



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

## PRESS RELEASE

**The board of directors of Space S.p.A. approves the draft 2014 financial statements and the project for delisting Space S.p.A.'s ordinary shares and market warrants from the MIV (investment vehicle) sector and listing them on the Mercato Telematico Azionario (MTA) sector following the business combination with F.I.L.A.**

- **Equity: €81.5 million**
- **Cash and cash equivalents: €132.3 million**
- **Proposal to the shareholders for approving the project for delisting Space S.p.A.'s ordinary shares and market warrants from the investment vehicle sector and listing them on the Mercato Telematico Azionario (MTA) sector**

Milan, 2 March 2015 – The board of directors of Space S.p.A., whose shares are traded in the investment vehicle sector of the stock exchange organised and managed by Borsa Italiana, met today and examined and approved the draft financial statements as at and for the year ended 31 December 2014.

### **2014 highlights**

The loss for 2014 of €0.5 million is mainly attributable to the operating costs incurred for the activities necessary to select a potential target in order to carry out a business combination (the “Relevant Transaction”, which was announced on 15 January 2015, as presented in the “Events after the reporting date” section). The loss is also the result of the recognition of fair value losses

(of a purely accounting and non-monetary nature) on market warrants<sup>1</sup>, which were recognised under financial expense.

Specifically, the loss for 2014 is due to:

- **operating loss** of €1.4 million, mainly due to the costs incurred for the activities necessary to carry out the Relevant Transaction and administrative management costs;
- **financial income** of €2.1 million, comprising fair value gains on savings bonds (€1.5 million) and interest income on the company's cash and cash equivalents (€0.7 million)
- **financial expense** of €1.2 million, which comprises the fair value losses on market warrants;
- **adjusted pre-tax profit** of €0.8 million (net of the fair value losses on the market warrants).

The statement of financial position as at 31 December 2014 includes **equity** of €81.5 million. The **net financial position** at the same date was €89.8 million, including cash and cash equivalents of €132.3 million and the negative fair value of the put option (€42.5 million), granted to the holders of ordinary shares and exercisable as part of the Relevant Transaction, calculated for a maximum number of ordinary shares equal to 33% less one share of the company's ordinary shares. The put option price is equal to the pro rata share value to be calculated based on the Escrow Funds (i.e., 99% of the gross proceeds of the placement of Space S.p.A.'s ordinary shares deposited in the escrow accounts) on the trading day preceding the date on which the board of directors' meeting is convened to approve the Relevant Transaction. As set out in the "Events after the reporting date" section, after the Relevant Transaction approved by the company's board of directors was announced on 15 January 2015, the deadline for exercising the put option has expired and none of those entitled has exercised it.

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<sup>1</sup> Market warrants were assigned free of charge to buyers of ordinary shares during the placement (2 market warrants for every 3 ordinary shares), one of which issued and is currently listed on the investment vehicle sector. The right to the second market warrant will mature upon completion of the Relevant Transaction. Exercising these warrants grants the holders a variable number of newly-issued ordinary shares, depending on their market price, without any cash outflow for the company.

### **Events and significant transactions that occurred during the year and after the reporting date**

During the year, the company focused on selecting a potential target, in accordance with its investment policy. This activity terminated in January 2015 with the identification of a target, F.I.L.A. – Fabbrica Italiana Lapis ed Affini S.p.A. (“FILA”) and the signing of a master agreement structuring the transaction as detailed below. FILA is a global leader in the production and marketing of products for colouring, drawing, modelling, writing and painting, mainly targeted at school and pre-school children.

After the reporting date, **on 15 January 2015**, the boards of directors of Space S.p.A. and FILA approved the merger of FILA into Space under the terms of a master agreements signed by Pencil S.p.A. (FILA’s controlling shareholder), FILA, Space and Space Holding S.r.l. The transaction envisages, inter alia, Space’s acquisition of 15.5% FILA’s share capital and the latter’s merger into Space. Moreover, as part of the transaction, Space will distribute reserves to its shareholders that still hold its ordinary and special shares at the merger date, for a maximum amount of €2 per share, and pay compensation for an overall amount not exceeding €1.6 million to the holders of market warrants (*all details of this transaction are set out in Space’s press release of 15 January 2015 and the documentation relating to the Relevant Transaction is available in the Business Combination section of the company’s web site (www.space-spa.com)*).

The deadline for exercising their put options by those shareholders that were not favourable to the Relevant Transaction and wished to sell all or part of their shares to Space expired **on 11 February 2015**. None of the shareholders exercised their option (*see Space’s press release of 12 February 2015*). Accordingly, when the Relevant Transaction becomes effective, the fair value reserve of €42.5 million including the fair value losses on the put options granted to the company’s shareholders will be released with a consequent positive effect on shareholders equity and net financial position.

At the ordinary meeting of **20 February 2015**, Space’s shareholders, representing 9,047,871 ordinary shares (equal to 69.6% of the company’s voting rights), unanimously approved the Relevant Transaction with FILA, as already approved by the board of directors on 15 January 2015. (*see press release of 20 February 2015*).

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**Project for delisting Space S.p.A.'s ordinary shares and market warrants from the MIV (investment vehicle) sector and listing them on the Mercato Telematico Azionario (MTA) sector**

The board of directors of Space S.p.A. approved the project for delisting Space S.p.A.'s ordinary shares and market warrants from the investment vehicle sector and listing them on the Mercato Telematico Azionario (MTA) sector, with effect after the effective date of the Relevant Transaction with FILA.

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**Call of shareholders' meeting**

The board of directors of Space S.p.A. will submit the financial statements and the project for listing the company's shares and market warrants on the MTA sector for the shareholders' approval during the meeting that will be called for 2 April 2015 (single call) within the deadline and using the methods established by law.

The notice of call and the documentation required by relevant legislation, including the draft financial statements at 31 December 2014, the directors' report, the report on the matters on the agenda, the board of statutory auditors' report, the independent auditors' report, the report on corporate governance and ownership structure and the remuneration report will be made available to the market at the registered office of the company and Borsa Italian S.p.A. as well as on the company's web site ([www. space-spa.com](http://www.space-spa.com)) within the legal terms.

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**Statement of the manager in charge of financial reporting**

Pursuant to article 154-bis.2 of Legislative decree no. 58/1998, the manager in charge of financial reporting, Mr. Edoardo Subert, states that the financial disclosures set out herein comply with the relevant documentation, ledgers and accounting records.

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This press release is also available in the "Media Relation" and "Investor Relations" sections (Press releases) of the company's website [www.space-spa.com](http://www.space-spa.com).

The financial statements at 31 December 2014 will be made available to the market within the deadline and using the methods established by law.

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**Space S.p.A.**

Space S.p.A. is the first special purpose acquisition company (SPAC) set up under Italian law as a SIV (special investment vehicle) pursuant to the Italian stock exchange regulation, whose shares were listed on the investment vehicle sector of the stock exchange organised and managed by Borsa Italiana S.p.A. in December 2013. Space was set up by Space Holding S.r.l., whose quotaholders are Sergio Erede, Roberto Italia, Gianni Mion, Carlo Pagliani, Edoardo Subert, Alfredo Ambrosio and Elisabetta De Bernardi.

**Media Contacts:**

*iCorporate S.r.l.*

Rita Arcuri – [rita.arcuri@icorporate.it](mailto:rita.arcuri@icorporate.it) - Mobile: (+39)333/2608159

Elisa Piacentino – [elisa.piacentino@icorporate.it](mailto:elisa.piacentino@icorporate.it) - Mobile: (+39)366/9134595

**Investor Relations Contacts:**

*Cdr Communication S.r.l.*

Vincenza Colucci – [vincenza.colucci@cdr-communication.it](mailto:vincenza.colucci@cdr-communication.it) – Mobile: (+ 39) 335 6909547

Silvia Di Rosa – [silvia.dirosa@cdr-communication.it](mailto:silvia.dirosa@cdr-communication.it) – Mobile: (+39) 335 78 64 209

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**Space S.p.A.'s statement of comprehensive income, statement of financial position, statement of cash flows and net financial position as at and for the year ended 31 December 2014 are attached hereto**

## Statement of comprehensive income

€	2014	2013
Revenue	-	-
Other revenue	13,714	-
Consumables	(6,404)	-
Personnel expense	(39,645)	-
Leases	(28,023)	-
Other net operating costs	(1,288,281)	(316,289)
Amortisation, depreciation and impairment losses	(10,948)	-
<b>Operating loss</b>	<b>(1,359,587)</b>	<b>(316,289)</b>
Financial income	2,099,267	75,239
Financial expense	(1,200,334)	(429,000)
<b>Pre-tax loss</b>	<b>(460,654)</b>	<b>(670,050)</b>
Income taxes	-	-
<b>Loss for the year</b>	<b>(460,654)</b>	<b>(670,050)</b>
<b>Basic loss per share</b>	<b>(0.035)</b>	<b>(0.24)</b>
<b>Diluted loss per share</b>	<b>(0.035)</b>	<b>(0.24)</b>

€	2014	2013
<b>Loss for the period</b>	<b>(460,654)</b>	<b>(670,050)</b>
Other comprehensive income (expense) that will not be subsequently reclassified to profit or loss	-	-
Other comprehensive income (expense) that will be subsequently reclassified to profit or loss	-	-
<b>Comprehensive expense</b>	<b>(460,654)</b>	<b>(670,050)</b>

## Statement of financial position

€	31 December 2014	31 December 2013
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	52,290,381	52,686,230
Other current financial assets	80,001,935	78,550,235
Other assets	314,243	162,033
<b>Total current assets</b>	<b>132,606,559</b>	<b>131,398,498</b>
<b>Non-current assets</b>		
Property, plant and equipment	12,892	-
Other intangible assets	2,090	-
Other non-current financial assets	15,500	-
<b>Total non-current assets</b>	<b>30,482</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>132,637,041</b>	<b>131,398,498</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade payables	1,098,306	439,812
Other liabilities	5,323	109,950
Put options at fair value	42,470,997	42,470,997
Market warrants at fair value	6,500,000	5,299,666
Provisions for risks and charges	1,100,000	2,600,000
<b>Total current liabilities</b>	<b>51,174,626</b>	<b>50,920,425</b>
<b>Non-current liabilities</b>		
Post-employment benefits	1,196	-
<b>Total non-current liabilities</b>	<b>1,196</b>	<b>-</b>
Share capital	13,554,999	13,554,999
Share premium reserve	69,036,924	67,593,124
Losses carried forward	(670,050)	-
Loss for the year	(460,654)	(670,050)
<b>Equity</b>	<b>81,461,219</b>	<b>80,478,073</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>132,637,041</b>	<b>131,398,498</b>

## Statement of cash flows

€	2014	2013
<b><u>Operating activities</u></b>		
Pre-tax loss	(460,654)	(670,050)
<i>Adjustments to reconcile pre-tax loss with net cash flows:</i>		
- Market warrant issue costs	(56,200)	237,840
- Fair value loss on market warrants	1,200,334	429,000
- Fair value gain on savings bonds	(1,451,700)	(50,235)
- Amortisation, depreciation and impairment losses	10,948	-
- Employee benefits	1,331	-
- Benefits paid	(135)	-
<i>Changes in working capital:</i>		
- Decrease in trade payables and other current liabilities	553,867	147,886
- Increase in trade receivables and other current assets	(157,210)	(108,996)
		-
<b>Net cash flows used in operating activities</b>	<b>(359,420)</b>	<b>(14,556)</b>
<b><u>Investing activities</u></b>		
Savings bonds	-	(78,500,000)
Property, plant and equipment	(22,761)	-
Other intangible assets	(3,169)	-
Other non-current financial assets	(10,500)	-
<b>Net cash flows used in investing activities</b>	<b>(36,430)</b>	<b>(78,500,000)</b>
<b><u>Financing activities</u></b>		
Issue of special shares	-	4,600,000
Issue of ordinary shares and market warrants	-	129,999,990
Payment of transaction costs for the share and warrant issue	-	(3,399,204)
<b>Net cash flows from financing activities</b>	<b>-</b>	<b>131,200,786</b>
<b><i>Net (decrease)/increase in cash and cash equivalents</i></b>	<b><i>(395,849)</i></b>	<b><i>52,686,230</i></b>
Cash and cash equivalents at 31 December 2013	52,686,230	-
<b><u>Cash and cash equivalents at 31 December 2014*</u></b>	<b><u>52,290,381</u></b>	<b><u>52,686,230</u></b>



## Net financial position

€	31 December 2014	31 December 2013
A Cash		
B Other cash and cash equivalents	52,290,381	52,686,230
C Other current financial assets	80,001,935	78,550,235
<b>D Cash and cash equivalents (A+B+C)</b>	<b>132,292,316</b>	<b>131,236,465</b>
<b>E Current loan assets</b>	<b>-</b>	<b>-</b>
F Current bank loans and borrowings	-	-
G Current portion of non-current financial debt	(42,470,997)	(42,470,997)
H Other current financial liabilities (put options at fair value)	(42,470,997)	(42,470,997)
<b>I Current financial debt</b>	<b>(42,470,997)</b>	<b>(42,470,997)</b>
<b>J Net current financial position</b>	<b>89,821,319</b>	<b>88,765,468</b>
K Non-current bank loans and borrowings	-	-
L Bonds issued	-	-
M Other non-current financial liabilities	-	-
<b>N Non-current financial debt</b>	<b>-</b>	<b>-</b>
<b>O Net financial position</b>	<b>89,821,319</b>	<b>88,765,468</b>