



Announcement
3Q Holdings Limited
ABN 42 089 058 293

Shareholder announcement – Scheme of arrangement approved by the Federal Court and legally effective

- The Federal Court has approved the scheme of arrangement with Vela
 - The scheme of arrangement has become legally effective as of 10 November 2022
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Sydney – November 10, 2022: - 3Q Holdings Limited ACN 089 058 293 (**3Q**) refers to the scheme of arrangement announced on 18 March 2022 pursuant to which it is proposed that Vela Software Group Pty Ltd (**Vela**) will acquire 100% of the issued share capital of 3Q by way of an interdependent scheme of arrangement (**Scheme**) and share purchase agreement with 3Q's largest shareholder, Elabrook Pty Ltd (**Elabrook Sale**) (the Scheme and the Elabrook sale together being the **Proposed Transaction**) and the updated indicative timetable announced to shareholders on September 23, 2022.

Federal Court approves the scheme of arrangement

3Q is pleased to announce that the Federal Court of Australia made orders yesterday (**Court Orders**) approving the Scheme.

Scheme of arrangement becomes effective

3Q confirms that it has today lodged a copy of the Court Orders with the Australian Securities and Investments Commission. As a result, the Scheme has become legally effective. A copy of the Court Orders is attached to this announcement at Schedule 1.

Implementation of the Scheme

3Q shareholders other than Elabrook Pty Ltd (**Scheme Participants**) who hold 3Q shares (**Scheme Shares**) on the Record Date (which is currently expected to be 7:00pm AEDT on 17 November 2022) will be entitled to receive payment of the initial cash amount (being approximately \$0.1552 for each Scheme Share less, where applicable, any outstanding ESOP loan amount) (**Initial Cash Amount**). The Initial Cash Amount will be issued to Scheme Participants on the Implementation Date (which is currently expected to be on 24 November 2022). All Scheme Shares will be automatically transferred from Scheme Participants to Vela on the Implementation Date.

There will be a further payment of scheme consideration to Scheme Participants after the final determination of the adjustment tangible assets and liabilities. This second payment will comprise:

- the distributed ESOP loan amount (being approximately \$0.002 for each Scheme Share);

- for current employee Scheme Participants only, the implementation loan amount (being equivalent to any ESOP loan amount that was deducted from their Initial Cash Amount); and
- if applicable, any holdback amount and excess amount,

less, for non-current employee Scheme Participants only, any outstanding ESOP loan amount.

The further payment of scheme consideration is expected to occur no earlier than 9 February 2023.

Indicative timing

The remaining key events and expected timing related to approval and implementation of the Proposed Transaction are summarised in the table below (noting that it remains subject to change).

Date	Event
17 November 2022	Record Date
24 November 2022	Implementation Date

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About 3Q Holdings

3Q Holdings originally acquired 100% of Island Pacific Australia Pty Limited, a software company that provides software applications to the retail industry in Australia and New Zealand – with both point of sale (POS) and head office solutions into a wide range of retail clients operating in the fashion, electronics, furniture, general merchandise and discount variety industries.

In March 2006 the company acquired the San Diego based Applied Retail Solutions business (ARS), now known as Island Pacific SmartStore. Island Pacific SmartStore has been providing software and services to mid-sized and large retailers in the United States since 1987. It provides a Post to Host

solution in market segments such as apparel, footwear, entertainment, discount and variety, giving 3Q an excellent entry into the US retail software and services market.

New Zealand based AdvanceRetail Technology was acquired by 3Q in March 2007, and is a leading retail solutions provider with offices in Auckland, Sydney, Brisbane and Malaysia, and representation in China and Singapore – giving it a high quality customer base in Australia, New Zealand and Asia. The company has a range of strategic alliances through which the Company takes its products and services to market.

In December 2007 the company acquired Island Pacific, which provides access to market leading retail merchandising, store operations, CRM, and multi-channel software solutions internationally. With offices in the United States and the United Kingdom, 3Q not only has better access to those markets, but has the advantage of a springboard into the broader European markets. Island Pacific was founded in 1978 and has developed a reputation for delivering high-quality, high-reliability software to the retail industry. The company is headquartered in Irvine, California.

In May 2013 the company acquired UK based Intelligent Retail, Founded in 2004, Intelligent Retail was the first company in the UK to design a multichannel retail solution specifically around the needs of independent retailers - encompassing in-store PoS systems, eCommerce, mail order, telephone orders, as well as online marketplaces. The company's award-winning "Connect" software is used today by around 600 customers throughout the UK and Ireland providing retailers with both a comprehensive in-store solution as well as an online "Connect eCommerce" webstore.



Schedule 1 – Court orders



Federal Court of Australia

District Registry: New South Wales

Division: General

No: NSD274/2022

IN THE MATTER OF 3Q HOLDINGS LIMITED (ACN 089 058 293)

3Q HOLDINGS LIMITED (ACN 089 058 293)

Plaintiff

ORDER

JUDGE: JUSTICE CHEESEMAN

DATE OF ORDER: 09 November 2022

WHERE MADE: Sydney

THE COURT NOTES THAT:

1. There has been produced to the Court a statement in writing by the Australian Securities and Investments Commission (**ASIC**) in accordance with s 411(17)(b) of the *Corporations Act 2001* (Cth) stating that ASIC has no objection to the Scheme of Arrangement between the plaintiff and its shareholders (excluding Elabrook Pty Limited), which was agreed to at the Scheme Meetings held on 4 November 2022.

THE COURT ORDERS THAT:

2. Pursuant to s 411(4)(b) of the Act the Scheme of Arrangement made between the plaintiff and its shareholders (excluding Elabrook Pty Limited) be approved in the form of Annexure D of the Scheme Booklet which was tendered and marked Exhibit 1 at the first court hearing on 13 October 2022.
3. The plaintiff lodge with ASIC a copy of the approved Scheme of Arrangement at the time of lodging a copy of these orders.
4. Pursuant to section 411(12) of the Act, the plaintiff be exempted from compliance with the requirement of section 411(11) of the Act.
5. These orders be entered forthwith.



Date that entry is stamped: 09 November 2022

Sia Lagos
Registrar