

**AQUAFIL TO LIST ON STOCK EXCHANGE THANKS TO
BUSINESS COMBINATION WITH SPACE3**

- *Aquafil is a global leader in the production and sale of synthetic fibers used in the textile flooring, automotive, fashion and sport sectors.*
- *Circular economy pioneer thanks also to the ECONYL® regeneration system, an innovative and sustainable approach creating new products from waste.*
- *Following the business combination, Aquafil will be listed on the STAR Segment of the MTA, with a free float of approx. 37%.*
- *Thanks to the merger with Space3, Aquafil will have new funding of up to Euro 45 million available, stepping up its growth and technological innovation plans.*
- *Business Combination subject to a number of conditions.*

Milan/Arco, June 15, 2017 –The Boards of Directors of **Space3 S.p.A.** (“**Space3**”) – an Italian SPAC listed on the MIV market/SIV segment organised and managed by Borsa Italiana S.p.A. – and **Aquafil S.p.A.** (“**Aquafil**”) today approved the “**Business Combination**” to be executed principally through the merger by incorporation of Aquafil into Space3 (the “**Merger**”).

Aquafil, founded in 1965, is a leading player in Italy and globally in the production and sale of synthetic fibers used in the contract and residential textile flooring, automotive, fashion and sport sectors. Aquafil is a circular economy pioneer thanks also to the ECONYL® regeneration system, an innovative and sustainable approach creating new products from waste, creating an infinite cycle. Nylon waste is collected in localities spread across the globe and includes industrial waste, in addition to products (such as fishing nets and carpets) which have reached the end of their useful lives. This waste is processed to create a raw material (caprolactam) with the same chemical and performance characteristics as that originating from fossil sources.

The Board of Directors of Space3 called for July 27, 2017 the Shareholders’ Meeting to approve, among other matters, the Business Combination and the Merger.

Purposes of the Business Combination

The capital to Aquafil through the Business Combination under the Merger, estimated as up to a maximum approx. Euro 45 million, will be allocated to strengthen the company's capital base to step up both organic growth - through investments in innovation and particularly the division dedicated to sustainable yarns featuring the ECONYL® brand - and targeted acquisition-led growth.

Giulio Bonazzi, the Chairman and Chief Executive Officer, in addition to the majority shareholder of Aquafil, stated: *“The resources from the Business Combination with Space3 will boost Aquafil's growth, with the current year already indicating improved Group earnings and cash generation due to major investments over the last three years. Additional investment will focus on our ECONYL® regeneration process, both in terms of recovering competitiveness and expanding production capacity. We expect this opportunity - together with ongoing research and development which for many years has been a core feature of our business - to further the Nylon 6 fibers sector revolution. ECONYL® is a one-of-a-kind process with a large reserve of still untapped potential. The additional funding provided to the company under the Business Combination, in addition to supporting the development of our production capacity, particularly in Asia and the USA, will allow us to convert any acquisition-led growth possibilities which may arise”.*

Roberto Italia, Chief Executive Officer of Space3, stated: *“The Space Team has known of and recognised Giulio Bonazzi and the Aquafil management team for some time. Leadership, strategic vision, growth ambitions, a global outlook and exemplary technological leadership are an ideal combination as - after FILA and Avio - Aquafil, an extraordinary example of Italian excellence, sets off on its Stock market adventure together with the Space3 investors. We have great confidence in the expansionary talent of the company and in what we can achieve together with its leader and his team”.*

Key terms of the Business Combination

The Business Combination will be broken down into the following principal stages:

- the acquisition by Space3 of a maximum 6,370,080 ordinary Aquafil shares, representing 24% of the share capital, from Aquafin Capital S.p.A. (“**Aquafin Capital**”), currently holding Aquafil's entire share capital, for consideration of Euro 108 million, on the basis of a 100% valuation of the share capital of Aquafil of Euro 450 million (the “**Acquisition**”); and

- the subsequent merger by incorporation of Aquafil into Space3, on the basis of the same 100% valuation of the share capital of Aquafil (Euro 450 million) and a valuation of the Space3 share of Euro 10 (the “**Merger**”).

Also today, Aquafil, Aquafin Capital and Aquafin Holding S.p.A. (“**Aquafin Holding**”) - current majority shareholders of Aquafin Capital - committed to undertake a reorganisation of the Aquafil chain of control (the “**Reorganisation**”), to be carried out at the scheduled date for - and therefore substantially contemporaneously with - the closing of the Significant Transaction and the signing of the Merger deed. As a result of the reorganisation, the share capital of Aquafil shall break down as follows:

- Aquafin Holding (a company indirectly held by Mr. Giulio Bonazzi and his family members) will hold 17,518,409 Aquafil shares, of which 12,613,447 ordinary shares and 4,904,962 multi-vote shares, for a total holding in the share capital of Aquafil of 66.00%;
- TH IV S.A. (“**TH IV**”), a Luxembourg-based vehicle company owned by the Three Hills Capital Partners private equity fund, will hold 1,738,568 ordinary Aquafil shares for a holding in the share capital of Aquafil of 6.55%;
- a number of Aquafil managers (the “**Managers**”) will personally hold an overall total of 914,943 ordinary Aquafil shares, equal to an investment in the share capital of Aquafil of 3.45%.

The Board of Directors of Aquafil also approved submittal to the Extraordinary Shareholders’ Meeting of Aquafil, before the date scheduled for the signing of the Merger deed, of an amendment to the present By-Laws of Aquafil, in order to permit the issue of 4,904,962 special class multi-vote shares, to be assigned to Aquafin Capital following conversion of the ordinary shares held by the company. Once the Merger becomes effective as a result of the Reorganisation, the special class multi-vote shares shall be exclusively and directly held by Aquafin Holding.

The Merger

The Merger shall be executed through (i) cancellation of the Aquafil shares held by the Aquafil shareholders at the Effective Merger Date and (ii) the granting to Aquafil shareholders at the Effective Merger Date other than Space3 of newly issued shares from the share capital increase of Space3 in service of the share swap.

The Board of Directors of Space3 and Aquafil agreed to the following share swap ratio (applicable both to ordinary Aquafil shares and to the special class multi-vote shares):

for each Aquafil share, 1.69543 newly issued Space3 shares.

Space3 shall execute the Merger through a share capital increase in service of the share swap for a maximum nominal amount of approx. Euro 450 million, to be completed by February 28, 2018, through the issue of a maximum approx. n. 45 million shares, of which a maximum approx. 36 million ordinary shares and approx. 8 million special class multi-vote shares. The maximum amount of the above-stated share capital increase was established assuming that Space3 does not proceed with the acquisition of any Aquafil ordinary shares as part of the acquisition and that, therefore, the share swap shall apply to the total number of Aquafil shares issued.

On June 14, 2017, the Milan Court appointed PKF Italia S.p.A. as the expert to prepare an opinion on the share swap ratio, in accordance with Article 2501-*sexies* of the Civil Code. This shall be made available according to the terms established by the applicable regulation.

The Aquafil multi-vote shares issued before signing of the Merger deed will be subject to a share swap with newly issued Space3 multi-vote shares with similar rights to those issued by Aquafil. These shares will not be listed and will automatically convert into ordinary shares, losing their multi-vote rights, in the case of their disposal to third parties or a change in control of Aquafil Holding, in accordance with the terms and conditions of the Space3 By-Laws which will enter into force from the Effective Merger Date.

For the ordinary shares and the market warrants of the post-Business Combination company, Space3 will request admission to listing on the STAR segment of the MTA.

The Merger's efficacy shall therefore be subject to, in addition to a number of conditions on the execution of the overall Business Combination (as set out below), the approval of Borsa Italiana of admission to listing on the STAR Segment of the MTA of the ordinary shares and the Space3 post-Merger market warrants, in addition to the issue by Consob of authorisation for publication of the relative admission to trading disclosure document.

Dependent on the Merger and from the effective merger date, Space3 will adopt the name "Aquafil S.p.A.", transfer its registered office to Arco di Trento (TN) and, from the same date, shall adopt a new By-Laws, attached to the Merger proposal. For further information on the new By-Laws, reference should be made to the merger proposal and the Space3 Directors' Report, prepared in accordance with applicable regulations, which will be made available to the public according to the applicable terms and conditions.

The Extraordinary Shareholders' Meeting of Space3 shall be called to approve, among other matters, the Business Combination and the Merger on July 27, 2017. Therefore, taking account

of the period granted to creditors to oppose the Merger, completion of the Business Combination - subject to the required approvals and verification of all conditions - is expected for November 2017.

Right to withdrawal

Space3 ordinary shareholders not in agreement with the Merger motion, within 15 days from filing in the company's register of the Shareholders' Meeting motion in approval of the Merger, may exercise the Right to Withdrawal in accordance with Article 2437, paragraph 1, letter a) and paragraph 2 of letter a) of the Civil Code (the "**Right to Withdrawal**"), against payment of a unitary liquidation amount of Euro 10.739, established by the Board of Directors of Space3 according to Article 7 of the Space3 By-Laws and in compliance with Article 2437-ter, paragraph 3, second section, of the Civil Code. In particular, the liquidation value of the ordinary shares subject to exercise of the Right to Withdrawal was established as an amount equal to the average of the closing price for ordinary Space3 shares between April 5, 2017 (admission to listing date on the MIV of ordinary shares and market warrants issued by Space3) and the last open trading day before publication of the call notice of the Shareholders' Meeting for the approval of the Significant Transaction, as this average is greater than the amount resulting from application of the equity calculation criteria as per Article 7.1 of the By-Laws of Space3.

The terms and conditions for the exercise of the Right to Withdrawal are described in detail in the Board of Directors' Report on the Agenda of the Shareholders' Meeting, which will be made available to shareholders according to the terms and conditions established by the applicable regulation.

Agreements with Quaestio Capital SGR S.p.A.

Quaestio Capital SGR S.p.A. ("**Quaestio**"), in the name of and on behalf of the Italian Growth Fund, part of the Quamvis S.C.A. SICAV-FIS fund, today undertook a commitment to purchase the ordinary Space3 shares for which the Right to Withdrawal shall be exercised and which are not placed with shareholders in accordance with the liquidation procedure as per Article 2437-*quater*, paragraphs 1 to 3 of the Civil Code. Specifically, Quaestio is committed to acquire ordinary unopted Space3 shares subject to the exercise of the Right to Withdrawal up to a maximum total amount of Euro 20 million (calculated on the basis of the withdrawal price) ("**Quaestio Agreement**").

In addition, Aquafin Capital and Aquafin Holding also today committed to ensure that, at the closing date of the Business Combination and before the signing of the Merger deed, one of the Managers sells to Quaestio 324,401 ordinary Aquafil shares.

Quaestio undertook a lock-up commitment until February 28, 2018 concerning the entire investment which will be held by it in Space3 post-Merger.

Post-Business Combination Ownership Structure

Assuming that Space3 acquires the maximum number of ordinary Aquafil shares under the Acquisition and that:

- a) no Space3 shareholder exercises the Right to Withdrawal; and
- b) the Reorganisation is executed according to the agreed terms; and
- c) Quaestio acquires from one of the Managers 342,401 ordinary Aquafil shares;

the shareholder structure of Aquafil at the effective date of the Business Combination shall be the following:

Shareholder structure at the effective date of the Business Combination		
	Share capital percentage (*)	Voting rights percentage (*)
Aquafin Holding	59.30	69.71
TH IV	5.88	4.44
Quaestio	1.10	0.83
Managers	2.00	1.51
Space Holding	1.78	0.95
Space3 investors	29.95	22.57

(*) The percentages are calculated taking account of the fact that at the Effective Merger Date 140,000 special Space3 shares held by Space Holding shall be converted into 630,000 ordinary shares.

Business Combination conditions

The execution of the Business Combination is subject to a number of suspension and resolution conditions, established under the framework agreement which governs the terms and conditions for execution of the Significant Transaction. Among others, in addition to the circumstance that the number of ordinary Space3 shares for which the Right to Withdrawal is exercised is greater than 33% less one share of the ordinary share capital of Space3, or that the payment which Space3 would be required to make against the exercise of the Right to Withdrawal is greater than Euro 49,682,964.21 (to be calculated subtracting from the total consideration to be paid to shareholders who have exercised the Right to Withdrawal, the amount of consideration that should be paid by the Space3 shareholders who have exercised the option right and pre-emption right on the shares subject to the Right to Withdrawal in accordance with Article 2437-*quater*, paragraphs 1 to 3, of the Civil Code and the consideration that should be paid by Quaestio under the obligations arising under the Quaestio Agreement), it is established that by the closing the waiver of early repayment of a number of significant funding contracts is obtained at non-detrimental conditions for the Aquafil Group, or that early repayment is effected by Aquafil, that the ordinary Aquafil shares are free from any encumbrances, that the Court-appointed expert confirms the appropriateness of the share swap identified above and that, by the called ordinary Space3 Shareholders' Meeting, the Board of Directors of Space3 is appointed, in the composition as per the Shareholder' Agreement (hereafter defined), all with efficacy from the Effective Merger Date.

Space3 corporate governance post-merger motions

All members of the Board of Directors of Space3 today resigned with effect from the Effective Merger Date, to allow the entry at that date of the new corporate boards, based on the altered ownership structure of Space3 post-merger.

The Shareholders' Meeting of Space3 called for July 27, 2017 shall be therefore requested to appoint the new Board of Directors of Space3, in office from the Effective Merger Date, and revoke the liability action in accordance with Article 2393 of the Civil Code against the resigning Directors.

Today, Aquafin Holding, the Managers, TH IV, Space3 and Space Holding signed a shareholder agreement ("**Shareholder Agreement**") concerning: (i) lock-up commitments concerning the investments held in Space3 post-Merger by Aquafin Holding, TH IV and the Managers for a duration, respectively, of 18 months – regarding Aquafin Holding and the Managers – and 9

months – regarding TH IV – from the Effective Merger Date; (ii) the manner for election of the Board of Directors which will take office from the Effective Merger Date, considering that at the Space3 Shareholders’ Meeting of July 27, 2017 the Board of Directors of Space3 shall present a list of candidates, of which 7 shall be indicated by Aquafin Holding and 2 by Space Holding; and (iii) the means and timeline for the renewal of the Board of Statutory Auditors of Space3 immediately after the Effective Merger Date.

Space Holding, on the basis of the commitments undertaken on the listing of Space3, will have a lock-up on the ordinary shares deriving from the conversion of special shares under the Business Combination of 12 months from the Effective Merger Date.

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The documentation concerning the Merger and the other proposals to be submitted to the Space3 Shareholders’ Meeting will be made available to the market according to the statutory and regulatory terms and conditions.

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For the transaction, Space3 was assisted by Citigroup Global Markets Limited as the financial advisor and for the legal aspects by the BonelliErede and Giovannelli e Associati firms. KPMG S.p.A. is the auditor of Space3.

Aquafil was assisted by the Freshfields Bruckhaus Deringer legal firm. PWC S.p.A. is the auditor of Aquafil.

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The Business Combination shall be presented to the financial community on June 23, 2017 at 9.30 AM at the Four Seasons Hotel in Milan, via Gesù, 6/8.

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Companies involved

Aquafil, founded in 1965, is a leading Italian and global producer of synthetic fibers, in particular for polyamide 6 applications. The Group, with over 2,700 employees, is engaged on three continents through two product divisions:

1) BCF (Bulk Continuous Filaments): synthetic yarns for textile flooring used in the contract (offices, public spaces, hotels), automotive (car carpets and upholstery) and residential sectors. The production of textile flooring yarns is Aquafil's main business (with over 80% of Group revenues) and has been undertaken since its foundation. The Group is today the BCF sector European leader and the second largest global player. With nearly 20,000 product codes, manufacturing is entirely in-house as part of stylistic development and/or technological innovation projects, in close contact with the customer and with the complete renewal of the entire collection every four years.

2) NTF (Nylon Textile Filaments): synthetic yarn for the apparel and sport sectors. The Group is today one of the main suppliers of some of the leading Italian and European apparel, underwear and sportswear brands. A continuous commitment to research has enabled Aquafil to flank clients creating new textile products, responding to the most innovative clothing and sportswear aesthetic and performance trends. The range of products includes the Dryam® microfiber and regenerated ECONYL® polyamide yarns, whose development always stems from collaboration projects with the final brands.

Aquafil is a circular economy pioneer thanks also to the ECONYL® regeneration system, an innovative and sustainable approach creating new products from waste, creating an infinite cycle. Nylon waste is collected in localities spread across the globe and includes industrial waste, in addition to products (such as fishing nets and carpets) which have reached the end of their useful lives. This waste is processed to create a raw material (caprolactam) with the same chemical and performance characteristics as that originating from fossil sources. The polymers produced from ECONYL® caprolactam are distributed to Group production plant and subsequently processed into BCF and NTF yarns. Approx. 30% of Group revenues currently derive from ECONYL® caprolactam yarn products.

In 2016, Aquafil generated revenues of approx. Euro 483 million, with EBITDA of approx. Euro 65 million and a Net Profit of approx. Euro 21 million. The net debt at December 31, 2016 was approx. Euro 156 million.



Space3 is an Italian registered SPAC (Special Purpose Acquisition Company) listed on the regulated MIV (Investment Vehicles Market)/Professional segment organised and managed by Borsa Italiana S.p.A..

Space3 arose from the partial and proportional spin-off of the SPAC Space2 S.p.A. and is the third SPAC promoted by Space Holding, an investment company held equally by Sergio Erede, Roberto Italia, Gianni Mion, Carlo Pagliani and Edoardo Subert. In 2013, Space Holding incorporated Space S.p.A., the first Italian registered SPAC listed on the MIV, which undertook a business combination with F.I.L.A. - a world leader in the production and sale of colouring, drawing, modelling, writing and painting tools, principally for school and pre-school age children. In 2015, Space Holding incorporated Space2 S.p.A., the second Italian SPAC listed on the MIV, which last April completed a business combination with Avio S.p.A., an international leader in the construction and development of solid and liquid propulsion systems for space launchers and in space transport.