

ASX AND MEDIA RELEASE Thursday, 9 March 2023

Sequoia Financial Group announces divestment of 80% of Morrison Securities

Sequoia Financial Group Limited (ASX: **SEQ**) (**Sequoia**) has entered into a binding agreement to divest 80% of its equity interest in Morrison Securities Pty Ltd (**Morrison**) to New Quantum Holdings Pty Ltd (**NQ**), a company that provides digital wealth management platform services.

Under the agreement, SEQ is set to receive a total cash consideration of \$40.5m for the transaction, for an 80% equity interest in Morrison which on completion date will have a debt free balance sheet with net working capital of \$10.5m. Completion of the transaction is subject to customary conditions including the parties executing formal share sale and shareholder agreements incorporating terms contained in the binding term sheet.

SEQ will earmark \$0.5m of the purchase price to establish a trust for all employees of Morrison Securities which will hold shares in SEQ and vest to employees over the next 18-month period.

The SEQ board believed the opportunity for Morrison to expand its service offering was restricted by the SEQ balance sheet. This transaction will allow SEQ to retain a minority but viable interest in Morrison and provide the business with the capacity to capitalise on opportunities that both SEQ and NQ have recognized as important for the future growth of Morrison.

SEQ received several expressions of interest for acquiring part or all of Morrison over recent times but selected NQ as our business partner because of its flexible approach to this transaction and its desire for SEQ to maintain an active role in the development and growth of the business. This growth will be guided by our experienced and professional executive team at Morrison who will continue to manage the business alongside NQ who are committed to investing in technological solutions that will improve the service offering to the very loyal customer base of Morrison.

The divestment, which will be completed in August 2023 will have no impact on FY 2023 results however it will see SEQ's current consolidated Group revenue reduce by approximately 20% in FY 2024.

This announcement was authorised for release by the Board of Directors.

For further information please contact:

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| Garry Crole, Managing Director + | 0411 600550 |
| Sally McDow, Company Secretary + | 0420 213 035 |
| Jong Chung, CEO New Quantum | 0430 228328 |

ABOUT SEQUOIA FINANCIAL GROUP LTD

ASX-listed Sequoia Financial Group Ltd (ASX: SEQ) is an integrated financial services company providing products and services to self-directed retail and wholesale clients and those of third-party professional service firms.

It provides:

- Investment and superannuation products
- Wealth management and advisory services
- Corporate advisory and capital markets expertise
- Retail, wholesale and institutional trading platforms
- Market data and financial news services

Sequoia operates various AFS Licenses and its subsidiary Morrison Securities Pty Ltd is an ASX Market Participant.

Registered Office:

Level 7
7 Macquarie Place
Sydney NSW 2000

Phone: +61 3 9209 9777

Email: info@sequoia.com.au

Website: www.sequoia.com.au

The Key Terms of the transaction are as follows:

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|---|---|
| <p>Deposit</p> | <p>A deposit of \$1.5m has been paid by NQ after signing a binding term sheet.</p> <p>A further \$9m deposit is payable by 20 March 2023. SEQ will receive \$1.65m of this amount and \$7.35m will be held in trust and paid to SEQ once the Stage 1 'Completion Payment' of \$15m has been made. If the stage 1 Completion Payment is not received by 31 May 2023, funds already paid to SEQ are retained as a non-refundable break fee \$3.15m whilst the \$7.35m deposit held in trust will be returned to NQ.</p> |
| <p>Stage 1 Completion Payment - 50.1% share transfer from SEQ to NQ completes</p> | <p>By 31 May 2023 NQ will make a payment of \$15m at which time SEQ will transfer 50.1% of the shares in Morrison to NQ.</p> |
| <p>Stage 2 Purchase Price Balance – 29.9% share transfer from SEQ to NQ completes.</p> | <p>By 31 August 2023 NQ will pay the Purchase Price Balance of \$15m at which time SEQ will transfer the remaining 29.9% in Morrison to NQ.</p> |
| <p>Call Option</p> | <p>If NQ fails to pay the Purchase Price Balance of \$15m by 31 August 2023, SEQ will have received \$25.5m in Deposit and Stage 1 Completion payments and hold a Call Option to acquire (buy back) the shares in Morrison for an exercise price of \$17.85m.</p> |

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About New Quantum Holdings Pty Ltd

New Quantum Holding Pty Ltd provides global unified fintech as a service (FaaS). New Quantum delivers a fully integrated digital platform for wealth managers, family offices, government, asset managers, fintech businesses, and financial advisors.

The acquisition of Morrison is the cornerstone of a series of upcoming transactions that New Quantum has laid the foundation for over the past two years. Forthcoming announcements will see New Quantum extend its reach into the US capital markets, add significant new clients, demonstrate growth through market-leading strategic partnerships in the Middle East, Asia, and the US, as well as further acquisitions of financial advisory and fintech companies.

Morrison complements New Quantum's core business and provides the scalable foundation for measured growth that optimises client services and support.

NQ's global corporate and financial advisory team includes Australian-based Point Capital and Boston, USA based Beaconsfield Capital Management.

Point Capital Group is a Financial Services firm with a vision of assisting businesses in the identification and execution of successful long-term value-creation strategies. Point Capital works with companies seeking growth capital by exploring equity options or are interested in charting a course toward an IPO. As a trading and investment firm, Point Capital Group offers diversified financial services for advisers and clients. We work with our partners to provide a high level of customer service matched with our expertise.

Beaconsfield Capital, a technology-focused hedge fund with private equity and venture capital arms, has supported the transaction. Shantanu Jha, founder, and Chief Investment Officer of Beaconsfield, stated.

"We think this combination represents a powerful and attractive model of matching a traditional business with complementary and synergistic technology. We look forward to watching management execute this opportunity".

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