

ASX ANNOUNCEMENT

30 October 2019

Chairman's Speech to the 2019 Annual General Meeting

I welcome shareholders to the Sequoia Financial Group Limited (**Company** or **Group** or **Sequoia**) 2019 Annual General Meeting.

The 2019 Financial year was a very challenging year, with our Group reporting a net after tax loss of just over \$1 million. Integrating the various business units following a series of acquisitions has proven more difficult and taken longer than expected. I thank our senior leadership team for diligently working through the various issues that they've had to deal with.

The Company share price is ultimately a reflection of the poor financial performance delivered by the Group, however we now believe we have put the building blocks in place that will ensure profitable growth in the years to come.

The Board has undertaken the process of reviewing all operations within the Group. As a result, we have already closed or outsourced five business areas and several other changes are expected take place over the next few months. The majority of extraordinary costs associated with these changes were taken into account in the last financial year, however there will be further one-off costs in this current financial year as a result of this review. We have significantly reduced our spend on corporate overhead. The Board has taken on the feedback from the *Hayne Royal Commission* and increased capacity in the human resources and compliance teams subsequent to a review of the specific functions and capacity within each of the teams.

The Board is very pleased to announce today the 3-year appointment of Garry Crole as CEO. Garry has been the interim CEO since the departure of our previous Managing Director, and we have great confidence that he will implement the changes the Board deem necessary to return the company to profitability and provide the shareholders a respectable return on capital.

Whilst the Group is focused on consolidating the future of our various businesses, we will continue to take advantage of opportunities presented to us, both organic and external, and either improve or dispose any business that is either non-core or unable to generate an acceptable return.

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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 Morrison Securities Pty Ltd is an ASX Market Participant.

The Company remains well placed financially with \$14.7M in cash (including that required for the Morrison's clearing business), whilst we have \$2.5M worth of debt, as at 30 September 2019 (unaudited).

Sequoia's most recent acquisition of the Libertas Financial Planning business is proving very successful and has helped to strengthen our Wealth Management Division. The business adds 65 advisers to our existing team, taking the Group to just below 400 advisers today. This makes us one of the largest independent wealth advisor groups in Australia.

A key market for Sequoia is these advisers and their clients, providing the core licensee under which the advisors operate and a range of support, information and advice services for advisors and their clients. These solutions range from Licensing, Advice Coaching, Education Provision, Administration Support, Technology Solutions, Product Research, Product Sourcing, Media Services, Business Planning, Market intelligence to Regulatory support. The Company provide these solutions to advisors and third party AFSL's through four of the divisions within Sequoia.

I therefore look forward to presenting a much-improved report to shareholders at our next Annual General meeting in 2020.

Thank you,

John Larsen

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