

ASX AND MEDIA RELEASE Monday 5 June 2023

Update - Divestment of 80% of Morrison Securities

Sequoia Financial Group Limited (**ASX:SEQ**) or (**Sequoia**) is pleased to announce that it has received signed share purchase agreement with New Quantum Holdings Pty Ltd (**New Quantum**) for the sale of 80% of Morrison Securities Limited (**Morrison**).

As previously announced on 9 March 2023, Sequoia will receive a total cash consideration of \$40.5 million for an 80% interest in Morrison, to be settled in two tranches:

- An initial tranche of 50.1% of Morrison, for a consideration of \$25.5m in cash; and
- A further tranche of 29.9% of Morrison, for a consideration of a further \$15.0m in cash, on or prior to 31 August 2023.

A binding share sale and purchase agreement, together with a shareholder's agreement in respect of Morrison, have today been entered into by the parties. It is anticipated that financial closing of the initial tranche will be completed by Wednesday 7 June 2023.

The initial consideration of \$25.5m, will be funded by the deposit of \$10.5m already paid by New Quantum and a further payment of \$15m. On receipt of these funds 50.1% of the shares in Morrison Securities will be transferred to New Quantum and held in trust awaiting the Stage 2 final payment which is expected to be settled on or before 31 August 2023.

As a part of the transfer of shares Morrison is required to hold a minimum of \$10.5m of debt free working capital at the date of the final share transfer expected before 31 August 2023. Sequoia confirms that on 30 April 2023, Morrison held debt free working capital more than this amount by approximately \$1.0m. Sequoia further confirms there will be no change to the operations and management of the Morrison business during this staged sale process.

In the event that the stage 2 payment is not made by 31 August 2023, Sequoia holds a call option to buy back the 50.1% of the shares in Morrison transferred under the initial tranche, for a consideration of \$17.85m.

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

For further information please contact:

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Jong Chung, CEO New Quantum	0430 228328

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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On full successful completion of this transaction which Sequoia expects to occur before 31 August 2023, Sequoia would own 20% shareholding in Morrison which will have an independent balance sheet.

Garry Crole, Managing Director of Sequoia commented: "We are pleased to have today entered into a binding sale and purchase agreement to sell 80% of Morrisons for an aggregate consideration of \$40.5m in cash. Whilst Sequoia will retain a minority interest in Morrisons going forward the business will now benefit from a new owner with the capacity to capitalise on the further growth opportunities for the Morrison's business.

I am pleased this transaction has cleared the stage 1 completion phase and looks forward to working alongside New Quantum as it looks to add technology solutions to the marketplace to enhance the user experience."

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