

ASX AND MEDIA RELEASE Tuesday 21 March 2023

Update - Divestment of 80% of Morrison Securities

Sequoia Financial Group Limited (ASX: **SEQ**) (**Company**) wishes to confirm it has received cleared funds of \$1.65m being the outstanding balance of the non-refundable deposit payment of \$3.15m required in its bank accounts prior to 20 March 2023.

In addition, the Company confirms it has received confirmation the trust account required to hold the balance of the refundable component of the \$10.5m deposit has been established with the balance of \$7.35m now held. The receipt of this deposit concluded all financial due diligence requirements of the buyer.

The Key Terms of the transaction are as follows.

<p>Deposit</p>	<p>An initial deposit of \$1.5m was received by SEQ on 9 March on signing the binding term sheet.</p> <p>A further \$1.65m non-refundable deposit was received by SEQ on 20 March.</p> <p>The deposit trust has been established to hold \$7.35m and is payable to SEQ once the 'Completion Payment' of \$15m has been received on Stage 1 Completion.</p> <p>If the Completion Payment is not received by 31 May 2023, funds already paid to SEQ are retained as a non-refundable break fee, whilst the balance of deposit money 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 receive the balance of the deposit and then transfer 50.1% of the shares in Morrison to NQ</p>

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

For further information please contact:

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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.

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<p>Stage 2 Purchase Price Balance</p> <p>– 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>

On successful completion of this transaction, SEQ will hold 20% of the shares on issue in Morrison which will have an independent balance sheet with \$10.5m of cash at the date of the transfer of shares.

Sequoia Financial Group cash at bank on settlement is expected to exceed \$45m before allowing for any capital gains tax liability due to be calculated on completion of the share transfers.

Post this 80% divestment in the clearing business, Morrison financial results will not form a part reportable consolidated revenue and earnings. FY24 forecast for SEQ consolidated revenue will reduce by approximately the \$30m per annum attributable to Morrisons to \$100m per annum without taking in to account any additional acquisitions or divestments made prior to end of that financial year.

The Company expects to be able to continue to generate normalized EBITDA in a range of 8-10% on revenue.

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