

ASX RELEASE

19 September 2017

SEQUOIA FINANCIAL GROUP LTD ACQUISITION OF MORRISON SECURITIES PTY LTD

- **Gives Sequoia's Trading & Execution division the ability to clear and settle trades without a third party**
- **Highly complementary to Sequoia's D2MX division**
- **Attractive acquisition terms – Morrison acquired using cash and scrip**

Sequoia Financial Group Limited (**ASX: SEQ**) ("SEQ", "Sequoia" or "the Company") is pleased to announce that a wholly owned subsidiary has entered into a binding agreement to acquire Morrison Securities Pty Limited ("Morrison"), a well-established Australian online stockbroking business that is highly complementary to Sequoia's existing stockbroking businesses. The acquisition will enhance Sequoia's capabilities, giving the Trading and Execution division the ability to clear and settle trades without the reliance on a third-party provider and accelerate the timetable for implementation of a clearing solution as flagged in the announcement on 19 July 2017.

A highly complementary acquisition

Morrison Securities Pty Limited (ABN 50 001 430 342) has been a securities dealer and trading and self-clearing participant of the Australian Securities Exchange Ltd ("ASX") since 1985 and was formerly an ING Group Company.

Morrison is an Australian stockbroker providing execution, clearing and settlement solutions to retail and wholesale clients via a robust online trading platform, with a client portal available to clients allowing them access to portfolio details.

The business is highly complementary to Sequoia's existing stockbroking business D2MX Pty Ltd, and related entities which use its executions services being Sequoia Direct Pty Ltd, Sequoia Asset Management Pty Ltd and Sequoia Wealth Management Pty Ltd. Morrison will add scale, personnel depth and operational competencies to the Group. The Company is of the opinion organic growth will now be possible because of the Morrison transaction.

Transaction terms and financial impact

The acquisition completed today using part cash and part scrip resulting in the issuing of 1,562,500 additional share capital by the Company. The remaining acquisition terms are strictly confidential.

To partially fund the acquisition and for ongoing balance sheet support, Sequoia has successfully raised \$3.03 million since 4 September 2017 via a private placement of 9,479,750 shares at \$0.32 per share to eligible Corporations Act section 708 investors as follows:

- 3,394,750 shares on 4 September 2017 (under LR 7.1A);
- 5,583,750 shares on 15 September 2017 (under LR 7.1 and LR 7.1A); and
- 501,250 shares on 18 September 2017 (under LR 7.1)

and has secured \$2.9 million debt funding on 12-month terms. Please see the relevant releases made to the market relating to these activities.

InterPrac Limited – Acquisition Update

We anticipate that we will proceed with the 100% acquisition of Interprac Limited subject to shareholder approval, with a completion date on or around the 1st December 2017. A Notice of Meeting will be dispatched in the coming weeks and we will recommend that shareholders approve this transaction at the AGM expected to take place early November.

Management commentary

Sequoia's Managing Director/CEO Scott Beeton said: "Morrison is a highly complementary business that will underpin Sequoia's current stockbroking and dealing businesses. Importantly, it gives us a great platform to enhance our trading & execution operations without the reliance on third party providers. This is a great market opportunity for us."

"We are delighted that Morrisons' highly experienced and competent team will join Sequoia adding considerable bandwidth to this division of the Company. We are also pleased that we have been able to raise sufficient capital, a real vote of confidence in Sequoia and our strategy of building a well-regarded, trusted and dependable financial services Company."

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ABOUT SEQUOIA FINANCIAL GROUP LIMITED

ASX-listed Sequoia Financial Group Limited (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 D2MX Pty Ltd is an ASX Market Participant

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