

ASX AND MEDIA RELEASE

Wednesday 24 April 2024

EGM 4 June – Chairman’s Letter

Sequoia Financial Group Limited (ASX: SEQ) advises it is holding an EGM on Tuesday 4 June in its offices at level 8/525 Flinders Street Melbourne, Victoria, 3000. The Notice of Meeting was released by the ASX today 24 April 2024.

The Chairman of SEQ, Charles Sweeney, released a letter to all shareholders in relation to the EGM, attached.

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

For further information please contact:

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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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Letter from the Chairman

24 April 2024

Dear Shareholders,

I wish to advise you that John Larsen has resigned as Company Chairman and I have been appointed as Chairman during this transition period.

I am writing in response to the section 249D notice recently served on Sequoia, requesting the removal of one of the independent board members, Kevin Pattison, along with the CEO/MD Garry Crole, both of whom have, in my view, served the Group extremely well during their tenure of the last 5 years.

As Chairman, **I unreservedly will be voting against the notice and in favour of the retention of both Kevin and Garry in their current positions.** I would like to outline my reasons, and why I believe the current board and MD deserve your continuing support and why you should vote against the resolutions.

Sequoia's transformation since 2019

Sequoia's underlying business has been transformed since 2019 under the stewardship of the current Board and CEO, from a complex, loss making group of companies, to one that is now growing profitably year on year.

This financial year, we are forecast to achieve an EBITDA of between \$8.1 million to \$10 million off the back of revenue of approximately \$130 million - nearly treble our 2019 revenue.

NTA has also trebled during the period to 24 cents per share, while the Company's balance sheet is in excellent shape with approximately \$17 million of available cash, following last year's part divestment of 80% of Morrisons.

During the 5-year period, shareholders have been rewarded with a near trebling of the share price and regular dividends paid, amounting to 10 cents per share, including a 4 cents per share special dividend in Sept 2023 and an interim dividend of 2 cents per share in March 2024. All dividends have been fully franked. The Group has also bought back 5.5 million shares.

Last year's part divestment of Morrisons has allowed us considerable financial flexibility. We have funded earnings accretive acquisitions in the Professional Services Division, namely Castle Corp and Australian Business Structures, as well as the continuing growth in the core Licensees Services business. Both these Divisions will account for the bulk of this year's EBITDA.

The Licensees Services business deserves special mention, as it achieved top line revenue growth in the first half 2024 of over 50%, having experienced the largest organic increase in adviser numbers in Australia at a time when industry adviser numbers continue to shrink.

Outlook

We remain confident in the growth outlook for both Licensees Services and Professional Services. We will also continue to streamline the current operating business model for the Group, removing unnecessary costs. We will look to divest underperforming business units if they do not look likely to achieve our hurdles.



As stewards of your company, we intend to use its hard-won capital wisely, through a combination of fully franked dividends, earnings accretive acquisitions, and share buybacks, assessing the right balance to maximise shareholder returns as the opportunities arise.

If shareholders vote to retain both Garry Crole and Kevin Pattison's services, we will put in place a new contract that Garry has agreed to that will see him handover the CEO role, with an orderly succession process, no later than June 2026. The new contract will also have KPIs around improving shareholder communication and focusing on underperforming business units.

I am extremely confident that if you vote in favour of the current Board and MD and against the section 249D that you will continue to be well rewarded as shareholders as the company continues its growth trajectory.

Regards

Charles Sweeney

Chairman