

ASX RELEASE

30 November 2017

CHAIRMAN'S ADDRESS TO ANNUAL GENERAL MEETING

Thank you and welcome to the Sequoia Financial Group Limited Annual General Meeting for 2017.

I would like to take this opportunity to reflect on our achievements over FY 2017 and update you on key financial, operational and strategic highlights in the current period before moving to the formal agenda items to be dealt with in the notice of meeting.

As highlighted in the Annual Report circulated to shareholders our key business units have continued to collectively add scale and revenue growth to the group during the period. Annual revenue has substantially grown over the past three years with our highest recorded revenue of \$44.4 million as at June 2017.

The Company also recorded a pleasing profit result for the period. Noting of course that there is deferred revenue from business primarily written by our investment products division not included in these results. Deferred revenue is approximately \$1.3 million in the current period and \$1.7 million in FY 2019.

Importantly, net operating cash flow has been consecutively positive in each of the quarterly reporting periods thereby strengthening our cash at bank and balance sheet position. As a result, we are no longer required by the ASX to issue an Appendix 4C statement and we now move to half yearly reporting updates consistent with more established companies listed on the ASX.

Perhaps most importantly are the activities and achievements in recent months underpinning the year ahead of us.

Firstly, revenue growth year to date for the current Sequoia business remains very strong and is over 60% higher than the same comparable period for the prior year. Our cash and cash equivalents position now totals over \$14.3 million. We are confident this momentum will carry through to a strong year-end result.

Secondly, I would like to welcome the Morrison Securities team to Sequoia. This recent acquisition is strategically important as we move rapidly to a self-clearing model for our Trading and Execution activities. We believe this will add further scale to our online direct trading business and new product and service options to grow our client distribution and support to other business units. Thank you to those key investors who chose to support our need to raise capital in order to complete this timely transaction.

Thirdly, I would like to acknowledge Interprac management, staff and shareholders who we anticipate will become part of the wider group if shareholders vote in favour of the Board recommendation. Interprac is a strong, award winning and well managed business that will be highly complementary to Sequoia as it brings further diversification, scale, annuitised revenue streams and experienced

resources. As a result, we will become a materially larger, more competitive and stronger business together.

Pleasingly, Interprac has also entered the current financial year with positive business momentum and financial performance. Revenues are also at record levels and 40% higher than the same comparable period for the prior year. They will contribute a further \$3.0 million in cash & listed securities and strength to the integrated balance sheet. This is \$800,000 more than the minimum required as part of the transaction terms.

The full effect of the combined businesses will be detailed in our half yearly results announcement in late February.

What is clearly evident is that our increasing scale and presence as a diversified financial services provider, continues to yield exciting new opportunities for us to consider taking advantage of. This will allow us greater capacity to deliver additional shareholder value and financial returns. Critical to this success is strong leadership from our core executive team and the support of our hardworking staff, who I would like to thank for their efforts and contribution to date and in the period ahead.

Additionally I would like to acknowledge my fellow directors, past and present, who have been tireless in their efforts, governance and direction of Company.

Lastly but certainly not least, I would like to thank our loyal shareholders for your ongoing support and warmly welcome those new shareholders joining us more recently. Rest assured together with my fellow Directors, we do not believe the Company's current market capitalisation is reflective of its fair value and we are very much committed to the task of improving the Company's position for the benefit of all shareholders in the period ahead.

We will now move to the formal items of business.

Thank you

Michael Carter
Chairman

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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 subsidiaries D2MX Pty Ltd and Morrison Securities Pty Ltd are ASX Market Participants.

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