SPACE2 S.p.A.

2015 Annual Financial 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
	Gabriele Villa

CONTROL AND RISKS COMMITTEE

Chairman	Francesca Prandstraller
Independent Directors	Gabriele Villa
	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

DIRECTORS' REPORT

Operations and strategy

The Annual Financial Report at December 31, 2015 was approved by the Board of Directors on March 10, 2016 and provides a general outline of the financial position and operating performance of SPACE2 S.p.A. (hereafter "Space2" or the "Company") for the year 2015.

Space2 S.p.A. was incorporated on May 28, 2015, with registered office in Milan and was enrolled in the Milan Company's Registration Office on June 3, 2015. The Company is an Italian registered Special Purpose Acquisition Company (SPAC), 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..

The listing of Space2 was concluded 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". This transaction concerns 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 2 sponsor warrants for every special share, 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. On the successful completion of the Significant Transaction the shares of the resultant company will be listed on the Stock Exchange, while if the Significant Transaction is not completed within the established duration of the Company, it will be wound up and placed into liquidation.

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 several escrow accounts with leading domestic banks (principally 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 amount equal to: (i) the Initial Resources, (ii) 1.5% of the total income of the Offer; and (iii) the amount of interest matured and maturing on the Restricted Amounts, net of taxes, expenses and charges relating to the escrow accounts, after the deduction of expenses and commissions relating to the Offer, represents the so-called "Unrestricted Sums".

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.

Pursuant to Article 20 of the By-Laws the financial year-end of the Company is December 31.

Following the listing on July 31, 2015 and pursuant to Article 4 of the By-Laws, the duration of the Company is extended up to twenty-four months after the listing, although where at that date an agreement has been signed for the realisation of the Significant Transaction, and the subject of a market communication pursuant to Article 114 of Legislative Decree No. 58/1998 (Finance Act), the duration of the Company will be automatically extended until June 30, 2018.

The financial statements of the Company for the period ended December 31, 2015 were approved by the Board of Directors on March 10, 2016 and reports a net profit for the period of Euro 304,928.

Share capital composition and relative financial instruments

The share capital of the Company at the reporting date is as follows:

- 30,000,000 ordinary shares issued on placement at a set price of Euro 10 each, without nominal value, for a total amount of Euro 300,000,000, of which Euro 30,000,000 attributable to the share capital and the remainder to the share premium reserve;
- 800,000 special shares, without nominal value, subscribed by Space Holding S.r.l., promoter of Space2, totalling Euro 8,000,000, of which Euro 845,000 attributable to the share capital and the remainder to the share premium reserve;

The special shares, as illustrated in Article 5 of the By-Laws, attribute the same rights as the ordinary shares, with the exclusive exception of the following:

- they are without voting rights at the Ordinary and Extraordinary Shareholders' Meetings of the Company;
- they are without profit-sharing rights where the company approves the distribution of an ordinary dividend;
- they are non-transferable for the maximum duration of the Company, and in any case for a maximum period of 5 years except for: the transfer of the special shares to withdrawing shareholders of Space Holding S.r.l., on the completion of the liquidation of their holding in kind; and the assignment of the special shares to the beneficiary company of a proportional spin-off of Space Holding S.r.l.;
- in the case of the winding up of the Company, they attribute the right to holders to liquidate their share of equity subsequent to holders of ordinary shares.

In certain circumstances, they are automatically converted into ordinary shares, with each special share converting into 4.5 ordinary shares, without the need for holders to request such and without amending the share capital, notwithstanding that this conversion will reduce the implied par value of the ordinary shares.

The following was also approved in favour of ordinary and special shareholders:

- Market warrants - 2 market warrants for every 4 ordinary shares were assigned for a total of 15 million market warrants, 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";
- Sponsor warrants - 2 sponsor warrants for every 2 special shares, for a total of 1,600,000 sponsor warrants held by Space Holding S.r.l..

According to the available information, published by Consob and updated to December 31, 2015, the main parent shareholders were:

Shareholder	Direct shareholder	% of ordinary share capital	% of voting share capital
Julius Baer Multilabel SICAV	Julius Baer Multilabel SICAV	7.007%	7.007%
Leonardo Del Vecchio	Delfin S.à r.l.	6.000%	6.000%
Fil Limited	Fil Limited	5.821%	5.821%
Pioneer Investment Management SGRPA	Pioneer Investment Management SGRPA	5.000%	5.000%

Based on available information, the Company is not aware of any shareholder agreements.

Operating performance

Operational overview

The operations of Space2, in the initial period of activity, 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 635,267. The comprehensive net profit in the period of Euro 304,928 substantially relates to financing activities (deposit accounts and Savings Bonds).

The equity of the Company at December 31, 2015 was Euro 305,392,769. The Company's net cash position at December 31, 2015 was Euro 304,998,281.

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:

in Euro	**May 28, 2015 – December 31, 2015**
Net revenue	-
External costs	(626,051)
Value added	**(626,051)**
Personnel costs	(9,216)
EBITDA	**(635,267)**
Amortisation, depreciation & write-downs	-
EBIT	**(635,267)**
Other income	-
Financial income and charges	940,195
Ordinary profit	**304,928**
Pre-tax profit	**304,928**
Income taxes	-
Net Profit	**304,928**

EBIT essentially comprises costs incurred in the normal operating activities of the Company and costs relating to the Offer process which concluded in July 2015. Net financial income in the period to December 31, 2015 includes income from the Savings Bonds, escrow accounts and interest on liquidity held by the Company.

Balance sheet

The reclassified balance sheet is reported below:

(in Euro)	**At December 31, 2015**
Other receivables	*472,304*
Trade and other payables	*(87,816)*
Other current assets/(liabilities)	-
Total net current assets/(liabilities) (A)	384,488
Fixed assets and other long-term assets (B)	*10,000*
Long-term liabilities (C)	-
Total net assets / (liabilities) (A+B+C)	**394,488**
Cash and cash equivalents	*140,206*
Other current liabilities	-
Other current financial assets	*304,858,075*
Net cash position (D)	304,998,281
Equity (E)	(305,392,769)
Equity & net cash position (D+E)	**(394,488)**

"Other receivables" mainly relate to the VAT receivable matured in 2015, amounting to Euro 354,997, and prepaid expenses relating to consultancy services provided to the Company by Space Holding S.r.l..

"Other current financial assets", as described in greater detail in Note 2 of the Explanatory Notes, comprise Euro 184,061,448 from the investment made in Savings Bonds and Euro 120,796,627 in restricted amounts in the escrow accounts held by SPAFID S.p.A..

In relation to the other accounts within the net financial position, reference should be made to the paragraph "Net financial position".

With reference to the market risk, credit risk and liquidity risk reference should be made to Note 16 of the Explanatory Notes.

Other information

Net Financial Position

The net financial position, as outlined in the following table, was a cash position of Euro 304,998,281, corresponding to the cash held on the bank current accounts for Euro 140,206, Savings Bonds of Euro 184,061,448 and deposits held at Banca Akros S.p.A. for Euro 45,639,960 and Monte dei Paschi di Siena S.p.A. for Euro 75,156,667.

in Euro		**May 28, 2015 – December 31, 2015**
A	Cash	-
B	Other cash equivalents	140,206
C	Other current financial assets	304,858,075
D	**Liquidity (A+B+C)**	**304,998,281**
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**	**304,998,281**
K	Non-current bank payables	-
L	Bonds issued	-
M	Other non-current payables	
N	**Non-current debt**	-
O	**Net cash position**	**304,998,281**

Significant events during the year 2015

During the year, initially the Company mainly focused on the development of the organisational structure and the listing of ordinary shares and market warrants on the Investment Vehicles Market (MIV). 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 Board of Directors meeting of November 9, 2015 approved the Organisational, Management and Control Model pursuant to Legislative Decree No. 231 of 2001. The Model requires appropriate policies and measures to ensure operational activities are undertaken in accordance with law and to identify and eliminate risks, in addition to an adequate system to mitigate the risk of offenses within the organisation and in accordance with industry best practices.

On November 9, 2015 the Board of Directors also approved the appointment of the Supervisory Board in the persons of Niccolò Bertolini Clerici and Pier Luca Mazza, with oversight responsibility for the correct adoption and efficient implementation of the Organisational, Management and Control Model.

Space2 share performance in 2015

The Space2 S.p.A. share, listed on the Professional Segment of the M.I.V. market of the Italian Stock Exchange, closed trading at Euro 9.90 on December 31, 2015, compared to Euro 10.00 on initial listing (July 31, 2015).

As described in greater detail in the "Operations and Strategy" paragraph, against the subscription of 30 million ordinary shares, 15 million market warrants were 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". On July 31, 2015 (admission date for trading), the market warrants reported a listing price of Euro 0.79, compared to Euro 0.90 at year-end.

Subsequent events to December 31, 2015

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

On January 27, 2016, the independent director Alberto Amadio Tazartes resigned from office. The Board of Directors co-opted a new director, in accordance with the provisions of Article 2386, paragraph 1 of the Civil Code, appointing Professor Gabriele Villa as an Independent Director on January 28, 2016.

In addition, in view of recent economic/financial events on the markets, the Board of Directors meeting of January 28, 2016 approved the closure of the escrow account of the Company held at Monte dei Paschi di Siena and simultaneously transferred the relative funds to an escrow account at Banca Nazionale del Lavoro – BNP Paribas Group.

Treasury shares

The Company does not hold, and did not hold during the year, treasury shares or equity instruments.

Transactions with related parties

The Company - in line with that described in the listing prospectus - signed a services agreement with Space Holding Srl, as recorded in the Board of Directors meeting minutes of June 17, 2015, 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.
During the year, the Company utilised this service for a total amount of Euro 432,391.

Management and co-ordination activities

The Company is not subject to management and co-ordination.

Secondary offices

At the reporting date there were no secondary offices of the Company.

Investments

In accordance with Article 2428, paragraph 1, of the Civil Code, the company did not carry out investments in 2015.

Research and development

In accordance with Article 2428, paragraph 2, of the Civil Code, during the year Space2 did not carry out research and development activity.

Corporate Governance

This Directors' Report includes the Corporate Governance and Ownership Structure Report, prepared in accordance with Article 123-*bis* of the CFA, for which reference should be made for all information on Corporate Governance. The report is also available at the "Corporate Governance" section of the Company's website (www.space2spa.com).

Investment policy

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.

Reasonable measures to identify conflicts of interest

Pursuant to Article 2.6.3, paragraph 4 of the Stock Exchange Regulation, the Company has complied with the provisions of Article 2.2.43, paragraph 12 of the regulation.

Positions or transactions arising from atypical and/or unusual operations

In accordance with Consob Communication No. DEM/6064293 of July 28, 2006, during the period since incorporation until December 31, 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 until December 31, 2015, no non-recurring events or operations took place, as established by Motion No. 15519 and Communication DEM/6064293 of Consob.

Proposal for the approval of the financial statements and allocation of 2015 result

Dear Shareholders,
the financial statements for the period ended December 31, 2015 report a net profit of Euro 304,928.
Reference should be made to the documentation published in accordance with the provisions of law, while the Board of Directors presents for your approval the following proposal:

"The Shareholders' Meeting of Space2 S.p.A.

- *having reviewed the financial statements for the period ended December 31, 2015, which report a net profit of Euro 304.928;*
- *having noted the Board of Statutory Auditors' Report and the Independent Auditors' Report;*

resolves

(1) to approve the financial statements for the period ended December 31, 2015;

(2) to allocate to the legal reserve one-twentieth of the net profit of Euro 15,246

(3) to carry forward the remaining part of the net profit for the period ended December 31, 2015 of Euro 289,682".

March 10, 2016

The Chairman of the Board of Directors
The Executive Officer responsible for the preparation of the financial statements

Gianni Mion
Edoardo Subert

2015 FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

Balance sheet

in Euro	Note	At December 31, 2015	of which related parties
ASSETS			
Current assets			
Cash and cash equivalents	1	140,206	-
Other current financial assets	2	304,858,075	-
Trade receivables		-	-
Other receivables	3	472,304	87,608
Total current assets		**305,470,585**	**87,608**
Non-current assets			
Other non-current financial assets	4	10,000	-
Total non-current assets		**10,000**	-
TOTAL ASSETS		**305,480,585**	-
LIABILITIES AND EQUITY			
LIABILITIES			
Current liabilities			
Trade payables	5	78,827	-
Other payables	6	8,989	-
Total current liabilities		**87,816**	-
Share capital		30,845,000	-
Share premium reserve		277,155,000	
Other reserves		(2,912,159)	-
Retained earnings		-	-
Net Profit		304,928	-
Equity	7	**305,392,769**	-
TOTAL LIABILITIES AND EQUITY		**305,480,585**	-

Income statement

in Euro	Note	May 28, 2015 – December 31, 2015	of which related parties
Revenue	9	-	-
Other revenue	9	-	-
Consumable materials	10	(1,770)	-
Personnel costs	11	(9,216)	-
Other net operating costs	12	(624,281)	(432,391)
EBIT		**(635,267)**	**(432,391)**
Financial income	13	940,195	-
Pre-tax profit		**304,928**	-
Income taxes	14	-	-
Net Profit		**304,928**	-
Basic earnings per share	**15**	**0.014**	
Diluted earnings per share	**15**	**0.013**	

Statement of Comprehensive Income

in Euro	May 28, 2015 – December 31, 2015
Net Profit	**304,928**
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	**304,928**

Statement of Changes in Equity

	Share capital	Share premium reserve	Other Reserves	Retained earnings	Net profit	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	-	-	-		304,928	**304,928**
Other comprehensive income statement items						-
Total comprehensive profit, net of taxes	-	-	-	-	*304,928*	*304,928*
Balance at December 31, 2015	**30,845,000**	**277,155,000**	**(2,912,159)**	-	**304,928**	**305,392,769**

Statement of Cash Flow

in Euro	**May 28, 2015 – December 31, 2015**
Operating activities	
Pre-tax profit	304,928
Adjustments reconciling pre-tax profit with net cash flows:	
- Share capital increase costs	(2,912,159)
Changes in working capital:	
- Increase in current trade and other payables	87,816
- Increase in current trade and other receivables	(472,304)
Net cash flow from operating activities	**(2,991,719)**
Investing activities	
Savings Bonds	(184,061,448)
Other current financial assets	(120,796,627)
Net cash flow from investing activities	**(304,858,075)**
Financing activities	
Share capital increase	30,845,000
Share premium reserve	277,155,000
Settlement current financial assets	-
Other non-current financial assets	(10,000)
Net cash flow from financing activities	**307,990,000**
(Decrease)/increase in current cash and cash equivalents and deposits	***140,206***
Cash and cash equivalents and deposits at beginning of period	-
Cash and cash equivalents and deposits at end of period	**140,206**

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

SPACE2 S.p.A. ("Space2" or the "Company") is a company which is subject to the laws of the Italian Republic, with registered office in Milan, via Mauro Macchi, 27.

As illustrated in the Directors' Report, the Company does not have an operating history and in the period since incorporation (My 28, 2015) until the reporting date has mainly focused on building the organisational structure, on the process for listing on the M.I.V. of the Ordinary Shares and Warrants and the research and selection of the Target company.

The 2015 Annual Financial Report is the first report of the Company and therefore there are no comparative figures. These financial statements were approved by the Board of Directors on March 10, 2016 and report a net profit of Euro 304,928 and are presented for the approval of the Shareholders' Meeting, which has the power to make amendments.

ACCOUNTING PRINCIPLES

General principles

The financial statements were prepared in accordance with the IAS/IFRS issued by the International Accounting Standards Board (IASB) and the relative interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and adopted by the European Commission, as established by EU Regulation No 1606 of July 19, 2002.
We provide as an attachment the complete list of the standards (IAS and IFRS) and of the interpretative documents (SIC and IFRIC) in force and applicable for the preparation of the financial statements in relation to the operations in the period.

The financial statements were prepared in accordance with the historical cost convention, with the exception of the accounts which in accordance with IFRS are recognised at fair value, and were prepared in units of Euro, without decimals, while the amounts indicated in the Explanatory Notes, except where otherwise indicated, are reported in units of Euro.

These financial statements were prepared in accordance with the provisions of CONSOB in relation to financial statement lay-out pursuant to Article 9 of Legislative Decree No. 38/2015 and other CONSOB regulations and provisions concerning financial reporting.

Following the listing on July 31, 2015 and pursuant to Article 4 of the By-Laws, the duration of the Company is extended up to twenty-four months after the listing, although where at that date an agreement has been signed for the realisation of the Significant Transaction, and the subject of a market communication pursuant to Article 114 of Legislative Decree No. 58/1998 (Finance Act), the duration of the Company will be automatically extended until June 30, 2018.
Taking into consideration this factor but also considering it probable that the Significant Transaction will take place before conclusion of this period, also due to the matters described in the paragraph "Subsequent events to December 31, 2015" in the Directors' Report, the directors have prepared the financial statements based on the going concern principle.

Structure, form and contents of the financial statements

In relation to the presentation of the financial statements, the Company has chosen the following options:

- the current and non-current assets and current and non-current liabilities are presented as separate classifications in the Balance Sheet;
- the income statement for the period presents a classification of costs and revenues by type;
- the cash flow statement is presented based on the indirect method.

The financial statement presentations utilised, as outlined above, are those which best represent the equity and financial position of the Company.
The Company also chose to prepare separately the statement of comprehensive income which includes, in addition to the result for the period, also the changes to equity relating to items which, in accordance with International Accounting Standards, are recognised in the statement of comprehensive income. For the period under consideration, there were no movements and therefore the comprehensive profit coincides with the net profit for the period.

The financial statements were prepared with clarity and represent in a true and fair manner the financial position, the result and the cash flow of the Company.

Estimates and assumptions

The preparation of the financial statements requires the directors of the Company to undertake discretional valuations, estimates and assumptions which impact upon the amount of revenue, costs, assets and liabilities and related disclosures, as well as potential liabilities. The uncertainty concerning these assumptions and estimates could result in significant changes in the book value of these assets and/or liabilities in the future.

The Company based its estimates and assumptions on information available at the preparation date of the financial statements at December 31, 2015. However, the current circumstances and assumptions on future developments may alter due to changes in the market and events outside of the Company's control.

Accounting policies

The most significant accounting policies adopted in the preparation of the financial statements are reported below.

Current/non-current classification

Assets and liabilities in the Company's financial statements are classified as current or non-current. An asset is considered current where:

- it is expected to be realised, or is intended for sale or consumption, in the normal operating cycle;
- it is held principally for trading;
- it is expected to be realised within twelve months from the balance sheet date;
- it comprises cash or cash equivalents, upon which no prohibition exists on their exchange or utilisation to settle a liability for at least 12 months from the balance sheet date.

All other assets are classified as non-current.

The financial instruments and financial assets identified as Loans and Receivables, in accordance with IAS 39, are initially recognised at fair value and subsequently measured at amortised cost, utilising the effective interest rate method.

A liability is considered current where:

- it is expected to be settled within the normal operating cycle;
- it is held principally for trading;
- it is expected to be settled within twelve months from the year-end;
- the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Liabilities which do not fulfil these conditions must be classified as non-current.

Fair value measurement

Fair value concerns the price that will be received for the sale of an asset or which will be paid for the transfer of a liability in a transaction settled between market operators at the measurement date.

A fair value measurement requires that the sale of the asset or transfer of the liability has taken place:

- in the principal market of the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal market or the most advantageous market must be accessible for the Company.

The fair value of an asset or liability is measured adopting the assumptions which market operators would utilise in the determination of the price of the asset or liability, assuming they act to best satisfy their economic interests.

The fair value measurement of a non-financial asset considers the capacity of a market operator to generate economic benefits utilising the asset to its maximum and best use or selling to another market operator that would utilise the asset to its maximum or best use.

The Company utilises measurement techniques which are appropriate to the circumstances and for which there is sufficient available data to measure the fair value, maximising the utilisation of relevant observable inputs and minimising the use of non-observable inputs.

All the assets and liabilities for which the fair value is measured or stated in the financial statements are categorised based on the fair value hierarchy, as described below:

- Level 1 - prices listed (not adjusted) on active markets for identical assets or liabilities which the entity can access at the measurement date;
- Level 2 - inputs other than listed prices included in Level 1, directly or indirectly observable for the asset or the liability;
- Level 3 - measurement techniques for which the input data are not observable for the asset or for the liability.

The fair value measurement is classified entirely in the same hierarchical level of the fair value in which the lowest hierarchical input level utilised for the measurement is classified.

Other receivables

"Other receivables" are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest rate method. These receivables are reduced by a doubtful debt provision to reflect the estimate of losses.

Cash and cash equivalents

The account relating to "Cash and cash equivalents" includes cash, bank and postal current accounts and deposits repayable on demand and other highly liquid short-term financial investments readily convertible into cash, valued at nominal value as not subject to significant risks of changes to the value.

The definition of cash and cash equivalents for the purposes of the cash flow statement corresponds to that for the balance sheet.

Equity

Share capital

The share capital comprises ordinary and special shares which are classified under equity.

Capital operation costs

The costs directly attributable to share capital operations are recorded as a reduction of equity.

Trade and other payables

"Trade payables" and "Other payables" are initially recognised at fair value, normally equal to the nominal value, net of discounts, returns or invoice adjustments, and are subsequently measured at amortised cost where the financial effect of extended payment terms is significant.

Recognition of revenue and costs

Revenue and related costs concerning the provision of services are recognised based on the state of advancement of the service at year-end. The state of advancement is determined based on the measurement of the work undertaken. Where the service is derived from a single contract provided over a number of years, the amount is divided between the individual services based on the relative fair value in each accounting period.
The recharge to third parties of costs incurred on their behalf are recorded as a reduction of the cost to which it relates.

Recognition of financial income and charges

Financial income includes interest income on liquidity invested (including available-for-sale financial assets), dividends received, income from the sale of available-for-sale financial assets, changes in the fair value of financial assets recorded through P&L, profits on hedging instruments recorded through P&L and the reclassification of net profits previously recognised under other comprehensive items of the Statement of Comprehensive Income. Interest income is recorded in the income statement utilising the effective interest method. Dividends are recognised when shareholders have the right to receive them.

Financial charges include interest on loans, discounting of provisions and deferred payments, losses on the sale of available-for-sale financial assets, changes in the fair value of financial assets recorded through P&L and potential payments, losses for impairment of financial assets (other than trade receivables), losses on hedging instruments recorded through the P&L and the reclassification of net losses previously recognised under other comprehensive items of the Statement of Comprehensive Income.

Financial asset and liability exchange gains and losses are offset and recorded under financial income or charges based on the net gain or loss position deriving from currency operations.

Income taxes

The tax charge for the year includes current and deferred taxes recognised to the income statement for the year, with the exception of amounts recorded directly under Equity or under other items in the Statement of Comprehensive Income.

Current taxes are based on the assessable results of the period. The assessable result differs from the result recorded in the income statement as it excludes positive and negative components that will be assessable or deductible in other periods and also includes accounts that are never assessable or deductible. The liability for current income taxes is calculated using the current rates at the reporting date.

Deferred tax liabilities are generally recorded on all temporary assessable differences, while deferred tax assets are recorded based on the probability that the future assessable results will permit the use of the temporary deductible differences. In particular, the book value of the deferred tax assets is reviewed at each year-end based on updated expected assessable income.

Deferred tax assets and liabilities are calculated based on the fiscal rates that are expected to be in force at the moment of the realisation of the asset or the extinction of the liability, taking into consideration the current tax rates at the year-end.

The deferred tax assets and liabilities are offset when there is a direct right to compensate the tax assets and liabilities and when they refer to income taxes due to the same fiscal authority and there is the intention to pay the amount on a net basis.

For the purposes of the preparation of the financial statements at December 31, 2015, the Company has not recorded any deferred tax asset while awaiting the completion of the Significant Transaction.

Earnings/(loss) per share

The basic earnings/(loss) per share is calculated by dividing the result of the Company by the weighted average shares outstanding during the period. In order to calculate the diluted earnings/(loss) per share, the average weighted number of shares outstanding is adjusted assuming the conversion of all shares with potential dilution effect. The net result is also adjusted to account for the effects of conversion, net of taxes.
The diluted earnings/(loss) per share is calculated by dividing the result of the company by the weighted average number of ordinary shares in circulation during the year (as the special shares do not distribute dividends) and those potentially arising from the conversion of all potential ordinary shares with dilutive effect.

Operating segments

In accordance with IFRS 8 Operating segments, no specific operating segments were identified as the Company, during the period since incorporation until December 31, 2015, did not undertake any operating activities.

New standards and interpretations not yet applicable

Below we report the international accounting standards, interpretations and amendments to existing accounting standards and interpretations, or specific provisions within the standards and interpretations approved by the IASB, with indication of those approved and not yet approved by the European Union at the preparation date of the financial statements at December 31, 2015.

Description	Approved at the reporting date of the financial statements	Expected adoption date of the standard
IFRS 9 Financial Instruments	NO	January 1, 2018
IFRS 14 Regulatory deferral accounts	NO	January 1, 2016
IFRS 15 Revenue from contracts with customers	NO	January 1, 2017
Amendments to IFRS 10, IFRS 12 and IAS 28: Applying the consolidation exception (issued on December 2014)	NO	January 1, 2016
Amendments to IAS 1: Disclosure Initiative (issued on December 18, 2014)	NO	January 1, 2016
Annual Improvements to IFRSs 2012–2014 Cycle (issued on September 2014)	NO	January 1, 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	January 1, 2016
Amendments to IAS 27: Equity Method in Separate Financial Statements (issued in August 2014)	NO	January 1, 2016
Amendments to IAS 16 and IAS 41: Bearer Plants (issued in June 2014)	NO	January 1, 2016
Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation (issued in May 2014)	NO	January 1, 2016
Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (issued May 2014)	NO	January 1, 2016

The standards and amendments applicable from January 1, 2015 did not have any impact on the financial statements at December 31, 2015.
SPACE2 S.p.A. did not opt for the advance application of accounting standards and/or interpretations, whose application is obligatory for periods commencing after January 1, 2016.

NOTES TO THE BALANCE SHEET

Current assets

1- *Cash and cash equivalents*

"Cash and cash equivalents" at December 31, 2015 amount to Euro 140,206.

in Euro	**At December 31, 2015**
Bank and postal deposits	140,206
Cash on hand and similar	-
Total cash and cash equivalents	140,206

The account comprises unrestricted and escrow bank deposits at the reporting date.

2- *Other current financial assets*

"Other current financial assets" at December 31, 2015 amounted to Euro 304,858,075.

in Euro	**At December 31, 2015**
Savings Bonds	184,061,448
Other current financial assets	120,796,627
Total other current financial assets	304,858,075

Savings Bonds relates to part of the Offer proceeds, deposited at two current accounts at Intesa Sanpaolo S.p.A and invested in Savings Bonds, redeemable in advance subject to an interest rate reduction. The table below reports the breakdown of the investment, prudently assuming the interest rate in the event of advance redemption:

N. securities	Total Nominal Value	Interest Rate annual maturity	Annual interest rate for early release	Maturity of the investment	Type of management
70	175,000,000	0.83%	0.75%	04/08/2017	Through trustee SPAFID S.P.A.
5	5,000,000	0.83%	0.75%	03/08/2017	Direct
5	2,500,000	0.78%	0.70%	07/08/2017	Direct
1	1,000,000	0.55%	0.28%	04/01/2016	Direct

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.

"Other current financial assets", as illustrated in the table below, comprise amounts deposited at the other two escrow accounts managed by the company SPAFID S.p.A.; it should be noted that also in this case the interest rate applied is the rate in the event of advance redemption.

Total Nominal Value	Interest Rate annual maturity	Annual interest rate for early release	Maturity of the investment	Type of management
75,000,000	1.10%	0.80%	29/03/2017	Through trustee SPAFID S.P.A.
45,498,000	0.80%	0.76%	03/08/2016	Through trustee SPAFID S.P.A.

The fair value is assumed as equal to the book value as concerning short-term receivables.

3- *Other receivables*

"Other receivables" at December 31, 2015 amount to Euro 472,304.

in Euro	At December 31, 2015
Tax agency and public administration	375,829
Others	96,475
Total other receivables	472,304

As illustrated in the table above, the account principally concerns the receivable from the "Tax agency and public administration", comprising the VAT receivable matured in 2015 amounting to Euro 354,997 and the withholding tax on bank interest of Euro 20,832.

The account "Others" includes prepaid charges as follows: Euro 87,608 consultancy services provided by Space Holding S.r.l., as further described in Note 18 "Disclosure relating to transactions with related parties", to which reference should be made; Euro 7,000 relating to the insurance policy on behalf of the Board of Directors, in accordance with the remuneration policy; Euro 1,572 for corporate communication and finally Euro 294 for media monitoring activities.

Non-current assets

4- *Other non-current financial assets*

The account at December 31, 2015 amounts to Euro 10,000 and comprises non-interest bearing deposits relating to administration assistance services.

Current liabilities

5- *Trade payables*

The account at December 31, 2015 amounts to Euro 78,827.

in Euro	**At December 31, 2015**
Trade payables	78,827
Total trade payables	78,827

Trade payables refer to expenses incurred for the undertaking of the business activities of the Company. The account includes provisions for invoices to be received relating to services received in the period amounting to Euro 53,549

6- *Other payables*

"Other payables" at December 31, 2015 amount to Euro 8,989.

in Euro	**At December 31, 2015**
Tax agency and public administration	2,702
Social security institutions	1,224
Other payables	5,063
Total other payables	8,989

"Social security institutions" and "Other payables" refer to emoluments matured in favour of an Independent Director for activities provided in 2015.

"Tax agency and public administration" refers to withholding taxes on consultants deriving from legal consultancy services provided to Space2 during the year.

Non-current liabilities

7- *Equity*

The account at December 31, 2015 amounts to Euro 305,392,769

in Euro	**At December 31, 2015**
Share Capital - Ordinary Shares	30,000,000
Share Capital - Special Shares	845,000
Share Capital – Total	**30,845,000**
Share premium reserve	277,155,000
Other reserves	(2,912,159)
Net profit for the period	304,928
Total Equity	**305,392,769**

The movement in the period is reported in the present financial statements.

The Company at the incorporation date (May 28, 2015) reported a share capital of Euro 50,000, comprising 5,000 ordinary shares, without nominal value, issued at an implied par value of Euro 10. On June 17, 2015, the Extraordinary Shareholders' Meeting, with the commencement of trading of the ordinary shares of the Company on the MIV, approved the conversion of all 5,000 ordinary shares into the same number of special shares.
In addition, the above-mentioned Shareholders' Meeting approved the paid-in share capital increase for a maximum amount, including share premium, of Euro 300,000,000, through the issue of a maximum of 30,000,000 ordinary shares. The subscription price of each ordinary share was Euro 10, recognised as Euro 1 as the implied par value and Euro 9 as share premium. Also on June 17, 2015, the Extraordinary Shareholders' Meeting approved the paid-in share capital increase allocated to Space Holding S.r.l. (promoter of Space2) for a maximum amount, including the share premium, of Euro 6,950,000, through the issue of a maximum of Euro 695,000 special shares. The subscription price of each special share paid-in of Euro 10 was allocated as Euro 1 as the implied par value and Euro 9 as the share premium.
Finally, the Shareholders' Meeting approved the divisible paid-in share capital increase for a maximum amount, including the share premium, of Euro 18,200,000, to be reserved for the exercise of 1,400,000 SPACE2 S.p.A. Sponsor Warrants, through the issue of a maximum 1,400,000 ordinary shares, without nominal value, at a price of Euro 13, through the allocation of Euro 1 as the implied par value and Euro 12 as the share premium.

On July 7, 2015, the Shareholders' Meeting approved, supplementing that approved at the Shareholders' Meeting of July 17, 2015, the further sponsor share capital increase for Euro 1,000,000 (of which Euro 100,000 as the implied par value and Euro 900,000 as the share premium). The above-mentioned Shareholders' Meeting also approved the increase in the sponsor warrant share capital of Euro 2,600,000 (of which Euro 200,000 as the implied par value and Euro 2,400,000 as the share premium).

At December 31, 2015 the share capital therefore amounted to Euro 30,845,000, fully subscribed and paid-in, represented by 30,800,000 shares, of which 30,000,000 ordinary shares and 800,000 special shares.

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.

The special shares attribute the same rights as ordinary shares, with the exception of:

- they are without voting rights at the ordinary and extraordinary shareholders' meetings of the Company;
- they are without profit-sharing rights where the Company approves the distribution of an ordinary dividend;
- they are non-transferable for the maximum duration of the Company, and in any case for a maximum period of 5 years except for: the transfer of the special shares to withdrawing shareholders of Space Holding S.r.l., on the completion of the liquidation of their holding in kind; and the assignment of the special shares to the beneficiary company of a proportional spin-off of Space Holding S.r.l.;
- in the case of the winding up of the Company, they attribute the right to holders to liquidate their share of equity subsequent to holders of ordinary shares;
- in certain circumstances they are automatically converted into ordinary shares, with each special share converting into 4.5 ordinary shares, without the need of holders to request such and without amending the share capital, notwithstanding that this conversion will reduce the implied par value of the ordinary shares.

The possibility of use of the principal equity accounts are outlined in the following table:

in Euro	**December 31, 2015**	**Possibility of use**	**Quota available**
Share Capital	30,845,000		
Legal reserve	-		
Share premium reserve	277,155,000	A;B.	

Key:
A: for share capital increase
B: to cover losses
C: for distribution to shareholders

8- Net Financial Position

The net financial position, as outlined in the following table, was a cash position of Euro 304,998,281, corresponding to the cash held on the bank current accounts for Euro 140,206, Savings Bonds of Euro 184,061,448 and deposits held at Banca Akros S.p.A. for Euro 45,639,960 and Monte dei Paschi di Siena S.p.A. for Euro 75,156,667.

in Euro		**May 28, 2015 – December 31, 2015**
A	Cash	-
B	Other cash equivalents	140,206
C	Other current financial assets	304,858,075
D	**Liquidity (A+B+C)**	**304,998,281**
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**	**304,998,281**
K	Non-current bank payables	-
L	Bonds issued	-
M	Other non-current payables	
N	**Non-current debt**	
O	**Net cash position**	**304,998,281**

NOTES TO THE INCOME STATEMENT

9- Revenue

As a SPAC, the Company did not generate revenue in the period. The Company in the initial period of activity 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.). The process was successfully completed on July 28, 2015 and trading began on July 31, 2015. The Company also launched 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.

10- Consumable materials

"Consumable materials" amounted to Euro 1,770 and comprise expenses incurred for the operational offices.

11- Personnel costs

At December 31, 2015, and for the period of activity, the Company did not have any employees but utilised the services of consultants for the listing process.
The account, amounting to Euro 9,216, comprises social security contributions borne by the Company for the above-mentioned consultants.

12- Other net operating costs

The account for the period amounts to Euro 624,281.

in Euro	**May 28, 2015 – December 31, 2015**
Consultancy expense from Space Holding Srl	432,391
Other costs	44,008
Professional charges	38,381
Board of Statutory Auditors	24,411
Market warrant issue costs	22,500
Independent directors	14,938
Audit	16,800
Administrative services	12,722
Trusteeship services	10,700
Financial communication	7,429
Total other net operating costs	624,281

"Other net operating costs" includes costs incurred by the Company during the year to support the business activities of the Company. 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" relate to legal consultancy and notary services during the incorporation and listing phase and emoluments for the Supervisory Board.
"Market warrant issue costs" concerned the listing process.
"Administrative services" essentially concern accounting services.
"Trusteeship services" concern the ordinary assistance of the trustee Company in the administration of the liquidity deposited in the escrow bank accounts.
Finally, "Financial communication" refers to services for the dissemination and disclosure of Company information to the financial markets, through actions and instruments in support of relations with the media and institutional investors in Italy and abroad.

13- Financial income

Financial income in the period totalled Euro 940,195.

in Euro	**May 28, 2015 – December 31, 2015**
Interest income from bank deposits	298,930
Financial income on Savings Bonds	641,265
Total financial income	940,195

This income principally derives from interest matured in 2015 on the investments described in Note 2 "Other current financial assets". Interest is prudently calculated utilising the interest rate recognised in the event of advance redemption of the investment.

14- Income taxes

For the purposes of the preparation of the financial statements at December 31, 2015, the Company did not record current income taxes given the reductions for corporation tax purposes arising from the capitalisation of the negative reserve for listing costs, which are greater than the profits generated on operating activities for the period. Also for IRAP regional tax purposes, the company reports a fiscal loss for the period.
Deferred tax assets were also not recognised, as plans were not yet available at the reporting date which would indicate the presence of future assessable income. These plans may only be prepared on the execution of the Significant Transaction.

The Company will benefit from tax year 2016, and in the presence of assessable income, of a deferred tax effect generated from (i) the availability of a tax loss, amounting to Euro 249,616, not yet offset and utilisable fully as arising in the first tax period and (ii) from listing charges recognised under equity still deductible in future tax periods, equal to Euro 2,329,727, for which the Company did not record deferred tax assets. 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. The amount of excess ACE available at December 31, 2015 was Euro 8,187,445.

15- Basic and diluted earnings per share

The basic earnings per share is calculated by dividing the result by the number of ordinary shares in circulation and amounts to Euro 0.014.
The following table outlines the calculation of the basic and diluted earnings per share:

(in Euro)	**from May 28 to December 31, 2015**
Net profit	304,928
Number of ordinary shares at end of period	30,000,000
Basic earnings per share	0.014
Diluted earnings per share	0.013

At December 31, 2015, the diluted earnings per share, calculated considering - in addition to ordinary shares - also special shares and the market warrants, corresponds to 0.013. The dilutive effect deriving from the exercise at December 31, 2015 of the market warrants and from the conversion of the special shares would be minimal, therefore the diluted earnings per share is approximately the same as the basic earnings per share (Euro 0.013 per share).

16- Risk Management

The management of financial risks is undertaken according to the guidelines drawn up by the Board of Directors. The objective is the management of the financial resources collated and necessary to undertake the Significant Transaction in accordance with the investment policy approved.
98.5% of the total proceeds from the Offer were deposited in escrow accounts which may be utilised by the Company exclusively through Shareholders' Meeting authorisation in accordance with Article 8.2 of the By-Laws, except for the settlement of the liquidation value of the ordinary shares in exercise of the Withdrawal Right.
At December 31, 2015 and during the period since incorporation, no positions were assumed or operations undertaken which exposed the Company to credit risk or significant liquidity risk.

The Company implemented the Organisational, Management and Control Model pursuant to Legislative Decree. No. 231/2001.

17- Guarantees, commitments and contingent liabilities

At December 31, 2015 there were no guarantees, commitments and contingent liabilities.

18- Transactions with related parties

In line with that described in the listing prospectus, 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. The annual fees, recognised to Space Holding S.r.l., amount to 0.33% of the total institutional placement income from the listing, increased by the expenses incurred for the undertaking of the service and established in the amount of Euro 50,000 annually.
During the year the Company utilised this service for a total amount of Euro 432,391.

19- 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 December 31, 2015 for the members of the Board of Directors indicated above amounts to Euro 14,938, as illustrated in the table below.

Name and surname	Office held	Duration	Emoluments *(in thousands of Euro)* to 31.12.15
Alberto Amadio Tazartes	Director	2015	3,386
Francesca Prandstraller	Director/Chairman	2015-2017	5,266
Margherita Zambon	Director	2015-2017	6,286
Total directors			**14,938**

20- 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, no supplementary benefits in the case of conclusion of service before the expiry of mandate, nor non-monetary benefits, are provided for.

Therefore, the remuneration of the Board of Statutory Auditors matured from the incorporation date of the Company until December 31, 2015 totalled Euro 24,411, as illustrated in the table below.

Name and surname	Office held	Duration	Emoluments *(in thousands of Euro)* to 31.12.15
Pier Luca Mazza	Chairman	2015-2017	10,461
Marco Giuliani	Statutory Auditor	2015-2017	6,975
Virginia Marini	Statutory Auditor	2015-2017	6,975
Total Statutory Auditors' emoluments			**24,411**

21- Fees to the independent audit firm

The table below shows the fees from the audit firm for services in 2015, inclusive of expenses:

Type of service	Service provider	Recipient of service	Fees *(in Euro thousands)*
Audit	KPMG S.p.A.	SPACE2 S.p.A.	16,800
Comfort Letter	KPMG S.p.A.	SPACE2 S.p.A.	52,500
Total			69,300

22- Positions or transactions arising from atypical and/or unusual operations

In accordance with Consob Communication No. DEM/6064293 of July 28, 2006, during the period since incorporation and until December 31, 2015, the Company did not undertake any atypical or unusual operations as set out in the Communication.

23- Significant non-recurring events and operations

During the period since incorporation until December 31, 2015, no non-recurring events or operations took place, as established by Motion No. 15519 and Communication DEM/6064293 of Consob.

24- Authorisation to publish the Financial Statements

The financial statements were approved for publication by the Board of Directors on March 10, 2016.

Milan, March 10, 2016
For the Board of Directors,

The Chairman,
Gianni Mion

ATTACHMENT 1

IAS/IFRS	ACCOUNTING STANDARD	APPROVAL REGULATION
IAS 1	Presentation of financial statements	1274/2008, 53/2009, 70/2009, 494/2009, 243/2010, 149/2011, 475/2012, 1254/2012, 1255/2012, 301/2013, 2113/2015, 2406/2015
IAS 2	Inventories	1126/2008, 1255/2012
IAS 7	Cash Flow Statement	1126/2008, 1274/2008, 70/2009, 494/2009, 243/2010, 1254/2012, 1174/2013
IAS 8	Accounting policies, changes in accounting estimates and errors	1126/2008, 1274/2008, 70/2009, 1255/2012
IAS 10	Events after the balance sheet date	1126/2008, 1274/2008, 70/2009, 1142/2009, 1255/2012
IAS 11	Contract work-in-progress	1126/2008, 1274/2008
IAS 12	Income taxes	1126/2008, 1274/2008, 495/2009, 475/2012, 1254/2012, 1255/2012, 1174/2013
IAS 16	Property, plant and equipment	1126/2008, 1274/2008, 70/2009, 495/2009, 1255/2012, 301/2013, 28/2015, 2113/2015, 2231/2015,
IAS 17	Leasing	1126/2008, 243/2010, 1255/2012, 2113/2015,
IAS 18	Revenue	1126/2008, 69/2009, 1254/2012, 1255/2012
IAS 19	Employee benefits	1126/2008, 1274/2008, 70/2009, 475/2012, 1255/2012, 29/2015, 2343/2015
IAS 20	Accounting for government grants and disclosure of government assistance	1126/2008, 1274/2008, 70/2009, 475/2012.1255/2012
IAS 21	The Effects of Changes in Foreign Exchange Rates	1126/2008, 1274/2008, 69/2009, 494/2009, 149/2011, 475/2012, 1254/2012, 1255/2012
IAS 23	Financial charges	1260/2008, 70/2009, 2113/2015
IAS 24	Related party disclosures	1126/2008, 1274/2008, 632/2010, 475/2012, 1254/2012, 1174/2013, 28/2015
IAS 26	Measurement and presentation of pension funds in the Financial Statements	1126/2008
IAS 27	Consolidated and separate financial statements; from January 1, 2013 as *"Separate Financial Statements"*	494/2009, 149/2011; 1254/2012, 1174/2013, 2441/2015
IAS 28	Investments in associated companies; from January 1, 2013 as *"Investments in associated companies and joint ventures"*	1126/2008, 1274/2008, 70/2009, 494/2009, 495/2009, 149/2011; 1254/2012, 2441/2015,
IAS 29	Financial reporting in hyperinflationary economies	1126/2008, 1274/2008, 70/2009
IAS 31	Investments in joint ventures	1126/2008, 70/2009, 494/2009, 149/2011, 1255/2012
IAS 32	Financial instruments: presentation in the financial statements.	1126/2008, 1274/2008, 53/2009, 70/2009, 495/2009, 1293/2009, 149/2011, 475/2012; 1254/2012, 1255/2012, 1256/2012, 301/2013, 1174/2013
IAS 33	Earnings per share	1126/2008, 1274/2008, 495/2009, 475/2012, 1254/2012, 1255/2012
IAS 34	Interim financial reports;	1126/2008, 1274/2008, 70/2009, 495/2009, 149/2011, 475/2012, 1255/2012, 301/2013, 1174/2013, 2343/2015, 2406/2015
IAS 36	Impairment of assets	1126/2008, 1274/2008, 69/2009, 70/2009, 495/2009, 243/2010, 1254/2012, 1255/2012, 1374/2013, 2113/2015

IAS 37	Provisions, contingent liabilities and contingent assets	1126/2008, 1274/2008, 495/2009, 28/2015
IAS 38	Intangible assets	1126/2008, 1274/2008, 70/2009, 495/2009, 243/2010, 1254/2012, 1255/2012, 28/2015, 2231/2015
IAS 39	Financial instruments: recognition and measurement	1126/2008, 1274/2008, 53/2009, 70/2009, 494/2009, 495/2009, 824/2009, 839/2009, 1171/2009, 243/2010, 149/2011, 1254/2012, 1255/2012, 1174/2013, 1375/2013, 28/2015
IAS 40	Investment property	1126/2008, 1274/2008, 70/2009, 1255/2012, 2113/2015
IAS 41	Agriculture	1126/2008, 1274/2008, 70/2009, 1255/2012, 2113/2015,
IFRS 1	First adoption of international accounting standards	1136/2009, 550/2010, 574/2010, 662/2010, 149/2011, 1205/2011, 475/2012, 1254/2012, 1255/2012, 183/2013, 301/2013, 313/2013, 1174/2013, 2173/2015, 2343/2015, 2441/2015
IFRS 2	Share-based payments	1126/2008, 1261/2008, 495/2009, 243/2010, 244/2010, 1254/2012, 1255/2012, 28/2015
IFRS 3	Business combinations	495/2009, 149/2011, 1254/2012, 1255/2012, 1174/2013, 28/2015
IFRS 4	Insurance contracts	1126/2008, 1274/2008, 1165/2009, 1255/2012
IFRS 5	Non-current assets held for sale and discontinued operations	1126/2008, 1274/2008, 494/2009, 243/2010, 475/2012, 1254/2012, 1255/2012, 2343/2015,
IFRS 6	Exploration for and evaluation of mineral resources	1126/2008
IFRS 7	Financial instruments - additional disclosure	1126/2008, 1274/2008, 53/2009, 70/2009, 495/2009, 824/2009, 1165/2009, 574/2010, 149/2011, 1205/2011, 475/2012; 1256/2012, 1174/2013, 2343/2015, 2406/2015
IFRS 8	Operating Segments	1126/2008, 1274/2008, 243/2010, 632/2010, 475/2012, 28/2015
IFRS 10	Consolidated Financial Statements	1254/2012, 313/2013, 1174/2013
IFRS 11	Joint Arrangements	1254/2012, 313/2013, 2173/2015
IFRS 12	Disclosure of interests in other entities	1254/2012, 313/2013, 1174/2013
IFRS 13	Fair value measurement	1255/2012
SIC/IFRIC	INTERPRETATION DOCUMENTS	APPROVAL REGULATION
SIC 7	Introduction of Euro	1126/2008, 1274/2008, 494/2009,
SIC 10	Government assistance - no specific relation to operating activities	1126/2008, 1274/2008
SIC 12	Consolidation - Special Purpose Entities - Ceased on January 1, 2013	1126/2008
SIC 13	Jointly controlled entities - non-monetary contributions by venturers	1126/2008, 1274/2008
SIC 15	Operating leases – incentives	1126/2008, 1274/2008
SIC 21	Income taxes - Recovery of revalued non-depreciable assets; ceased on January 1, 2013	1126/2008; 1255/2012
SIC 25	Income taxes - Changes in the tax status of an entity or its shareholders	1126/2008, 1274/2008
SIC 27	Evaluating the substance of transactions involving the legal form of a lease	1126/2008
SIC 29	Service Concession Arrangements: Disclosures	1126/2008, 1274/2008, 70/2009

SIC 31	Revenues – barter transactions involving advertising services	1126/2008
SIC 32	Intangible assets – website costs	1126/2008, 1274/2008
IFRIC 1	Changes in existing decommissioning, restoration and similar liabilities	1126/2008, 1274/2008
IFRIC 2	Members shares in co-operative entities and similar instruments	1126/2008, 53/2009, 1255/2012, 301/2013
IFRIC 4	Determining whether an arrangement contains a lease	1126/2008, 70/2009, 1255/2012
IFRIC 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds	1126/2008, 1254/2012
IFRIC 6	Liabilities arising from participating in a specific market – waste electrical and electronic equipment	1126/2008
IFRIC 7	Applying the restatement approach under IAS 29 Financial Reporting in hyperinflationary economies	1126/2008, 1274/2008
IFRIC 9	Reassessment of Embedded Derivatives	1126/2008, 495/2009, 1171/2009, 243/2010, 1254/2012
IFRIC 10	Interim financial reporting and impairment	1126/2008, 1274/2008
IFRIC 12	Service concession arrangements	254/2009
IFRIC 13	Customer loyalty programmes	1262/2008, 149/2011, 1255/2012
IFRIC 14	IAS 19 The limit on a defined benefit asset, minimum funding requirements and their interaction	1263/2008, 1274/2008, 633/2010, 475/2012
IFRIC 15	Arrangements for the construction of real estate	636/2009
IFRIC 16	Hedges of an investment in a foreign operation.	460/2009, 243/2010, 1254/2012
IFRIC 17	Distribution of non-cash assets to owners	1142/2009, 1254/2012, 1255/2012
IFRIC 18	Transfer of Assets from Customers	1164/2009
IFRIC 19	Extinguishing financial liabilities with equity instruments	662/2010, 1255/2012
IFRIC 20	Stripping costs in the production phase of a surface mine	1255/2012
IFRIC 21	Levies	634/2014

DECLARATION OF THE CEO AND THE EXECUTIVE OFFICER

Declaration of the Financial Statements as per Article 81-*ter* of Consob Regulation No. 11971 of May 14, 1999 and subsequent modifications and integrations

1. The undersigned Roberto Italia and Edoardo Subert, respectively CEO and Executive Officer responsible for the preparation of the financial statements of Space2 S.p.A., affirm, and also in consideration of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24, 1998:
    - the conformity in relation to the characteristics of the Company and
    - the effective application of the administrative and accounting procedures for the compilation of the financial statements at December 31, 2015.
2. No significant aspect emerged concerning the above.
3. We also declare that:

   3.1 The financial statements:

   a) are drawn up in conformity with the applicable international accounting standards recognised by the European Union in accordance with Regulation (CE) No. 1606/2002 of the European Parliament and the Commission of July 19, 2002;

   b) correspond to the underlying accounting documents and records;

   c) provide a true and correct representation of the balance sheet, financial situation and result for the year of the Issuer.

   3.2 The Directors' Report includes a reliable analysis on the performance and operating result, as well as the situation of the issuer, together with a description of the principal risks and uncertainties to which it is exposed.

Milan, March 10, 2016

Roberto Italia	Edoardo Subert
(Chief Executive Officer)	(Executive Officer)

KPMG S.p.A.
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Auditors' Report in accordance with Articles 14 and 16 of Legislative Decree No. 39 of January 27, 2010

To the Shareholders of
Space2 S.p.A.

Report on the Financial Statements

We have carried out the audit of the attached financial statements of Space2 S.p.A., comprising the balance sheet at December 31, 2015, the income statement, the statement of comprehensive income, the statement of changes to equity and the statement of cash flows for the period ended December 31, 2015 and the Explanatory Notes to the financial statements.

Responsibility of the Directors for the preparation of the financial statements

The Directors of Space2 S.p.A. are responsible for the preparation of the financial statements, which provide a true and correct representation in compliance with the International Financial Reporting Standards adopted by the European Union, in addition to the enactment provisions of Article 9 of Legislative Decree No. 38/05.

Responsibility of the Independent Audit Firm

It is our responsibility to express an opinion on the financial statements on the basis of the audit. We have carried out the audit in compliance with the international audit principles (IAS Italia), drawn up in accordance with Article 11, paragraph 3 of Legislative Decree No. 39/10. These principles require compliance with the ethical principles, in addition to the planning and execution of the audit in order to acquire reasonable assurance that the financial statements do not contain significant errors.

The audit requires the implementation of procedures for the acquisition of proof in support of the amounts and the information contained in the financial statement. The procedures chosen depend on the professional opinion of the auditor, including the assessment of the risk of significant errors in the financial statements, due to fraud or unintentional conduct or events. In carrying out such risk assessments, the auditor considers the internal control on the preparation of the financial statements of the company which provide a true and correct representation for the definition of the audit procedures appropriate to the circumstances and not to express an opinion on the efficacy of internal control within the company. The audit includes, in addition, an assessment on the appropriateness of the accounting standards adopted, the reasonableness of the accounting estimates made by the directors, in addition to an assessment on the presentation of the financial statements in their totality.

We consider that we have acquired sufficient and appropriate proof on which to base our opinion.

Opinion

In our opinion, the financial statements provide a true and fair representation of the equity and financial position of Space2 S.p.A. at December 31, 2015, the result and the cash flows for the period, in compliance with the International Financial Reporting Standards adopted by the European Union, in addition to the enacting provisions of Article 9 of Legislative Decree No. 38/05.

Report on other legal and regulatory provisions

Opinion on the consistency of the Directors' Report and information contained in the Corporate Governance and Ownership Structure Report with the financial statements

We have implemented the procedures indicated in audit principle (SA Italia) No. 720B in order to express, as required by applicable law, an opinion on the consistency of the Directors' Report and the information within the Corporate Governance and Ownership Structure Report indicated at Article 123-*bis*, paragraph 4 of Legislative Decree No. 58/98, for which the directors of Space2 S.p.A. are responsible, with the financial statements of Space2 S.p.A. at December 31, 2015. In our opinion, the Directors' Report and the information in the Corporate Governance and Ownership Structure Report outlined above are consistent with the financial statements of Space2 S.p.A. at December 31, 2015.

Milan, March 24, 2016

KPMG S.p.A.

Paola Maiorana
Partner

Space2 S.p.A.

Registered Office in Via Mauro Macchi No. 27 – Milan (MI)

Milan Company Registration Office No: 09105940960

REA No. MI- 2069001

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING ON THE 2015 FINANCIAL STATEMENTS

(in accordance with Article 153 of Legislative Decree No. 58/98 and Article 2429, paragraph 2 of the Civil Code)

Dear Shareholders,

during the year ended December 31, 2015, we have performed the supervisory activities required by law, in accordance with the conduct principles for Boards of Statutory Auditors, published by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili) on April 15, 2015, and in accordance with the indications of Consob communication No. 1025564 of April 6, 2001 and subsequent modifications.

With regards to the control duties on the accounting activities and the financial statements, we recall that, in accordance with Legislative Decree No. 58 of 1998, such has been awarded to the independent audit firm KPMG S.p.A., whose report, issued today, we refer.

Before reporting on the manner in which it carries out its duties, the Board of Statutory Auditors firstly briefly outlines the type of Company subject to oversight.

Space2 S.p.A. is an Italian-registered Special Purpose Acquisition Company (SPAC), established on May 28, 2015 as a SIV (Special Investment Company) in accordance with the Borsa Italiana regulation, whose shares were listed on the Professional Segment of the Investment Vehicles Market (MIV) organised and managed by Borsa Italiana S.p.A..
The listing was completed on July 28, 2015, with trading commencing July 31, 2015.

The Euro 300 million capital raised by Space2 will be deployed - within approximately 24 months from the beginning of trading - for a merger with a Target company which on the conclusion of the process will automatically be listed on the Stock Exchange.
The objective of Space2 S.p.A. is therefore to identify a company representative of Italian entrepreneurial excellence and interested in opening up its ownership to institutional investors through listing on the regulated market.

The Company therefore does not have an operating history and in the period since incorporation until the reporting date has focused principally on the:

- definition of the organisational structure;
- conclusion of the process for admission of shares and market warrants to trading on the Professional Segment of the Investment Vehicles Market (MIV);
- research for a Target company, with which to execute the Significant Transaction.

Given that outlined above, the Board of Statutory Auditors reports to having:

- attended the Shareholders' Meetings and the Board of Directors' meetings and obtained from the Directors, in accordance with Article 150 of Legislative Decree No. 58 of 1998, continuous disclosure upon corporate operations; we can reasonably assure that the actions taken and put in place comply with law and the By-Laws and were not manifestly imprudent, hazardous or against the motions passed by the Shareholders' Meeting or such as to compromise the company's assets;

- acquired appropriate information to carry out the control activities, with regard to the issues within our scope and to understand the level of adequacy of the Company's organisation, through direct investigation and exchanges of information with the managers of the relevant departments and with the independent audit firm.

During this supervisory activity, no significant issues requiring communication to the external control and supervisory bodies or mentioning in the present report emerged. Based on our reviews and the information received, the decisions taken by the Directors comply with principles of correct administration and were consistent and compatible with the size and the operations of the Company.
The financial statements of Space2 S.p.A. were prepared according to the IFRS issued by the International Accounting Standards Board (IASB) and approved by the European Union, in addition to the provisions issued in enactment of Article 9 of Legislative Decree No. 38 of 2005.

Given that stated-above and for completeness, further key indications are provided below, according to that laid out by Consob Communication of April 6, 2001.

1. Transactions with significant economic impact
As illustrated in the Annual Financial Report, the operations with significant impact during the year ended December 31, 2015 concerned the acquisition of services for the listing process and those of a preparatory nature for the execution of the significant transaction.

In relation to these, the Board of Statutory Auditors acquired adequate information, which enabled them to establish their compliance with law, with the company By-laws and with the principles of correct administration.

2. Atypical and/or unusual transactions, inter-company transactions and transactions with related parties
During the period since incorporation until December 31, 2015, the company did not undertake any atypical and/or unusual transactions or inter-company transactions, as set out in Consob Communication No. 6064293 of July 28, 2006.
In terms of transactions with related parties, the Company signed a services agreement with the promoter Space Holding S.r.l. 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 company has been identified, the support of Space2 for the structuring and identification of the means for the execution of the Significant Transaction and negotiations with the counterparty.
The agreement also covers investor relations and media management consultancy and other operating support activities for Space2 S.p.A..
During the year, the Company utilised this service for a total amount of Euro 432,391.
The above agreement was promptly disclosed to the market both through the "Prospectus for admission to listing on the investment vehicles market organised and managed by Borsa Italiana S.p.A. of ordinary shares and market warrants of Space2 S.p.A." and at paragraph 3.2 of the "Management of conflicts of interest policy".
The Board of Statutory Auditors reports that the agreement between Space Holding S.r.l. and Space2 S.p.A., although signed before the listing of the Company and consequent to the date of entry into force of the "Transactions with the related parties procedure", was analysed by the Control and Risks Committee and, taking account of the interest of the Company and the substantial correctness of the financial conditions contained therein, was assessed positively.

3. Adequacy of the information provided in the Directors' Report in relation to atypical and/or unusual transactions and inter-company and related party transactions.
The Directors' Report provides adequate disclosure both on the absence of atypical and/or unusual transactions and inter-company transactions and on the transaction with Space Holding S.r.l. described at the previous point.

4. Observations and proposals on exceptions or matters arising in the Auditors' Report.
The independent audit firm KPMG S.p.A. today issued, in accordance with Articles 14 and 16 of Legislative Decree No. 39 of 2010, its report on the 2015 financial statements, to which reference should be made: this report contains an opinion on the financial statements without raising exceptions or matters requiring additional disclosure and considers the Directors' Report and information as per paragraph 1, letter c), d), f), l), m) and paragraph 2, letter b) of Article 123-*bis* of Legislative Decree No. 58 of 1998, presented in the corporate governance and ownership structure report, consistent with the financial statements.

5. Petitions in accordance with Article 2408 of the Civil Code
During the year and until the present date, no petitions were received by the Board of Statutory Auditors in accordance with Article 2408 of the Civil Code.

6. Presentation of notices
The Board of Statutory Auditors is not aware of notices which require reporting.

7. Conferment of additional assignments to the independent audit firm and to parties related to the audit firm.
The Board of Statutory Auditors has supervised, also in relation to that established by Article 19 of Legislative Decree No. 39 of 2010, the independence of the audit firm KPMG S.p.A. and of the companies belonging to its network and notes that the company, in addition to ordinary audit activities, has provided additional services as per the comfort letter issued in relation to the above activities in favour of the issuer within the IPO.
The remuneration concerning the services provided in 2015 to Space2 S.p.A. by the independent audit firm KPMG S.p.A. was as follows:

Type of service	Service provider	Recipient of service	Remuneration *(in Euro thousands)*
Audit	KPMG S.p.A.	SPACE2 S.p.A.	16,800
Comfort Letter	KPMG S.p.A.	SPACE2 S.p.A.	52,500
Total			69,300

No additional services were provided by companies belonging to the network of KPMG S.p.A..

8. Opinions issued in accordance with law
The Board of Statutory Auditors in 2015 approved the appointment of Mr. Edoardo Subert as the Executive Officer responsible for the preparation of the financial statements.
In addition, the Board of Statutory Auditors at the meeting of the Board of Directors of January 28, 2016 expressed its approval of the co-optation as an Independent Director of Mr. Gabriele Villa, in replacement of the resigning Mr. Alberto Tazartes.

9. Frequency and number of meetings of the Board of Directors and the Board of Statutory Auditors
The Board of Statutory Auditors participated at all meetings of the Board of Directors and periodically obtained from the Directors information concerning the activities carried out, and in particular those with

regard to the identification of the Target company.
In particular, in 2015:

- 6 Board of Directors meetings were held;
- 2 Board of Statutory Auditors meetings were held.

10. Observations on compliance with the principles of correct administration

The Board of Statutory Auditors did not note any issues to be submitted to the Shareholders' Meeting during the execution of its mandate.
The Board of Statutory Auditors considers the instruments and governance bodies adopted by the Company appropriate to ensure compliance with the principles of correct administration.

11. Observations on the adequacy of the organisational structure

The Board of Statutory Auditors verified the correct application of the assessment criteria and procedures adopted by the Board of Directors to evaluate the independence of its members.
The supervisory activities confirm that the organisational structure of the company is adequate for the type of activities carried out in 2015.

12. Adequacy of the internal control system

Mr. Carlo Pagliani, as Executive Director in charge of the internal control system, undertook a continuous exchange of information with the Control and Risks Committee through attendance at the Committee's meetings.
An Internal Audit function has not been set up.
The Board of Statutory Auditors notes that at the Board of Directors Meeting of November 9, 2015, the "Organisation, Management and Control Model" was approved, as established by Legislative Decree No. 231 of 2001 and subsequent supplements regarding the administrative responsibility of companies, and Mr. Niccolò Bertolini Clerici and Mr. Pier Luca Mazza were appointed to the Supervisory Board.

13. Adequacy of the administrative – accounting system and its reliability

The Board of Statutory Auditors reviewed the adequacy of the company's administration and accounting system and its reliability to accurately represent operations, through obtaining information from external companies appointed for the keeping of accounts, the review of company documents and analysis of the work carried out by the independent audit firm; in addition, reference should also be made to the declaration issued by Mr. Edoardo Subert, executive officer responsible for the preparation of the financial statements in accordance with Article 154-*bis*, paragraph 2 of the CFA.

14. Adequacy of the provisions issued to subsidiaries in accordance with Article 114, paragraph 2 of the CFBA

The Company does not have subsidiaries and therefore such provisions were not issued.

15. Significant aspects concerning meetings with the Auditors as per Article 150, paragraph 2 of the CFBA

KPMG S.p.A. has verified the correctness of the accounting data concerning the 2015 financial statements through a substantial approach based on validity procedures.
In addition, the report to the Internal Control Committee and the audit indicate that the audit of the 2015 financial statements did not identify any significant deficiencies in the internal control system with regards to the financial disclosure process.

16. Compliance with the Self-Governance Code of the Corporate Governance Committee of listed companies ("Preda" code)

Space2 S.p.A. has not adopted any corporate governance conduct code. However, the Corporate Governance structure adopted by the Company substantially reflects the recommendations and rules of the Self-Governance Code in force.

17. Proposals of the Board of Statutory Auditors to the Shareholders' Meeting in accordance with Article 153, paragraph 2 of the CFBA

The Board of Statutory Auditors, within its remit, recommends the approval of the 2015 Financial Statements and the allocation of the net profit as proposed by the Board of Directors.

Milan, March 24, 2016

The Board of Statutory Auditors

Mr. Pier Luca Mazza

Mr. Marco Giuliani

Ms. Virginia Marini