

ASX RELEASE

9 October 2017

SEQUOIA FINANCIAL GROUP LTD SIGNS BINDING SHARE SALE AGREEMENT TO ACQUIRE INTERPRAC LTD

The Directors of Sequoia Financial Group Limited (**ASX: SEQ**) ("SEQ", "Sequoia" or "the Company") are pleased to advise, further to the announcement made on 19 June 2017, that the Board has completed its due diligence investigations in relation to the InterPrac group and has today executed the definitive and binding Share Sale Agreement to acquire 100% of the shares in InterPrac Limited ("**InterPrac**").

As Mr Garry Peter Crole, a non-executive director of the Company is a 24.45% shareholder of InterPrac, completion of the acquisition of InterPrac is subject to shareholder approvals for the purposes of ASX Listing Rules 10.1 and 10.11 and section 208 of the Corporations Act, in addition to other shareholder approval requirements set out in ASX Listing Rules 7.1.

The remaining directors of the Company (being Mr Michael Carter, Chair, Mr Scott Beeton, Chief Executive Officer and Mr Marcel Collignon, Executive Director) commissioned RSM Corporate Australia Pty Ltd ("RSM") to prepare an Independent Expert's Report in relation to the proposed acquisition of InterPrac.

The necessary shareholder approvals will be sought at the forthcoming Annual General Meeting of the Company to be held on 30 November 2017.

Full details of the transaction terms and resolutions will be contained in the Notice of Meeting, Explanatory Memorandum and Independent Expert's Report which will be despatched to shareholders on or around 27 October 2017.

A highly complementary acquisition

The rationale for the InterPrac Acquisition is to further Sequoia's goal to grow through both internal and organic means and via expansion into complementary sectors that enhance Sequoia's offering as an integrated financial services company. The InterPrac business is substantially similar to a number of Sequoia's current operating divisions and will add additional scale, in particular to the SMSF Administration, Wealth Advisory and Investment Solutions divisions.

The ASX has confirmed the proposed acquisition of InterPrac does not require shareholder approval for the purposes of Listing Rule 11.1.2 and does not require the Company to re-comply with Chapters 1 and 2.

Key transaction terms

A summary of the key terms of the InterPrac share purchase agreement that has been entered into with InterPrac and the InterPrac vendors is as follows:

- the consideration payable is an aggregate of 42,777,000 fully paid ordinary shares at a deemed issue price of \$0.30 and no cash;

- Completion is subject to a number of conditions precedent including shareholder approvals, third party change of control consents and entry into executive employment agreement with each of Garry Crole and Brent Jones to act as joint managing directors of InterPrac on and from Completion for 3 years;
- a total of 32,082,751 consideration shares to be subject to a voluntary escrow period of 12 months from Completion; and
- the vendors provide warranties and indemnities, including a warranty from management vendors that the InterPrac group has at least \$2.2 million in net cash at Completion.

The vendors of InterPrac comprise 18 shareholders, which include Garry and Marina Crole (owning 24.5% of InterPrac) and Unrandom Pty Ltd (controlled by Brent Jones) who owns 24.5% of InterPrac.

Following completion of the InterPrac acquisition and subject to the resolutions for director re-elections being passed at the forthcoming AGM, there will be no changes to the current board of the Company, however, Mr Garry Crole will become an executive director.

Information about the likely effect of the InterPrac acquisition on the Company's total assets, total equity interests, annual revenue and annual profit before tax and extraordinary items

The likely effect of completion of the InterPrac acquisition on the Company's total assets, total equity interests, annual revenue and annual profit before tax and extraordinary items is set out below.

	Sequoia (1)	Interprac (2)	Combined (1+2)	Change of combined ((1+2)/1)
	\$	\$	\$	%
Total Consolidated Assets	78,165,755	9,187,799	87,353,554	12%
Total Equity Interests	20,360,556	6,268,144	26,628,700	31%
Total Shares on Issue	60,028,525	42,777,000	102,805,525	71%
Annual Profit	725,573	1,313,868	2,039,441	181%
Annual Revenue	44,364,946	22,645,989	67,010,935	51%

(1) Sequoia Financial Group Ltd audited results for period ending June 2017 + capital and debt arrangement during September 2017 placements + Morrison acquisition as announced on 19 September 2017

(2) InterPrac Pty Ltd unaudited accounts for period ending June 2017

The above takes into account the effect of the Morrison Securities acquisition which completed on 19 September 2017 and is presented on an undiluted basis.

Indicative timetable

On or around 27 October 2017	Despatch Notice of Meeting, Explanatory Memorandum and Independent Expert's Report
5pm Sydney time at 28 November 2017	Time and date for eligibility to vote at the Annual General Meeting. Return of Proxy Forms due.
2pm, Sydney time, Thursday, 30 November 2017	Annual General Meeting.
1 December 2017	Completion date of the InterPrac Acquisition (subject to satisfaction of the conditions precedent to the InterPrac Share Sale Agreement and all InterPrac resolutions being passed at the AGM). Consideration Shares to be issued to InterPrac vendors in accordance with the InterPrac Share Purchase Agreement.

Management commentary

Sequoia's Managing Director and CEO Scott Beeton commented "Interprac will give additional scale and executive skill, which in turn will allow us to start providing our services and products to a significantly wider customer base. Combining the two group of companies should see an uplift on current profit levels reported by Sequoia in June 2018, thereby increasing shareholder value."

For further information, please contact:

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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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