60 %
Total Revenue	\$408,160	\$376,400	\$31,760	8 %	\$1,181,492	\$1,014,567	\$166,925	16 %

Revenue by Segment

Three Months Ended March 31, 2025 and 2024—Revenue from our Senior segment was \$169.4 million for the three months ended March 31, 2025, a \$34.8 million, or 17%, decrease compared to revenue of \$204.3

million for the three months ended March 31, 2024. The decrease was due to an \$38.7 million, or 21%, decrease in commissions revenue from fewer approved policies.

Revenue from Healthcare Services was \$189.6 million for the three months ended March 31, 2025, a \$65.4 million, or 53%, increase compared to revenue of \$124.2 million for the three months ended March 31, 2024, primarily due to a \$65.0 million increase in SelectRx pharmacy revenue.

Revenue from our Life segment was \$45.8 million for the three months ended March 31, 2025, a \$5.2 million, or 13%, increase compared to revenue of \$40.7 million for the three months ended March 31, 2024, primarily due to an \$5.0 million increase in commissions revenue.

Nine Months Ended March 31, 2025 and 2024—Revenue from Senior was \$517.9 million for the nine months ended March 31, 2025, a \$23.8 million, or 4%, decrease compared to revenue of \$541.7 million for the nine months ended March 31, 2024. The decrease was due to a \$6.2 million increase in other revenue, offset by a \$30.0 million, or 6%, decrease in commission revenue due to a decrease in approved policies.

Revenue from Healthcare Services was \$528.7 million for the nine months ended March 31, 2025, a \$195.4 million, or 59%, increase compared to revenue of \$333.3 million for the nine months ended March 31, 2024, primarily due to a \$194.3 million increase in SelectRx pharmacy revenue.

Revenue from Life was \$125.0 million for the nine months ended March 31, 2025, a \$9.1 million, or 8%, increase compared to revenue of \$115.9 million for the nine months ended March 31, 2024, in line with our updated operating strategy to stabilize our distribution business.

Adjusted EBITDA by Segment

Three Months Ended March 31, 2025 and 2024—Adjusted EBITDA from our Senior segment was \$45.7 million for the three months ended March 31, 2025, a \$15.8 million, or 26%, decrease compared to Adjusted EBITDA of \$61.5 million for the three months ended March 31, 2024. The decrease was due to a \$34.8 million decrease in revenue, offset by a \$19.0 million decrease in operating costs and expenses, primarily due to a \$12.0 million decrease in lead costs and a \$4.8 million decrease in compensation costs in Senior.

Adjusted EBITDA from Healthcare Services was \$6.4 million for the three months ended March 31, 2025, a \$4.8 million increase compared to Adjusted EBITDA of \$1.6 million for the three months ended March 31, 2024. The increase was due to a \$65.4 million increase in revenue, partially offset by a \$60.5 million increase in operating costs and expenses, primarily as a result of a \$51.0 million increase in medication costs and a \$7.7 million increase in compensation costs to support and invest in the growth of SelectRx.

Adjusted EBITDA from our Life segment was \$6.4 million for the three months ended March 31, 2025, a \$3.2 million, or 103%, increase compared to Adjusted EBITDA of \$3.1 million for the three months ended March 31, 2024. The increase in Adjusted EBITDA was due to a \$5.2 million increase in revenue, partially offset by a \$1.9 million increase in operating costs. The increase in operating costs was primarily due to a \$1.8 million increase in compensation costs.

Nine Months Ended March 31, 2025 and 2024—Adjusted EBITDA from Senior was \$153.9 million for the nine months ended March 31, 2025, a \$15.1 million increase compared to Adjusted EBITDA of \$138.9 million for the nine months ended March 31, 2024. The increase was primarily due to a \$38.9 million decrease in operating costs and expenses related to a \$25.1 million reduction in sales and marketing costs, and a \$9.3 million reduction in compensation costs partially offset by a \$23.8 million decrease in revenue.

Adjusted EBITDA from Healthcare Services was \$13.5 million for the nine months ended March 31, 2025, a \$6.6 million increase compared to Adjusted EBITDA of \$6.9 million for the nine months ended March 31, 2024. The increase was due to a \$195.4 million increase in revenue as discussed above, partially offset by a \$188.8 million

increase in operating costs and expenses primarily as a result of the \$143.0 million increase in medication costs and a \$32.3 million increase in compensation costs to support and invest in the growth of SelectRx.

Adjusted EBITDA from Life was \$19.7 million for the nine months ended March 31, 2025, a \$6.8 million increase compared to Adjusted EBITDA of \$12.9 million for the nine months ended March 31, 2024. The increase was due to a \$9.1 million increase in revenue as discussed above and a \$0.9 million decrease in advertising and marketing costs, partially offset by a \$3.4 million increase in compensation costs.

Liquidity and Capital Resources

Our liquidity needs primarily include working capital and debt service requirements. Additionally, we are required under the Senior Secured Credit Facility and Indenture to maintain compliance with certain debt covenants, as discussed further in Note 6 to the condensed 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 condensed consolidated financial statements.

Senior Non-Convertible Preferred Stock

On February 10, 2025, the Company completed a \$350.0 million Senior Non-Convertible Preferred Stock transaction and received net proceeds of \$337.9 million. Refer to Note 7 to the condensed consolidated financial statements for further information.

Long-term Debt

Significant changes and activity related to our long-term debt since our Quarterly Report on Form 10-Q for the quarter ended December 31, 2024 are discussed below. Refer to Note 6 to the condensed consolidated financial statements for further discussion on our debt agreements and activity.

Senior Secured Credit Facility

On February 10, 2025 and in connection with the Senior Non-Convertible Preferred Stock transaction, the Company entered into a Twelfth Amendment to the Senior Secured Credit Facility. The Twelfth Amendment permits certain amendments to the Senior Secured Credit Facility to, among other things, (1) made certain modifications to the applicable asset coverage and minimum liquidity covenants and (2) adjusted the cash and payable in kind interest applicable to the outstanding term loans.

During the nine months ended March 31, 2025, the Company repaid \$384.6 million of the outstanding term loans, and as of March 31, 2025, had outstanding borrowings of \$316.9 million related to the term loans. Refer to Note 6 to the condensed consolidated financial statements for further information.

During the nine months ended March 31, 2025, the Company received proceeds of \$166.9 million and repaid \$166.9 million, and as of March 31, 2025, had no outstanding borrowings related to the revolving credit facility. Refer to Note 6 to the condensed consolidated financial statements for further information.

Liquidity

As of March 31, 2025 and June 30, 2024, the Company had total debt obligations of \$391.5 million and \$683.3 million, respectively, under the Senior Secured Credit Facility and the Notes. Management expects that our existing cash, cash equivalents, funds available under the revolving credit facility and cash provided from operations will be sufficient to finance normal working capital needs, investments in properties, facilities and equipment and debt services.

As of March 31, 2025 and June 30, 2024, our cash, cash equivalents, and restricted cash totaled \$86.2 million and \$42.7 million, respectively. Additionally, the following table presents a summary of our cash flows for the periods presented below:

<i>(in thousands)</i>	Nine Months Ended March 31,	
	2025	2024
Net cash provided by (used in) operating activities	\$ 25,816	\$ (4,759)
Net cash used in investing activities	(8,203)	(8,926)
Net cash provided by (used in) financing activities	25,919	(31,663)

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; amortization of debt issuance costs and discount; accrued interest; non-cash lease expenses; change in fair value of warrant liabilities; and the effect of changes in working capital and other activities.

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

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

Nine Months Ended March 31, 2025—Net cash provided by operating activities was \$25.8 million, consisting of net income of \$34.7 million, adjustments for non-cash items of \$32.7 million, and cash used in operating assets and liabilities of \$41.6 million. Adjustments for non-cash items primarily consisted of \$15.6 million of depreciation and amortization, \$13.5 million of share-based compensation expense, \$13.3 million of accrued interest payable in kind on the term loans, \$3.9 million of amortization of debt issuance costs and debt discount, \$2.8 million of non-cash lease expense, \$4.4 million in deferred income taxes, \$4.2 million in bad debt expense, and \$25.3 million in the change in fair value of warrant liabilities. The cash decrease resulting from changes in net operating assets and liabilities primarily consisted of an increase of \$39.0 million in accounts receivable, an increase of \$33.8 million in commissions receivable, a decrease of \$6.0 million in other liabilities, primarily related to an \$7.1 million decrease in our contract liability, a decrease of \$3.6 million in operating lease liabilities and an increase of \$0.3 million in other assets, primarily related to hedge activities, offset by an increase of \$41.2 million in accounts payable and accrued expenses

Nine Months Ended March 31, 2024—Net cash used in operating activities was \$4.8 million, consisting of a net loss of \$3.1 million, adjustments for non-cash items of \$48.4 million, and cash used in operating assets and liabilities of \$50.0 million. Adjustments for non-cash items primarily consisted of \$18.6 million of depreciation and amortization, \$10.5 million of share-based compensation expense, \$14.3 million of accrued interest payable in kind, \$4.9 million of amortization of debt issuance costs and debt discount, \$1.9 million of non-cash lease expense, and \$4.6 million of bad debt expense, offset by \$2.2 million in deferred income taxes. The cash decrease resulting from changes in net operating assets and liabilities primarily consisted of a \$103.1 million increase in accounts receivable,

net, offset by a \$36.1 million increase in accounts payable and accrued expenses, an \$11.5 million increase in other liabilities due to an increase in accrued compensation, and a \$7.4 million decrease in commissions receivables.

Investing Activities

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

Nine Months Ended March 31, 2025—Net cash used in investing activities of \$8.2 million was due to \$6.5 million in purchases of software and capitalized internal-use software development costs and \$1.7 million of purchases of property and equipment, primarily made up of machinery and equipment and leasehold improvements.

Nine Months Ended March 31, 2024—Net cash used in investing activities of \$8.9 million was due to \$6.1 million in purchases of software and capitalized internal-use software development costs and \$3.1 million of purchases of property and equipment, primarily equipment utilized in SelectRx operations, leasehold improvements, and computer equipment.

Financing Activities

Our financing activities primarily consist of proceeds from the issuance of senior non-convertible preferred stock, payments on term loans, proceeds and payments related to the revolving credit facility, payments on notes issued in connection with the Indenture, payments for debt issuance costs, and proceeds and payments related to stock-based compensation.

Nine Months Ended March 31, 2025—Net cash provided by financing activities of \$25.9 million was primarily due to \$384.6 million of principal payments on the term loans, \$11.7 million of payments on the notes issued in connection with the Indenture, \$166.9 million of payments on the revolving credit facility, offset by \$337.9 million of proceeds from the issuance of senior non-convertible preferred stock, \$99.1 million of proceeds on the notes issued in connection with the Indenture, and \$166.9 million of proceeds from the revolving credit facility.

Nine Months Ended March 31, 2024—Net cash used in financing activities of \$31.7 million was primarily due to \$30.4 million of principal payments on the Term Loans.

Contractual Obligations

Other than the discussions in Notes 6, 7, and 8 to the condensed consolidated financial statements, as of March 31, 2025, there have been no material changes to our contractual obligations as previously described in our Annual Report.

Off-Balance Sheet Arrangements

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

Recent Accounting Pronouncements

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

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

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

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Our Disclosure Controls and Procedures

As of March 31, 2025, 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) and our chief financial officer (principal financial and accounting officer). Based upon our management's evaluation, our chief executive officer and our chief financial officer have 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.

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

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 first quarter of fiscal 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

A discussion of legal proceedings to which the Company is a party is included in Part I, Item 1 hereof under “Note 10, Commitments and Contingencies – Legal Contingencies and Obligations,” which is incorporated herein by reference.

ITEM 1A. RISK FACTORS

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

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 received a subpoena from the United States Attorney’s Office for the District of Massachusetts in August 2022, seeking, among other things, information regarding our arrangements with our insurance carrier partners, and on May 1, 2025, we became aware the U.S. Attorney’s Office had filed a complaint partially intervening in a *qui tam* action against the Company related to certain of our sales and marketing practices. 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.

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

Except as previously reported by the Company on its current reports on Form 8-K, the Company did not sell any securities during the period covered by this Form 10-Q that were not registered under the Securities Act.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Except as set forth below, none of our officers or directors adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement” (each as defined in Item 408 of Regulation S-K) during the three and nine months ended March 31, 2025.

On November 21, 2024, Sarah Anderson, Executive Vice President of Pharmacy, adopted a Rule 10b5-1 trading arrangement for the sale of up to 50,000 shares of our common stock, subject to certain conditions. The arrangement's expiration date is February 27, 2026.

ITEM 6. EXHIBITS

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

Exhibit Number	Exhibit Description
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 - The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

Indicates management contract or compensatory plan.

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

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

SIGNATURES

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

May 12, 2025

SELECTQUOTE, INC.

By: /s/ Tim Danker

Name: Tim Danker

Title: Chief Executive Officer

By: /s/ Ryan Clement

Name: Ryan Clement

Title: Chief Financial Officer

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

I, Tim Danker, certify that:

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

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

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

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

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

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

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

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

Date: May 12, 2025

/s/ Tim Danker

Name: Tim Danker

Title: Chief Executive Officer
(Principal Executive Officer)

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

I, Ryan Clement, certify that:

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

Date: May 12, 2025

/s/ Ryan Clement

Name: Ryan Clement

Title: Chief Financial Officer
(Principal Financial Officer)

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

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

a. the Quarterly Report of the Company on Form 10-Q for the period ended March 31, 2025 (the “Report”), fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

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

Date: May 12, 2025

/s/ Tim Danker

Name: Tim Danker

Title: Chief Executive Officer

(Principal Executive Officer)

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

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

- a. the Quarterly Report of the Company on Form 10-Q for the period ended March 31, 2025 (the “Report”), fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- b. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 12, 2025

/s/ Ryan Clement

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