



(Translation from the Italian original which remains the definitive version)

SPACE2 S.p.A.

2015 Third Quarter Report

Via Mauro Macchi, 27
20124 Milan, Italy
Share capital: Euro 30,845,000
Tax and VAT No.: 09105940960

CORPORATE BOARDS

BOARD OF DIRECTORS

Chairman	Gianni Mion
Directors	Roberto Italia
	Carlo Pagliani
	Edoardo Carlo Maria Subert
	Francesca Prandstraller
	Margherita Zambon
	Alberto Amodio Tazartes

CONTROL AND RISKS COMMITTEE

Chairman	Francesca Prandstraller
Independent Directors	Alberto Amodio Tazartes
	Margherita Zambon

BOARD OF STATUTORY AUDITORS

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

INDEPENDENT AUDIT FIRM

KPMG S.p.A.

Contents

2015 THIRD QUARTER REPORT	5
Operations and strategy	5
Operating performance since incorporation until September 30, 2015	6
Operational overview	6
Key Financial Highlights	7
Balance sheet	7
Significant events	8
Subsequent events to September 30, 2015	8
CONDENSED INTERIM FINANCIAL STATEMENTS	9
FINANCIAL STATEMENTS	9
Condensed balance sheet.....	9
Condensed income statement.....	10
Condensed Statement of Comprehensive Income	10
Statement of Changes in Equity	11
Condensed Statement of Cash Flow	12
SELECTED EXPLANATORY NOTES	13
Form, content and other information	13
Declaration of the Executive Officer	21

2015 THIRD QUARTER REPORT

Operations and strategy

The Third Quarter Report was approved by the Board of Directors on November 9, 2015 and provides a general outline of the financial position and operating performance of SPACE2 S.p.A. (hereafter “Space2” or the “Company”) for the period.

Space2 S.p.A. was incorporated on May 28, 2015 and is the second Italian registered Special Purpose Acquisition Company (SPAC) to be established as an SIV (Special Investment Company) in accordance with the Borsa Italiana regulation, whose shares were listed on the Professional Segment of the Investment Vehicles Market (M.I.V.) organised and managed by Borsa Italiana S.p.A..

Space2 listed on July 28, 2015, with trading from July 31 following the placement with qualified Italian investors and international institutional investors of 30 million ordinary shares at a set price of Euro 10 per share, for a total of Euro 300 million (the “Offer”).

The ordinary shares placed are granted free market warrants in the ratio of 2 market warrants for every 4 ordinary shares subscribed. Against the subscription of 30 million ordinary shares, 15 million market warrants were therefore granted, of which 7.5 million issued contemporaneously with the ordinary shares, while 7.5 million will be issued and begin trading on completion of the “Significant Transaction” i.e. the acquisition of a company, entity, business or business unit (the “Target”) by any means - including business combinations on the basis of contribution or merger, also combined with the subscription of equity investments.

In addition, Space Holding S.r.l., the sponsor company of Space2, subscribed 795,000 special shares, not to be listed, at a set price of Euro 10 per share for a total of Euro 7.95 million, increasing the total number of special shares to 800,000 (subsequent to the conversion into special shares of the 5,000 ordinary shares subscribed on incorporation), which are granted sponsor warrants in the ratio of 4 sponsor warrants for every 2 special shares, for a total of 1,600,000 sponsor warrants held by Space Holding S.r.l..

The capital raised by Space2 will be deployed within twenty four months from the initial trading of the ordinary shares on the M.I.V. for the completion of the Significant Transaction. Where this operation is not completed within the established duration of the company, it will be wound up and placed into liquidation. However, on conclusion of the Significant Transaction, the shares of the resultant company will be listed on the Stock Exchange. In accordance with the investment policy, approved by the Shareholders’ Meeting of June 17, 2015, the objective of Space2 is to identify a non-listed Target company with high growth potential, representative of Italian industrial excellence and interested in opening up its ownership to institutional investors through listing on a regulated market.

As described in greater detail in the Prospectus, the company has opened five escrow accounts with leading domestic banks, held by the escrow agent SPAFID S.p.A. and in which 98.5% of the total proceeds from the Offer have been deposited, comprising the “Restricted Amounts”, available, on authorisation by the Shareholders’ Meeting, essentially for the execution of the Significant Transaction or, where such is not completed within the established duration of the company, for the liquidation of shareholders.

The unrestricted sums are available to management to finance - in addition to the listing and operating expenses of the company (i.e. general and administrative expenses) - the pursuit of the company mission, such as research, selection and due diligence expenses for potential Targets and in execution of the Significant Transaction.

Operating performance since incorporation until September 30, 2015

Operational overview

The operations of Space2 in the period mainly focused on the development of the organisational structure and the listing of ordinary shares and market warrants on the Investment Vehicles Market (M.I.V.).

On listing, Space2 began the research and selection of Target companies according to the investment policy guidelines approved by the Shareholders’ Meeting of June 17, 2015.

As a SPAC the company did not generate operating revenue in the period, reporting therefore an operating loss of Euro 342,735. The comprehensive net profit in the period of Euro 11,285 substantially relates to financing activities (deposit accounts and savings bonds).

The equity of the Company at September 30, 2015 was Euro 305,099,126. The Company’s liquidity at September 30, 2015 was Euro 305,017,919.

As the Company was incorporated on May 28, 2015, no comparable income statement or balance sheet is available.

Key Financial Highlights

The reclassified income statement is reported below:

<i>in Euro</i>	May 28, 2015 – September 30, 2015
Net revenue	-
External costs	(333,519)
Value added	(333,519)
Personnel costs	(9,216)
EBITDA	(342,735)
Amortisation, depreciation & write-downs	-
EBIT	(342,735)
Other income	-
Financial income and charges	354,020
Ordinary profit	11,285
Net extraordinary items	-
Pre-tax profit	11,285
Income taxes	-
Net Profit	11,285

EBIT essentially comprises costs incurred during the period, also relating to the Offer process which concluded in July 2015. Net financial income in the period to September 30, 2015 includes income from the fair value adjustment of Savings Bonds and interest on liquidity.

Balance sheet

The reclassified balance sheet is reported below:

<i>(in Euro)</i>	At September 30, 2015
<i>Other receivables</i>	382,167
<i>Trade and other payables</i>	(300,960)
<i>Other current assets/ (liabilities)</i>	-
Total net current assets/ (liabilities) (A)	81,207
Fixed assets and other long-term assets (B)	-
Long-term liabilities (C)	-
Total net assets / (liabilities) (A+B+C)	81,207
<i>Cash and cash equivalents</i>	121,301,201
<i>Other current liabilities</i>	-
<i>Other current financial assets</i>	183,716,718
Net cash position (D)	305,017,919
Equity (E)	(305,099,126)
Equity & net cash position (D+E)	(81,207)

Significant events

The Company in the period mainly focused on the development of the organisational structure and the listing of ordinary shares and market warrants on the Investment Vehicles Market. Space2 was admitted to trading on a regulated market on July 31 and subsequently focused on the research and selection of the Target company, in accordance with the company mission and investment policy guidelines approved by the Shareholders' Meeting of June 17, 2015.

The Space2 S.p.A. share, listed on the Professional Segment of the M.I.V. market of the Italian Stock Exchange, began trading at Euro 10.00 on July 31, 2015, gaining value during the quarter to reach a maximum of Euro 10.08 per share and closing at Euro 9.98 on September 30, 2015.

Subsequent events to September 30, 2015

No events subsequent to period-end were noted which could have impacted the amounts reported or require further disclosure.

CONDENSED INTERIM FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

Condensed balance sheet

<i>in Euro</i>	Note	At September 30, 2015	of which related parties
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	1	121,301,201	-
Other current financial assets	2	183,716,718	-
Other receivables	3	382,167	-
Total current assets		305,400,086	-
TOTAL ASSETS		305,400,086	-
<u>LIABILITIES AND EQUITY</u>			
LIABILITIES			
Current liabilities			
Trade payables	4	220,322	-
Other payables	5	80,638	-
Total current liabilities		300,960	-
Share capital	6	30,845,000	-
Share premium reserve	6	277,155,000	-
Other reserves	6	(2,912,159)	-
Retained earnings	6	-	-
Net profit for the period	6	11,285	-
Equity		305,099,126	-
TOTAL LIABILITIES AND EQUITY		305,400,086	-

Condensed income statement

<i>in Euro</i>	Note	May 28, 2015 – September 30, 2015	of which related parties
Revenue	8	-	-
Other revenue	8	-	-
Consumable materials	9	(300)	-
Personnel costs	10	(9,216)	-
Other net operating costs	11	(333,219)	-
EBIT		(342,735)	-
Financial income	12	354,020	-
Pre-tax profit		11,285	-
Income taxes	13	-	-
Net profit for the period		11,285	-
Basic earnings per share	14	0.001	
Diluted earnings per share	14	0.001	

Condensed Statement of Comprehensive Income

<i>in Euro</i>	May 28, 2015 – September 30, 2015
Net profit for the period	11,285
Other comprehensive income statement items not subsequently reclassified to profit and loss	-
Other comprehensive income statement items subsequently reclassified to profit and loss	-
Total Comprehensive Income	11,285

Statement of Changes in Equity

	Share capital	Share premium reserve	Other Reserves	Retained earnings	Net profit for the period	Total Equity
Balance at May 28, 2015	-	-	-	-	-	-
Share capital increase by Space Holding Srl of May 28, 2015 (on incorporation), against ordinary shares	50,000	-	-	-	-	50,000
Share capital increase from placement of ordinary shares on July 31, 2015	30,000,000	270,000,000	-	-	-	300,000,000
Share capital increase by Space Holding Srl of July 31, 2015, against special shares	795,000	7,155,000	-	-	-	7,950,000
Share capital increase costs	-	-	(2,912,159)	-	-	(2,912,159)
Net profit for the period	-	-	-	-	11,285	11,285
Other comprehensive income statement items	-	-	-	-	-	-
<i>Total comprehensive profit, net of taxes</i>	-	-	-	-	11,285	11,285
Balance at September 30, 2015	30,845,000	277,155,000	(2,912,159)	-	11,285	305,099,126

Condensed Statement of Cash Flow

Condensed statement of cash flow	
<i>in Euro</i>	May 28, 2015 – September 30, 2015
<u>Operating activities</u>	
Pre-tax profit	11,285
<i>Adjustments reconciling pre-tax profit with net cash flows:</i>	
- Share capital increase costs	(2,912,159)
<i>Changes in working capital:</i>	
- Increase in current trade and other payables	300,960
- Increase in current trade and other receivables	(382,167)
Net cash flow from operating activities	(2,982,081)
<u>Investing activities</u>	
Savings Bonds	(183,716,718)
Property, plant and equipment	-
Other intangible assets	-
Other current financial assets	-
Net cash flow from investing activities	(183,716,718)
<u>Financing activities</u>	
Share capital increase	30,845,000
Share premium reserve	277,155,000
Settlement current financial assets	-
Other non-current financial assets	-
Net cash flow from financing activities	308,000,000
-	-
<i>(Decrease)/increase in current cash and cash equivalents and deposits</i>	<i>121,301,201</i>
Cash and cash equivalents at beginning of the period	-
Cash and cash equivalents and deposits at end of period*	121,301,201

SELECTED EXPLANATORY NOTES

Form, content and other information

The 2015 Third Quarter Report of Space2 was drawn up in accordance with Article 154-ter of the Consolidated Finance Act (CFA), introduced by Legislative Degree 195/2007 and according to Consob Communication DEM/8041082 of April 30, 2008.

The financial statements were prepared as per IAS/IFRS issued by the International Accounting Standards Board and approved by the European Commission and the accounting policies adopted are unchanged from those used for the preparation of the 2015 Half-Year Report.

Such financial statements and accounting standards are in line with the 2015 Half-Year Report.

The Interim Report was not subject to audit by the independent audit firm.

NOTES TO THE BALANCE SHEET

Current assets

1- *Cash and cash equivalents*

Cash and cash equivalents at September 30, 2015 were as follows:

<i>in Euro</i>	At September 30, 2015
Bank and postal deposits	121,301,201
Cash on hand and similar	-
Total cash and cash equivalents	121,301,201

The account comprises unrestricted and escrow bank deposits at the reporting date. In particular, Euro 120,616,469 was deposited in escrow accounts managed by the escrow agent Spafid SpA and available, together with the Savings Bonds reported at point 2, for the execution of the Significant Transaction.

2- Other current financial assets

<i>in Euro</i>	At September 30, 2015
Savings Bonds	183,716,718
Total other current financial assets	183,716,718

The balance concerns the Offer proceeds, deposited at two current accounts and invested in Savings Bonds, releasable in advance subject to an interest rate reduction. Specifically, within the escrow current account, 70 Savings Bonds were subscribed at an annual rate of 0.83%, with maturity on August 4, 2017, for a total amount of Euro 175,000,000. The company in addition holds Savings Bonds in a current account registered in its own name, as follows: Euro 2,500,000 with maturity on August 7, 2017, at an annual yield of 0.78%; Euro 5,000,000, with maturity of August 3, 2017 at an annual yield of 0.83% and Euro 1,000,000 with maturity of January 4, 2016 at an annual yield of 0.55%.

These amounts may be utilised, following Shareholders' Meeting approval, for the execution of the Significant Transaction or, where such is not completed within the company's duration, to liquidate the shareholders.

In accordance with IAS 32, such Savings Bonds are valued at fair value for a total of Euro 216,718.

3- Other receivables

<i>in Euro</i>	At September 30, 2015
Tax agency and public administration	283,671
Other	98,496
Total other receivables	382,167

As highlighted above, the account principally concerns the tax receivable, broken down into the VAT receivable (Euro 262,918) and withholding taxes on bank interest (Euro 20,753).

Other receivables concern prepayments, principally for the consultancy provided by Space Holding Srl, as outlined in the Prospectus.

Current liabilities**4- Trade payables**

<i>in Euro</i>	At September 30, 2015
Trade payables	220,322
Total trade payables	220,322

The account at September 30, 2015 totalled Euro 220,322. Trade payables comprise both listing consultancy and administrative expenses and ordinary operating charges.

5- Other payables

<i>in Euro</i>	At September 30, 2015
Tax agency and public administration	65,847
Social security institutions	13,824
Due to directors	967
Total other payables	80,638

Other payables at September 30, 2015 amounted to Euro 80,638, principally comprising withholding taxes for services provided for the incorporation of the company and subsequent market listing.

6- Equity

<i>in Euro</i>	At September 30, 2015
Share Capital - Ordinary Shares	30,000,000
Share Capital - Special Shares	845,000
Share Capital – Total	30,845,000
Other reserves	274,242,841
Retained earnings	-
Net profit for the period	11,285
Total Equity	305,099,126

The change in the period is reported in these financial statements.

The Company at the incorporation date reported a share capital of Euro 50,000, comprising 5,000 ordinary shares (subsequently converted into special shares), without nominal value, issued at an implied par value of Euro 10.

Subsequent to initial trading, a share capital increase took place, through the subscription of 30,000,000 ordinary shares and 795,000 special shares, both at a unitary value of Euro 10, recognised as Euro 1 as the implied par value and Euro 9 as share premium. Therefore at the reporting date, the share premium reserve totalled Euro 277,155,000 and the share capital Euro 30,845,000.

In addition, the equity was reduced by incorporation costs and Borsa Italiana listing service charges, recognised to a specific reserve for a negative Euro 2,912,159.

The equity incorporates the value of the Market Warrants issued by Space2 together with the ordinary shares and freely allocated, as considered equity instruments as per IAS 32, permitting the undertaking of conversion shares at the pre-set exercise price of Euro 0.10, according to an established ratio related to the market price of the ordinary shares and up to a limit of Euro 13 per share in accordance with the relative Market Warrant Regulation.

7- Net Financial Position

The net financial position, as outlined in the following table, was a cash position of Euro 305,017,919, comprising the cash and cash equivalents at the current accounts and that allocated for the subscription of Savings Bonds for a total of approx. Euro 183,716,718.

<i>in Euro</i>	May 28, 2015 – September 30, 2015
A Cash	-
B Other cash equivalents	121,301,201
C Other current financial assets	183,716,718
D Liquidity (A+B+C)	305,017,919
E Current financial receivables	-
F Current bank payables	-
G Current portion of non-current debt	-
H Other current financial payables	-
I Current debt	-
J Net current cash position	305,017,919
K Non-current bank payables	-
L Bonds issued	-
M Other non-current payables	-
N Non-current debt	-
O Net cash position	305,017,919

NOTES TO THE INCOME STATEMENT

8- Revenue

As a SPAC the company did not generate revenue in the period. The focus in the period was in fact mainly on the development of the organisational structure and the listing of ordinary shares and market warrants on the Investment Vehicles Market (M.I.V.) - achieving such on July 28, 2015 and with initial trading on July 31, 2015, while also launching the research and selection of a potential operating company as per the investment policy based on the guidelines and general requirements adopted by the Shareholders' Meeting on June 17, 2015 for the identification of a Target.

9- Consumable materials

The account concerns office use materials and amounted to Euro 300.

10- Personnel costs

At September 30, 2015 and throughout the period, the company did not have employees. The cost of Euro 9,216 entirely relates to INPS contributions borne by the Company relating to occasional outsourced consultancy for the listing process.

11- Other net operating costs

<i>in Euro</i>	May 28, 2015 – September 30, 2015
Consultancy expense from Space Holding Srl	172,391
Professional charges	26,445
Market warrant issue costs	22,500
Other costs	64,881
Board of Statutory Auditors	14,109
Audit	9,047
Administrative services	8,753
Independent directors	6,115
Trusteeship services	5,823
Financial communication	3,154
Total other net operating costs	333,219

Other operating costs principally include consultancy provided by Space Holding Srl, as per the prospectus and the contract of July 7, 2015.

“Other costs” mainly related to listing process consultancy.

“Professional charges” related to legal consultancy and notary services during the incorporation and listing phase.

“Market warrant issue costs” concerned the listing process.

“Administrative services” essentially concern accounting services.

12- Financial income

Financial income in the period totalled Euro 354,020.

<i>in Euro</i>	May 28, 2015 – September 30, 2015
Interest income from bank deposits	57,485
Financial income on savings bonds	296,534
Total financial income	354,020

This income relates to the fair value adjustment at September 30, 2015 of Savings Bonds (Euro 296,534), with the remainder concerning interest on escrow bank deposits. These amounts are calculated, according to the prudence principle, on the basis of the lowest rate applicable by the bank in the case of their advance release.

13- Income taxes

At September 30, 2015, the Company did not record current taxes as the decreases in the assessable IRES, due to the capitalisation of the listing costs reserve, were greater than the operating profit.

Deferred tax assets were also not recognised, as plans were not yet available at that date which would indicate the presence of future assessable profits. These plans may only be drawn up on the execution of the Significant Transaction.

The Company will benefit from Tax Year 2016 of a tax benefit from the availability of a tax loss, due to the capitalisation described above, not fully offset and available as occurring in the first assessable tax period. The Company will in addition benefit from the surplus relating to the Economic growth assistance (ACE) deductible from future company income. With the entry into force of Legislative Decree No. 91/2014, companies whose shares have been listed on regulated markets since June 25, 2014 may benefit from a 40% increase of the “share capital increase change” compared to that reported on the closing of each preceding period.

14- Basic earnings per share

The basic earnings per share are calculated by dividing the result by the number of ordinary shares in circulation and amounts to Euro 0.001.

The following table outlines the calculation of the basic earnings per share:

<i>(in Euro)</i>	May 28 - September 30, 2015
Net profit	11,285
Number of ordinary shares at end of period	30,000,000
Basic earnings per share	0.001
Diluted earnings per share	0.001

At September 30, 2015, the diluted earnings per share, calculated considering - in addition to ordinary shares - also special shares and the market warrants, corresponds to the basic earnings per share; no significant anti-dilutive effects are therefore reported.

OTHER INFORMATION

Risk Management

During the period since incorporation, no positions were assumed or operations undertaken which exposed the company to credit risk, financial risks or significant liquidity risk.

Transactions with related parties

The Company signed a services agreement with Space Holding Srl concerning consultancy, both for the research and selection of the target company with whom the Significant Transaction will be undertaken and, once such a Target has been identified, the analysis, assessment of the structure and negotiations with the counterparty. The agreement also covers investor relations and media management consultancy and other operating support activities for Space2.

Operating segments

In accordance with IFRS 8 Operating segments, no specific operating segments were identified as the company during the period since incorporation and until September 30, 2015 did not undertake any operating activities and focused principally on developing its organisational structure and the listing of ordinary shares and warrants on the M.I.V..

Positions or transactions arising from atypical and/or unusual transactions

In accordance with Consob Communication No. DEM/6064293 of July 28, 2006, during the period since incorporation and until September 30, 2015, the company did not undertake any atypical or unusual transactions as set out in the Communication.

Significant non-recurring events and operations

During the period since incorporation and until September 30, 2015, no non-recurring events or operations took place, as established by Motion No. 15519 and Communication DEM/6064293 of Consob.

Remuneration of the Board of Directors and key management personnel

The Company fixed, for independent directors only, a total gross annual remuneration of Euro 12,000 each.

For the members of the Board of Directors in office, supplementary benefits are not applicable prior to the natural conclusion of the mandate. Non-monetary benefits are also not provided, except for the corporate boards' third party liability coverage and the reimbursement of expenses incurred in discharge of office.

Therefore, the remuneration matured from the date of initial trading (July 31, 2015) until September 30, 2015 for the members of the Board of Directors indicated above amounts to Euro 6,115.

Remuneration of the Board of Statutory Auditors

The Company agreed with the Board of Statutory Auditors an annual emolument of Euro 39,300.

For the Board of Statutory Auditors, supplementary benefits are not applicable prior to the natural conclusion of mandate, while non-monetary benefits are also not provided. Therefore, the remuneration of the Board of Statutory Auditors matured from the incorporation date of the Company until September 30, 2015 totalled Euro 14,109.

Milan, November 9, 2015
For the Board of Directors,

The Chairman,
Gianni Mion

Declaration of the Executive Officer

Declaration of the Interim Report as per Article 154-bis, paragraph 2 of the CFA

The undersigned Edoardo Subert, Executive Officer responsible for the preparation of the financial statements of Space2 S.p.A.

DECLARES

In accordance with paragraph 2 of Article 154-*bis* of Legislative Decree No. 58 of February 24, 1998, the 2015 Third Quarter Report corresponds to the underlying accounting documents, records and accounting entries.

Milan, November 9, 2015

Edoardo Subert
(Executive Officer)