



# **SPACE2 S.p.A.**

## **Interim financial report as at 30 June 2015**

Via Mauro Macchi 27  
20124 Milan, Italy  
Company capital €50,000  
Tax code and VAT no.: 09105940960



## MANAGEMENT AND CONTROL BODIES

### BOARD OF DIRECTORS

Chairman	Gianni Mion
Directors	Roberto Italia
	Carlo Pagliani
	Edoardo Subert

### BOARD OF STATUTORY AUDITORS

Chairman	Pier Luca Mazza
Standing Auditors	Marco Giuliani
	Virginia Marini
Additional Auditors	Simona Valsecchi
	Fabio Massimo Micaludi

### AUDITING FIRM

KPMG S.p.A.

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## INTERIM REPORT ON OPERATIONS

### **Activities and strategy**

This Interim financial report for the period ended 30 June 2015 presents a general description of the financial situation and economic trend of SPACE2 S.p.A. in the reference period.

Space2 S.p.A. (“Space2” or the “Company”) was set up on 28 May 2015; it has its registered office in Milan and has been registered in the Milan Company Registry since 3 June 2015.

Space2 is the second SPAC promoted by Space Holding S.r.l. after the success achieved with Space S.p.A.

It is an Italian Special Purpose Acquisition Company (SPAC) set up in the form of a SIV (special investment vehicle) with the view to collect capital, through the placement of ordinary treasury shares and their quotation on the Market for Investment Vehicles (MIV), a professional segment organised and managed by Borsa Italiana SpA. Such capital is intended to be used in the acquisition of a significant shareholding in a company, enterprise, firm or business branch, by means of any method, including aggregation by conferral or merger, in combination with the acquisition or subscription of shareholdings (the “Business Combination”).

The SPAC has a given time limit for the completion of the Business Combination, on expiry of which the entity is liquidated if the transaction is not closed.

The Business Combination transaction has to be submitted to the shareholders' meeting for approval. Any SPAC investor who disagree with the transaction may withdraw, in which case his capital will be reimbursed. If the number of shareholders not agreeing with the transaction should exceed a predetermined threshold, the Business Combination transaction will not be completed.

The objective of Space2 is therefore to identify a company which is an example of excellence in Italian industry which is interested in opening its capital to institutional investors by having its shares listed on a regulated market.

The Company has not identified any exclusive sectors of interest with respect to the operations of the Target on an “a priori” basis, although it does intend to focus its search for investment opportunities on those sectors in which Italian industry typically excels, such as luxury goods, clothing, furnishing and decor, design, and the food, biomedical and advanced mechanical engineering industries.

The above list of sectors is provided merely by means of example. However, certain sectors and types of companies are excluded from the outset, including raw materials and real estate companies, banking organisations and weapons manufacturers. Also, Space2 does not intend to invest in companies operating in sectors or by means that are contrary to generally recognised ethical standards.

The Italian company structure of Space2 enables the entity to carry out business combination transactions, and therefore the quotation of the target company on the market, by means of simplified technical methods, more rapidly and with reduced uncertainty with respect to the case of a standard IPO process.

On 22 June 2015, the Company presented an application for the admission of its ordinary shares and warrants on the MIV. At the same time, it presented an application to Consob for the authorisation to publish the information prospectus about the admission of its ordinary shares and warrants to the market under the terms of article 113 of legislative decree no. 58 of 24 February 1998 and article 52 of the Consob regulations adopted by means of resolution no. 11971 of 14 May 1999.

On 15 July 2015, following Borsa Italiana S.p.A. resolution of 13 July 2015, Consob issued the authorisation to publish the information prospectus for the admission of the investment vehicles to market listing on the professional segment of the stock market organised and managed by Borsa Italiana S.p.A.

On 16 July 2015, with a view to the admission and listing, the Company set up an institutional placement reserved solely for qualified Italian and foreign institutional investors. This regards ordinary shares in quantities ranging from a minimum of 18,000,000 to a maximum of 25,000,000, which can be further increased up to a maximum of 30,000,000 ordinary shares, with which 15,000,000 market warrants are combined, following a ratio of 2 market warrants for every 4 ordinary shares.

The subscription price is set at € 10.00 per share. Consequently, the value of the institutional placement ranges from a minimum of € 180,000,000 to a maximum of € 250,000,000, with the possibility of a further increase up to € 300,000,000.

The market warrants will be combined with the ordinary shares as follows:

- one of the 2 market warrants will be issued for every 4 ordinary shares subscribed, and they will begin to be traded on the MIV separately from the ordinary shares as at the starting date of trading;
- the second market warrant, to be allocated for every 4 ordinary shares, will circulate along with the ordinary shares until the date of effectiveness of the so-called "significant transaction", date since when it will be issued and traded separately from the ordinary shares.

The placement ended on 28 July 2015, as it will be explained later.

As mentioned above, the sole shareholder of the Company at the present time is Space Holding S.r.l. (the Sponsor), which set it up by underwriting 5,000 ordinary shares with no nominal value, issued with an implicit par value of € 10.00 each, thus making for a total value of € 50,000.

The Sponsor also intends to make a further investment to a maximum value of € 7,950,000, in exchange for the issue of special shares, which will be converted automatically into ordinary shares in batches, the first of which will proceed on the date of effectiveness of the significant transaction. These special shares will be combined with

a maximum of 1,590,000 sponsor warrants, following a ratio of 2 per share. The sponsor warrants are combined with the 5,000 special shares created by the conversion of the 5,000 ordinary shares currently available, again in the ratio of 2 for every 4 special shares. The total number of sponsor warrants will therefore be 1,600,000.

The capital raised by Space2 will be used within a period of twenty four months to proceed with the significant transaction. It is expected that 98.5% of the proceeds from the offer (the Sums tied up) will be deposited in one or more holding accounts made out to the company which will essentially be used, upon authorisation by the shareholders' meeting, to carry out the significant transaction or, if this is not completed within the Company duration, to pay off the liquidation value to the shareholders.

The usable sums represent the resources available to the management in order to finance not only the running costs of the Company (the general and administrative expenses) but also the operations inherent to the purpose of the Company, such as the costs of search, selection and due diligence on the potential Target and the execution of the significant transaction.

Under the terms of article 16 of the Bylaws, the Company financial years end on 31 December of each year.

Under the terms of article 4 of the Bylaws, the duration of the Company ends on 31 December 2018, but may be extended by means of a resolution to be passed by the shareholders' meeting.

The interim financial report of the Company for the period ended 30 June 2015 was approved by the Board of Directors on 28 July 2015, and shows a loss for the period of € 9,298. As at 30 June 2015, Space2 has liquidity for € 49,999.

## **Operating trend from the date of incorporation to 30 June 2015**

### **Reference framework**

During the period of reference, the management team of Space2 mainly focused on the definition of the organisational structure and the process of admitting the ordinary shares and market warrants to trading on the Investment Vehicles (MIV) market.

During the reference period, the Company sustained an operating loss of € 9,298, which is equal to the total loss.

The shareholders' equity of the Company as at 30 June 2015 is € 36,910. The Company liquidity as at 30 June 2015 is € 49,999.

As the company was incorporated on 28 May 2015, there is no period of comparison with the reference period for neither the income figures nor the assets and liabilities.

## Economic and financial trend

The Company's reclassified income statement is as follows:

<i>in Euros</i>	From 28 May 2015 to 30 June 2015
Net revenue	-
Operating costs	9,298
<b>Added Value</b>	<b>(9,298)</b>
Cost of labour	-
<b>EBITDA</b>	<b>(9,298)</b>
Depreciation and amortisation	-
<b>EBIT</b>	<b>(9,298)</b>
Miscellaneous income	-
Financial income and charges	-
<b>Operating income</b>	<b>(9,298)</b>
Net extraordinary items	-
<b>Pre-tax income</b>	<b>(9,298)</b>
Income tax	-
<b>Net income/loss</b>	<b>(9,298)</b>

The EBIT from the reclassified income statement is essentially determined by the operating costs sustained for the running of the normal business of the Company from its date of incorporation until 30 June 2015.

## Financial performance trend

The Company's reclassified balance sheet is as follows:

<i>(In Euros)</i>	As at 30 June 2015
<i>Other receivables</i>	279,297
<i>Trade payables and other payables</i>	(292,386)
<i>Other current assets / (liabilities)</i>	-
Total net current assets / (liabilities) (A)	(13,089)
Fixed assets and other long-term assets (B)	-
Long-term liabilities (C)	-
<b>Total net assets / (liabilities) (A+B+C)</b>	<b>(13,089)</b>
<i>Cash on hand and equivalent liquid assets</i>	49,999
<i>Other current liabilities</i>	-
<i>Other current financial assets</i>	-
<i>Fair Value for Sell Option</i>	-
Net positive financial position (D)	49,999



Shareholders' equity (E)	(36,910)
<b>Total shareholders' equity and net positive financial position (D+E)</b>	<b>13,089</b>

## Other information

### Net financial position

The total liquidity held in the current accounts is € 49,999, corresponding to the net financial position.

<i>in Euro</i>		As at 30 May 2015
A	Cash on hand	
B	Other liquid assets	49,999
C	Other current financial assets	-
<b>D</b>	<b>Liquidity (A+B+C)</b>	<b>49,999</b>
<b>E</b>	<b>Current financial receivables</b>	<b>-</b>
F	Current bank payables	-
G	Current portion of the non-current indebtedness	-
H	Other current financial payables	-
<b>I</b>	<b>Current financial indebtedness</b>	<b>-</b>
<b>J</b>	<b>Net positive current financial position</b>	<b>49,999</b>
K	Non-current bank payables	-
L	Bonds issued	-
M	Other non-current liabilities	-
<b>N</b>	<b>Non-current financial indebtedness</b>	<b>-</b>
<b>O</b>	<b>Net positive financial position</b>	<b>49,999</b>

## Significant events and transactions occurred during the reference period

During the reference period, the Company has mainly focused on the definition of its organisational structure and the process of admitting the ordinary shares and market warrants to trading on the Investment Vehicles market.

As mentioned above, on 22 June 2015 the Company presented an application to have its ordinary shares and warrants listed on the MIV. At the same time, it presented an application to Consob for the authorisation to publish the information prospectus about the admission of its ordinary shares and warrants to the market under the terms of article 113 of legislative decree no. 58 of 24 February 1998 and article 52 of the Consob regulations adopted by means of resolution no. 11971 of 14 May 1999.

## Significant events occurred after 30 June 2015

No events have occurred after the date of reference of the interim financial report which, if they had been known previously, would have required an adjustment to the values included in the interim financial report at 30 June 2015 or the addition of further disclosure to this report on operations.

As mentioned above, on 15 July 2015, following the application for the listing of its ordinary shares and warrants on the Investment Vehicles market and the passing of the Borsa Italiana S.p.A. resolution of 14 July 2015, Consob issued the authorisation to publish the information prospectus for the admission of the investment vehicles to listing on the professional segment of the market organised and managed by Borsa Italiana S.p.A.

On 16 July 2015, with a view to the admission and listing, the Company set up an institutional placement reserved solely for qualified Italian and foreign institutional investors. This regards ordinary shares in quantities ranging from a minimum of 18,000,000 to a maximum of 25,000,000, which can be further increased up to a maximum of 30,000,000 ordinary shares, with which 15,000,000 market warrants are combined, in a ratio of 2 market warrants for every 4 ordinary shares.

The placement has ended on 28 July 2015 with the decision of the Board of Directors to exercise the option to increase the placement up to € 300,000,000.

## SHORT-FORM INTERIM FINANCIAL STATEMENTS

### FINANCIAL STATEMENTS

#### Summary statement of financial position

<i>in Euros</i>	Notes	As at 30 June 2015	of which with related parties
<b><u>ASSETS</u></b>			
<b>Current assets</b>			
Cash and cash equivalent	1	49,999	-
Other receivables	2	279,297	-
<b>Total current assets</b>		<b>329,296</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>329,296</b>	<b>-</b>
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>			
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables	3	292,386	-
<b>Total current liabilities</b>		<b>292,386</b>	<b>-</b>
Share capital	4	50,000	-
Share premium reserve	4	(3,792)	-
Profit / (loss) for the period	4	(9,298)	-
<b>Shareholders' equity</b>		<b>36,910</b>	<b>-</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>329,296</b>	<b>-</b>

## Summary statement of the profit / (loss) for the period

<i>in Euros</i>	Notes	From 28 May 2015 to 30 June 2015	of which with related parties
Revenues		-	-
Other net operating costs	5	9,298	-
<b>EBIT</b>		<b>(9,298)</b>	<b>-</b>
Financial income		-	-
Financial charges		-	-
<b>Pre-tax profit (loss)</b>		<b>(9,298)</b>	<b>-</b>
Income tax		-	-
<b>Profit (loss) for the period</b>		<b>(9,298)</b>	<b>-</b>
<b>Base loss per share</b>	<b>6</b>	<b>(1.86)</b>	
<b>Diluted loss per share</b>	<b>6</b>	<b>(1.86)</b>	

## Summary statement of the profit / (loss) for the period and of the other components of the comprehensive income

<i>in Euros</i>	From 28 May 2015 to 30 June 2015
<b>Profit (loss) for the period</b>	<b>(9,298)</b>
Components of the comprehensive income which will not be subsequently classified in the income statement	-
Components of the comprehensive income which will be subsequently classified in the income statement	-
<b>Total components of the comprehensive income statement</b>	<b>(9,298)</b>

## Summary statement of changes in Shareholders' Equity

	Share capital	Share premium reserve	Other reserves	Profit/(loss) carried forward	Profit/(loss) for the period	Total shareholders' equity
<b>Balance as at 28 May 2015</b>	-	-	-	-	-	-
Capital increase (incorporation)	50,000	-	-	-	-	50,000
Costs of capital increase	-	(3,792)	-	-	-	(3,792)
Profit/(loss) for the period	-	-	-	-	(9,298)	(9,298)
Other components of the comprehensive income statement	-	-	-	-	-	-
<i>Total profit / (loss), net of taxes</i>	-	-	-	-	(9,298)	(9,298)
<b>Balance as at 30 June 2015</b>	<b>50,000</b>	<b>(3,792)</b>	<b>-</b>	<b>-</b>	<b>(9,298)</b>	<b>36,910</b>

## Summary statement of cash flows

<i>in Euros</i>	From 28 May 2015 to 30 June 2015
<b><u>Operating activities</u></b>	
Pre-tax profit/(loss)	(9,298)
<i>Adjustments to reconcile the gross profit with the net cash flows:</i>	
- Costs of capital increase	(3,792)
<i>Changes in circulating capital:</i>	
- Increase in trade payables and other short-term payables	292,386
- Increase in trade receivables and other short-term receivables	(279,297)
<b>Net cash flows from operating activities</b>	<b>(1)</b>
<b><u>Investment activities</u></b>	
Savings bonds	-
Other intangible assets	-
Other current financial assets	-
<b>Net cash flows /(uses) from investment activities</b>	<b>-</b>
<b><u>Financing activities</u></b>	
Capital increase	50,000
Cancellation of current financial assets	-
Other non-current financial assets	-
<b>Net cash flows /(uses) from financing activities</b>	<b>50,000</b>
-	
<b><i>Net (reduction)/increase of cash and cash equivalents and short-term deposits</i></b>	<b><i>49,999</i></b>
Cash and cash equivalents and deposits at the start of the period	-
<b><u>Cash and cash equivalents and deposits at the end of the period*</u></b>	<b><u>49,999</u></b>
<b><u>Additional information</u></b>	
- Interest received	-
- Interest paid	-
- Income tax paid	-

## **SPECIFIC EXPLANATORY NOTES**

SPACE2 S.p.A. (“Space2” or the “Company”) is a company set up under Italian law with registered office at Via Mauro Macchi 27, Milan.

As explained in the interim report on operations, the Company has no previous operating history and from its incorporation on 28 May 2015 until the date of these short form interim financial statements, it has mainly focused on the definition of its organisational structure and on the process of admitting the ordinary shares and market warrants to trading on the Investment Vehicles (MIV) market.

The interim financial report for the period ending 30 June 2015 is the first report of the Company, for which reason no comparative figures are provided. It was approved by the Board of Directors on 28 July 2015 and shows a loss for the period of € 9,298.

## **ACCOUNTING STANDARDS**

### **General standards**

The Space2 short-form interim financial statements for the period ending 30 June 2015 are drawn up in accordance with the terms of article 154-*ter* of the Finance Act (TUF) and subsequent amendments and additions, and in line with international accounting standard IAS 34, as applicable to the interim financial disclosure.

They are drawn up in accordance with the measures adopted by CONSOB on financial statement layouts pursuant to article 9 of legislative decree 38/2005 and the other CONSOB regulations and provisions on financial statements.

These financial statements are drawn up on the basis of the cost principle, with the exception of the items which need to be presented at fair value under the terms of the IFRS and its figures are in Euros, without decimals. Unless otherwise specified, the figures set out in the explanatory notes are in Euros.

The financial statements are presented clearly and provide a truthful and accurate description of the financial position, operating results and cash flows of the Company.

As set out in the report on operations, the Company duration is set until 31 December 2018.

### **Structure, form and content of the short-form interim financial statements**

The Company has taken the following decisions with respect to the form and content of its financial statements:

- the statement of financial position classifies current and non-current assets and current and non-current liabilities separately;
- the statement of profit or loss classifies costs and revenues by nature;
- the summary statement of cash flows has been prepared using the indirect method.

As specified above, the classifications used are those which best represent the economic and financial situation of the Company.

The Company has also opted to present the comprehensive income statement separately from the income statement. In addition to the profit/loss for the period, this also includes the shareholders' equity linked to items of economic nature which are presented among the components of the comprehensive income statement as explicitly required by an IFRS provision. There are no items in this statement for the reference period.

### **Estimates and assumptions**

To draw up the short-form interim financial statements for the Company, the directors have to come up with a number of valuations, estimates and assumptions at their own discretion, which influence the values of revenues, costs, assets and liabilities and the information related thereto. The uncertainty over these estimates and assumptions could lead to outcomes which will require a significant future adjustment of the accounting value of the assets and/or liabilities concerned.

The Company has based its estimates and assumptions on parameters which were available at the time of drafting the financial statements. However, the current circumstances and future developments could undergo variations due to changes on the market and events outside the control of the Company.

### **Accounting standards and valuation criteria**

The main valuation criteria and the most significant accounting policies adopted for the preparation of the present financial statements are described in the following points.

#### ***Current/non-current classification***

The assets and liabilities of the Company are classified in accordance with the current/non-current criterion. An asset is current when:

- it is presumed to be realised, or is held for sale or consumption, in the normal process of the operating cycle;
- it is mainly held for trading purposes;
- it is expected to be realised within twelve months of the period end;
- it consists of cash or cash equivalents, unless it is prohibited to exchange or use it to cancel a liability for at least twelve months from the period end.

All the other assets are classified as non-current.

A liability is current when:

- it is expected to be extinguished within its normal operating cycle;
- it is mainly held for purposes of trading;
- it has to be extinguished within twelve months of the period end;
- the entity has no unconditional right to defer the settlement of the liability for at least twelve months following the period end.

The Company classifies all the other liabilities as non-current.



### ***Trade receivables and other receivables***

The trade receivables and other receivables are initially entered in the accounts at fair value and are subsequently valued at their amortised cost, using the effective interest method. The trade receivables and other receivables are reduced, where applicable, by an appropriate devaluation to reflect the estimate of their value losses.

### ***Cash and cash equivalents***

The cash and cash equivalents item includes cash, bank and postal current accounts, deposits refundable on demand and other highly liquid short-term financial investments, whose maturity is in any case less than or equal to three months from the acquisition date, promptly convertible into cash and valued at their nominal value, as they are not subject to a significant risk of value loss.

For the purpose of the statement of cash flows, the definition of cash and cash equivalents coincides with that of the statement of financial position.

### ***Shareholders' equity***

#### *Share capital*

The share capital consists of ordinary and special shares which are classified in the shareholders' equity.

#### *Costs of capital transactions*

The costs directly attributable to transactions on the capital are entered as a reduction in the shareholders' equity.

### ***Trade payables and other payables***

The trade payables and other payables are initially entered in the accounts at fair value, normally equivalent to nominal value, net of discounts, returns or billing adjustments, and are subsequently valued at their amortised cost, if the financial effect of the payment deferral is significant.

### ***Recognition of revenues and costs***

Revenues from sales and the purchase costs of goods are valued at the fair value of the payment received or due, taking into account the value of any returns, rebates, trade discounts and quantity premiums.

Revenues and costs deriving from services rendered are entered in the accounts on the basis of the state of progress of the service on the closing date of the period. The state of progress is determined on the basis of the valuations of the work carried out. If the services to be rendered in respect of a single contract take place over more than one

financial year, the price received is divided up between the single services on a fair value basis.

The costs sustained on behalf of third parties and charged back to these latter are entered as a reduction of the respective costs.

### ***Profit/(loss) per share***

The base profit/(loss) per share is calculated by dividing the profit/loss of the Company by the weighted average number of shares outstanding during the period. With a view of calculating the diluted profit/(loss) per share, the weighted average of the shares outstanding is modified by assuming that all the potential shares with dilutive effect are converted. The net profit/loss is also adjusted to take into account the effects of the conversion, net of taxes.

The diluted profit/(loss) per share is calculated by dividing the profit/loss of the Company by the weighted average number of ordinary shares outstanding during the financial year and the potential number of ordinary shares deriving from the conversion of all the potential ordinary shares with dilutive effect.

### **Operating segments**

For the purpose of IFRS 8, Operating Segments, it should be noted that no operating segments were identified, as the Company carried out no operating activities from the date of its incorporation up to 30 June 2015, and mainly focused on the definition of its organisational structure and the process of admitting the ordinary shares and market warrants to trading on the MIV.

### **New accounting standards and interpretations not yet applicable**

The table below sets out the main international accounting standards, interpretations, amendments to existing accounting standards and interpretations, and the specific provisions contained in the standards and interpretations approved by the IASB, with an indication of those ratified and not ratified by the European Union on the date of drafting of this interim financial report:

Description	Ratified on the date of this report	Scheduled date of effectiveness of the standard
IFRS 9 Financial Instruments	NO	1 January 2018
IFRS 14 Regulatory deferral accounts	NO	1 January 2016
IFRS 15 Revenue from contracts with customers	NO	1 January 2017
Amendments to IFRS 10, IFRS 12 and IAS 28: Applying the consolidation exception (issued on December 2014)	NO	1 January 2016
Amendments to IAS 1: Disclosure Initiative (issued on 18 December 2014)	NO	1 January 2016
Annual Improvements to IFRSs 2012–2014 Cycle (issued on September 2014)	NO	1 January 2016

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued September 2014)	NO	1 January 2016
Amendments to IAS 27: Equity Method in Separate Financial Statements (issued on August 2014)	NO	1 January 2016
Amendments to IAS 16 and IAS 41: Bearer Plants (issued on June 2014)	NO	1 January 2016
Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation (issued on May 2014)	NO	1 January 2016
Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (issued on May 2014)	NO	1 January 2016

The standards and amendments applicable as of 1 January 2015 have had no impact on the interim financial report of the Company in question, and no significant impact is expected when the accounting standards referred to above will be adopted.

## NOTES ON THE ASSET AND LIABILITY ITEMS

### Current assets

#### *1- Cash and cash equivalents*

The cash and cash equivalents item as at 30 June 2015 was as follows:

<i>in Euros</i>	<b>As at 30 June 2015</b>
Bank and postal deposits	49,999
Cash and other securities on hand	-
<b>Total cash and cash equivalents</b>	<b>49,999</b>

The balance represents the liquid assets, which consisted solely of bank deposits on the date of this interim financial report. As explained in deeper detail in the Statement of financial position, as no payments had been made on that date, the value corresponds to the funds deposited to set up the company by the sole shareholder SPACE Holding S.r.l., net of € 1 for stamp duty.

#### *2- Other receivables*

This item was € 279,297 on 30 June 2015.

<i>in Euros</i>	<b>As at 30 June 2015</b>
Others	279,297
<b>Total other receivables</b>	<b>279,297</b>

This item includes the charges suspended in the current assets in the balance sheet, which relate to advisory, administrative and legal services on the listing of ordinary shares and market warrants. When this process takes place, the Company will recognise these deferrals as a negative reserve for listing costs, and they will therefore have the effect of reducing the shareholders' equity.

### **3- Trade payables**

This item amounted to € 292,386 on 30 June 2015.

<i>in Euros</i>	<b>As at 30 June 2015</b>
Trade payables	292,386
<b>Total trade payables</b>	<b>292,386</b>

The trade payables essentially consist of the costs sustained for advisory and administrative services prior to the setting up of the Company and the quotation, while the remainder is made up of the costs of the normal running of the Company.

### **4- Shareholders' equity**

The movements which took place within this item in the course of the reference period is set out in the tables in these financial statements.

On 30 June 2015, the share capital totalled € 50,000, fully paid up, consisting of 5,000 ordinary shares with no nominal value and an implicit accounting par value of € 10.00 each.

The shareholders' equity was reduced by the capital increase costs sustained upon incorporation, as entered in a dedicated negative special reserve with a value of € 3,792, essentially consisting of notary's fees and registration taxes.

## **NOTES ON THE INCOME STATEMENT ITEMS**

### **5- Other operating costs**

The other operating costs item for the period ended 30 June 2015 essentially consists of the costs linked to the normal business of the Company from the date of its incorporation until the date of these interim financial statements, as set out in deeper detail in the table below:

<i>in Euros</i>	<b>From 28 May 2015 to 30 June 2015</b>
-----------------	---

Board of statutory auditors	3,807
Auditing of accounts	1,025
Fiduciary administration services	484
Financial communication	45
Administrative services	3,627
Other costs	311
<b>Total other net operating costs</b>	<b>9,298</b>

The administrative services item is essentially linked to the cost of accounting services.

### **6- Income tax**

For the purpose of preparing the interim financial statements at 30 June 2015, the Company has not recognized deferred tax assets since, at the date of preparation of such financial statements, no plans that highlight the presence of future profits are available. Such plans may be defined only on the construction of the Relevant Transaction.

### **7- Basic loss per share**

The basic loss per share, which is calculated by dividing the profit/loss for the period by the number of ordinary shares in circulation, is € 1.86.

The table below shows the calculation of the basic loss per share:

	<b>From 28 May 2015 to 30 June 2015</b>
Net loss ( <i>in Euros</i> )	(9,298)
Number of ordinary shares at the end of the period	5,000.0
Base loss per share ( <i>in Euros</i> )	(1.860)
Diluted loss per share ( <i>in Euros</i> )	(1.860)

On 30 June 2015, the effect of the exercise of the warrants and the conversion of the special shares is anti-dilutive. Consequently, the diluted loss per share is the same as the basic loss, as such anti-dilutive effects were not taken into consideration.

## **OTHER INFORMATION**

### **Risk management**

On 30 June 2015 and in the business reference period from the date of incorporation, there were no positions or transactions which exposed the Company to any significant credit, financial or liquidity risk.

### ***Information on transactions carried out with related parties***

The Company has entered into a service contract with SPACE Holding Srl concerning the consulting activities in the research and selection of the target with which to make the relevant operation under the Bylaws, and, once identified the target, concerning the analyses and assessments of the structure and the operating procedures of the potential relevant transaction and negotiation with the other party. Moreover, it is also included in the contract consulting concerning management of investors' relations and relations with the media, and concerning other consulting activities in order to support the ordinary operating activities of Space2.

As at June 30, 2015 the Company has not made use of this service and therefore it has not had any impact on the income statement..

### ***Positions or transactions deriving from anomalous and/or unusual operations***

Pursuant to the terms of Consob notification DEM/6064293 of 28 July 2006, no anomalous and/or unusual operations - as defined in that notification - were carried out from the period following the date of incorporation to 30 June 2015.

### ***Non-recurring significant events and operations***

In the period from the date of incorporation to 30 June 2015, no non-recurring events, as defined in Consob resolution no. 15519 and notification DEM/6064293, took place.

### ***Fees paid to the members of the Board of Directors and managers with strategic responsibilities***

No payments were made to the members of the Board of Directors and managers with strategic responsibilities from the date of incorporation to the date of these short-form interim financial statements.

### **Fees paid to the members of the Board of Statutory Auditors**

The Company reached an agreement with the Board of Statutory Auditors to reduce the total annual fees by 50% with respect to the amount resulting from the application of the parameters laid down in ministerial decree 140/2012, as a consequence of which the annual fees are € 39,300.

No additional payments are payable to the Board of Statutory Auditors if they should step down from office before the normal expiration of their mandate, and no non-pecuniary benefits are due.

Consequently, the fees payable to the Board of Statutory Auditors from the date of incorporation of the Company until 30 June 2015 amount to € 3,807.

### **Authorisation to publish the interim financial report**

The publication of this document was authorised by the Board of Directors during its meeting of 28 July 2015.



**KPMG S.p.A.**  
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**(Translation from the Italian original which remains the definitive version)**

## **Report on review of condensed interim financial statements**

To the shareholders of  
Space2 S.p.A.

### **Introduction**

We have reviewed the accompanying condensed interim financial statements of Space2 S.p.A., comprising the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes thereto, as at and for the period from 28 May 2015, date of incorporation, to 30 June 2015. The company's directors are responsible for the preparation of these condensed interim financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim separate financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing as adopted in Italy (Italian-ISA) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim financial statements.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial statements of Space2 S.p.A. as at and for the period ended 30 June 2015 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Milan, 29 July 2015

KPMG S.p.A.

(signed on the original)

Paola Maiorana  
Director of Audit