

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q/A
(Amendment No. 1)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2021 OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF

1934

For the transition period from _____ to _____

INVESTINDUSTRIAL ACQUISITION CORP.
(Exact name of registrant as specified in its charter)

Cayman Islands
(State or other jurisdiction
of incorporation or organization)

001-39720
(Commission
File Number)

98-1556465
(I.R.S. Employer
Identification Number)

Suite 1, 3rd Floor, 11-12 St James's Square
London, United Kingdom
(Address of principal executive offices)

SW1Y 4LB
(Zip Code)

+44 20 7400 3333
Registrant's telephone number, including area code

Not Applicable
(Former name or former address, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class:	Trading Symbol	Name of Each Exchange on Which Registered:
Units, each consisting of one Class A Ordinary Share, \$0.0001 par value, and one-third of one redeemable warrant	IIAC.U	New York Stock Exchange
Class A Ordinary Shares included as part of the units	IIAC	New York Stock Exchange
Redeemable warrants included as part of the units, each one whole warrant exercisable for one Class A Ordinary Share at an exercise price of \$11.50	IIAC WS	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, anon-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of November 23, 2021, 40,250,000 Class A ordinary shares, par value \$0.0001 per share (including 40,250,000 shares subject to possible redemption that are classified as temporary equity) and 10,062,500 Class B ordinary shares, par value \$0.0001 per share, were issued and outstanding.

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INVESTINDUSTRIAL ACQUISITION CORP.
Form 10-Q
For the Period Ended
September 30, 2021
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EXPLANATORY NOTE

References throughout this Amendment No. 1 to the Quarterly Reports on Form 10-Q to “we,” “us,” the “Company” or “our company” are to Investindustrial Acquisition Corp., unless the context otherwise indicates.

This Amendment No. 1 (“Amendment No. 1”) to the Quarterly Report on Form 10-Q/A amends the Quarterly Reports on Form 10-Q of Investindustrial Acquisition Corp. as of March 31, 2021, June 30, 2021 and September 30, 2021 (collectively, the “Original Filings”).

The Company has re-evaluated the Company’s application of ASC 480-10-S99-3A to its accounting classification of the redeemable Class A ordinary shares, par value \$0.0001 per share (the “Class A ordinary shares”, issued as part of the units sold in the Company’s initial public offering (the “IPO”) on November 23, 2020. Since issuance in November 2020, the Company has considered the Class A ordinary shares subject to possible redemption to be equal to the redemption value of \$10.00 per Class A ordinary share while also taking into consideration a redemption cannot result in net tangible assets being less than \$5,000,001. Previously, the Company did not consider redeemable stock classified as temporary equity as part of net tangible assets. After discussion and evaluation, including with our accounting advisors and our audit committee, Management has determined that the Class A ordinary shares issued during the Initial Public Offering and pursuant to the exercise of the underwriters’ overallocation can be redeemed or become redeemable subject to the occurrence of future events considered outside the Company’s control. Management has also discussed this matter with our independent registered accountant. Therefore, management concluded that the redemption value should include all Class A ordinary shares subject to possible redemption, resulting in the Class A ordinary shares subject to possible redemption being equal to their redemption value. As a result, management noted an adjustment between temporary equity and permanent equity should be made. In addition, in connection with the change in presentation for the Public Shares, the Company determined it should restate its earnings per share calculation to allocate income and losses shared pro rata between the two classes of shares. This presentation contemplates a Business Combination as the most likely outcome, in which case, both classes of shares share pro rata in the income and losses of the Company.

On July 19, 2021, in conjunction with the Business Combination Agreement, the Company entered into a deal-contingent forward currency contract (the “Deal-Contingent Forward”) to purchase €305.0 million at set daily rates from October 13, 2021 through April 19, 2022. After discussion and evaluation with our audit committee, Management has determined that the Deal-Contingent Forward should have been recognized on the Balance Sheet at fair value with changes in fair value recognized within the Statement of Operations for the quarter ended September 30, 2021. Management has also discussed this matter with our independent registered accountant.

As a result of the factors described above, the Company’s management and the audit committee of the Company’s board of directors (the “Audit Committee”) concluded that the Company’s previous quarterly unaudited financial statements as of (i) March 31, 2021, as filed on Form 10-Q on June 1, 2021, (ii) June 30, 2021, as filed on Form 10-Q on August 13, 2021, and (iii) September 30, 2021 as filed on Form 10-Q on November 15, 2021 (the “Affected Periods”) should be restated and should no longer be relied upon.

The change in accounting for the Class A ordinary shares and the Deal-Contingent Forward did not have any impact on our liquidity, net cash flows, revenues or costs of operating our business in the Affected Periods.

The Company’s management has concluded that a material weakness remains in the Company’s internal control over financial reporting and that the Company’s disclosure controls and procedures were not effective. The Company’s remediation plan with respect to such material weakness will be described in more detail in the Form 10-Q to be filed as of and for the quarter ended September 30, 2021.

We are filing this Amendment No. 1 to amend and restate the Original Filings with modification as necessary to reflect the restatements. The following items have been amended to reflect the restatements:

Part I Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Part I, Item 1. Financial Statements

Part I, Item 4. Controls and Procedures

Part II, Item 1A. Risk Factors

Except as described above, no other information included in the Original Filings is being amended or updated by this Amendment No. 1 and this Amendment No. 1 does not purport to reflect any information or events subsequent to the Original Filings. This Amendment No. 1 continues to describe the conditions as of the date of the Original Filings and, except as expressly contained herein, we have not updated, modified or supplemented the disclosures contained in the Original Filings. Accordingly, this Amendment No. 1 should be read in conjunction with the Original Filings and with our filings with the SEC subsequent to the Original Filings.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

INVESTINDUSTRIAL ACQUISITION CORP.
CONDENSED BALANCE SHEETS

	September 30, 2021 (As Restated) (Unaudited)	December 31, 2020 (As Restated)
Assets:		
Current Assets		
Cash	\$ 228,930	\$ 1,044,177
Prepaid Expenses	826,000	751,781
Total Current Assets	1,054,930	1,795,958
Investments held in Trust Account	402,518,127	402,500,000
Total Assets	\$403,573,057	\$404,295,958
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	\$ 185,829	\$ 767,969
Accrued expenses	446,199	428,433
Note payable – related party	1,250,000	—
Due to related party	104,000	14,000
Total current liabilities	1,986,028	1,210,402
Deferred underwriting commissions	14,087,500	14,087,500
Derivative warrant liabilities	25,950,500	29,370,333
Other derivative instruments	5,048,594	—
Total Liabilities	47,072,622	44,668,235
Commitments and Contingencies		
Class A ordinary shares, \$0.0001 par value; 500,000,000 shares authorized; 40,250,000 shares subject to possible redemption at \$10.00 per share at both September 30, 2021 and December 31, 2020	402,500,000	402,500,000
Shareholders' Equity		
Preference shares, \$0.0001 par value; 5,000,000 shares authorized; none issued and outstanding	—	—
Class B ordinary shares, \$0.0001 par value; 50,000,000 shares authorized; 10,062,500 shares issued and outstanding	1,006	1,006
Additional Paid in Capital	—	—
Retained Earnings (Deficit)	(46,000,571)	(42,873,283)
Total Shareholders' Equity	(45,999,565)	(42,872,277)
Total Liabilities and Shareholders' Equity	\$403,573,057	\$404,295,958

The accompanying notes are an integral part of these unaudited condensed financial statements

**INVESTINDUSTRIAL ACQUISITION CORP.
CONDENSED STATEMENT OF OPERATIONS**

	For the Three Months Ended September 30, 2021 <u>(As Restated)</u> (Unaudited)	For the Nine Months Ended September 30, 2021 <u>(As Restated)</u> (Unaudited)	For the Period from September 7, 2020 (inception) through September 30, 2020 <u>(As Restated)</u> (Unaudited)
General and administrative expenses	\$ 516,145	\$ 1,445,975	\$ 11,074
Loss from operations	(516,145)	(1,445,975)	(11,074)
Other income:			
Dividend income on investment held in Trust Account	6,131	18,127	—
Change in fair value of derivative warrant liabilities	(5,029,166)	3,419,833	—
Change in fair value of other derivative instruments	(5,048,594)	(5,048,594)	—
Total Other income (Expense)	<u>(10,071,629)</u>	<u>(1,610,634)</u>	<u>—</u>
Net income (Loss)	<u>\$ (10,587,774)</u>	<u>\$ (3,056,609)</u>	<u>\$ (11,074)</u>
Weighted average shares outstanding of Class A ordinary shares	<u>40,250,000</u>	<u>40,250,000</u>	<u>—</u>
Basic and diluted net income (loss) per Class A ordinary shares	<u>\$ (0.21)</u>	<u>\$ (0.06)</u>	<u>\$ —</u>
Weighted average shares outstanding of Class B ordinary shares	<u>10,062,500</u>	<u>10,062,500</u>	<u>10,062,500</u>
Basic and diluted net income (loss) per Class B ordinary shares	<u>\$ (0.21)</u>	<u>\$ (0.06)</u>	<u>\$ —</u>

The accompanying notes are an integral part of these unaudited condensed financial statements

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INVESTINDUSTRIAL ACQUISITION CORP.
CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(UNAUDITED)

	Class A		Class B		Additional Paid-in Capital	Retained Earnings	Total Stockholders' Equity
	Shares	Amount	Shares	Amount			
Balance - January 1, 2021	—	—	10,062,500	1,006	—	(42,873,283)	(42,872,277)
Accretion for Class A ordinary shares to redemption amount	—	—	—	—	—	(70,679)	(70,679)
Net Income	—	—	—	—	—	12,598,293	12,598,293
Balance - March 31, 2021	—	—	10,062,500	1,006	—	(30,345,669)	(30,344,663)
Net loss	—	—	—	—	—	(5,067,128)	(5,067,128)
Balance - June 30, 2021	—	—	10,062,500	1,006	—	(35,412,797)	(35,411,791)
Net loss	—	—	—	—	—	(10,587,774)	(10,587,774)
Balance - September 30, 2021	—	\$ —	10,062,500	\$ 1,006	\$ —	\$(46,000,571)	\$(45,999,565)

FOR THE PERIOD FROM SEPTEMBER 7, 2020 (INCEPTION) THROUGH SEPTEMBER 30, 2020
(UNAUDITED)

	Class A		Class B		Additional Paid-in Capital	Retained Earnings	Total Stockholders' Equity
	Shares	Amount	Shares	Amount			
Balance - September 7, 2020 (inception)	—	\$ —	—	\$ —	\$ —	\$ —	\$ —
Issuance of Class B ordinary shares to Sponsor	—	—	10,062,500	1,006	23,994	—	25,000
Net loss	—	—	—	—	—	(11,074)	(11,074)
Balance - September 30, 2020	—	—	10,062,500	1,006	23,994	(11,074)	13,926

Item 1. Financial Statements

INVESTINDUSTRIAL ACQUISITION CORP.
CONDENSED STATEMENTS OF CASH FLOWS

	For the nine months ended September 30, 2021 <u>(restated)</u>	For the period from September 7, 2020 (inception) through September 30, 2020 <u>(restated)</u>
Cash Flows from Operating Activities:		
Net Income	(3,056,609)	(11,074)
Adjustments to reconcile net income to net cash used in operating activities:		
Change in fair value of derivative warrant liabilities	(3,419,833)	—
Change in fair value of other derivative liabilities	5,048,594	—
Changes in operating assets and liabilities:		
Prepaid expenses	(74,219)	—
Accrued expenses	17,766	—
Accounts payable	(582,140)	—
Due to related parties	90,000	11,074
Dividend income	(18,127)	—
Net cash used in operating activities	<u>(1,994,568)</u>	<u>—</u>
Cash Flows from Financing Activities:		
Payment of offering costs	(70,679)	—
Proceeds of note payable from related parties	1,250,000	—
Net cash provided by financing activities	<u>1,179,321</u>	<u>—</u>
Net increase (decrease) in cash	(815,247)	—
Cash - Beginning of the period	<u>1,044,177</u>	<u>—</u>
Cash - End of the period	<u><u>228,930</u></u>	<u><u>—</u></u>
Supplemental disclosure of noncash investing and financing activities:		
Deferred offering costs paid by Sponsor in exchange for issuance of Class B ordinary shares	—	25,000
Deferred offering costs included in accrued expenses	—	294,140
Deferred offering costs included in note payable	—	60,875

INVESTINDUSTRIAL ACQUISITION CORP. NOTES TO FINANCIAL STATEMENTS

Note 1—Description of Organization, Business Operations and Basis of Presentation

Investindustrial Acquisition Corp. (the “Company” or “IIAC”) was incorporated as a Cayman Islands exempted company on September 7, 2020. The Company was formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses. Although the Company is not limited to a particular industry or geographic region for purposes of consummating its business combination, the Company intends to capitalize on the ability of its management team to identify, acquire and manage a business in the industrial and consumer sectors. The Company is an emerging growth company and, as such, is subject to all of the risks associated with emerging growth companies.

As of September 30, 2021, the Company had not commenced any operations. All activity for the period from September 7, 2020 (inception) through September 30, 2021 relates to the Company’s formation, its initial public offering (the “Initial Public Offering”) described below, and, after the Initial Public Offering, identifying a target company for a business combination. The Company will not generate any operating revenues until after the completion of its initial business combination. The Company will generate non-operating income in the form of interest income from the proceeds derived from the Initial Public Offering and recognizes changes in the fair value of derivative warrant liabilities as other income (expense). The Company has selected December 31 as its fiscal year end.

The Company’s sponsor is Investindustrial Acquisition Corp. L.P, a limited partnership incorporated in England and Wales (the “Sponsor”). The registration statement for the Company’s Initial Public Offering was declared effective on November 18, 2020. On November 23, 2020, the Company consummated its Initial Public Offering of 35,000,000 units (each, a “Unit” and collectively, the “Units” and, with respect to the Class A ordinary shares included in the Units, the “Public Shares”, and, with respect to the warrants sold as part of the Units in the Initial Public Offering, whether purchased thereby or thereafter in the open market, the “Public Warrants”) offering price of \$10.00 per Unit, generating gross proceeds of \$350.0 million, and incurring approximately \$12.3 million in deferred underwriting commissions (see Note 5). The Company granted the underwriters of the Initial Public Offering (the “Underwriters”) a 45-day option from the date of the final prospectus relating to the Initial Public Offering to purchase up to 5,250,000 additional Units to cover over-allotments (the “Over-Allotment Option”), if any, at \$10.00 per Unit. On November 24, 2020, the Underwriters fully exercised the Over-Allotment Option to purchase an additional 5,250,000 Units (the “Over-Allotment Units”). On November 27, 2020, the Company completed the sale of the Over-Allotment Units to Underwriters (the “Over-Allotment”), generating gross proceeds of \$52.5 million, and incurred additional deferred underwriting commissions of \$1.8 million in deferred underwriting commissions (see Note 6). The Company also incurred additional offering costs of approximately \$9.2 million associated with the Initial Public Offering and completion of the Over-Allotment sale.

Simultaneously with the closing of the Initial Public Offering, the Company completed a private placement (the “Private Placement”) of 6,000,000 warrants (each a “Private Placement Warrant” and collectively, the “Private Placement Warrants”) at a price of \$1.50 per Private Placement Warrant to the Sponsor, generating proceeds of \$9.0 million. Simultaneously with the closing of the Over-Allotment Units, on November 27, 2020, the Company consummated a second private placement (the “Second Private Placement”), resulting in the purchase of an aggregate of an additional 700,000 Private Placement Warrants by the Sponsor, generating gross proceeds to the Company of approximately \$1.1 million.

Upon the closing of the Initial Public Offering and the Private Placement, an aggregate of \$350.0 million (\$10.00 per Unit), consisting of \$343.0 million of net proceeds of the Initial Public Offering and \$7.0 million of the gross proceeds of the Private Placement, was placed in a trust account (“Trust Account”), located in the United States at J.P. Morgan Chase Bank, N.A., with Continental Stock Transfer & Trust Company acting as trustee, and is invested only in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act, with a maturity of 185 days or less or in money market fund meeting the conditions of paragraphs (d)(1), (d)(2), (d)(3) and (d)(4) of Rule 2a-7 of the Investment Company Act, as determined by the Company, until the earlier of: (i) the completion of a Business Combination (as defined below) and (ii) the distribution of the Trust Account as described below. Upon closing of the Over-Allotment and the Second Private Placement, an aggregate of \$52.5 million (\$10.00 per Unit) was placed in the Trust Account, for a total of \$402.5 million deposited in the Trust Account.

The Company will provide the holders of Public Shares (the “Public Shareholders”), with the opportunity to redeem all or a portion of their Public Shares upon the completion of a Business Combination either (i) in connection with a shareholder meeting called to approve the Business Combination or (ii) by means of a tender offer. The decision as to whether the Company will seek shareholder approval of a Business Combination or conduct a tender offer will be made by the Company, solely in its discretion. The Public Shareholders will be entitled to redeem their Public Shares for a pro rata portion of the amount then in the Trust Account (initially anticipated to be \$10.00 per Public Share, plus any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company to pay income taxes). The per-share amount to be distributed to Public Shareholders who redeem their Public Shares will not be reduced by the deferred underwriting commissions the Company will pay to the Underwriters (as discussed in Note 5).

These Public Shares are classified as temporary equity upon the completion of the Initial Public Offering in accordance with the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Codification (“ASC”) Topic 480 “Distinguishing Liabilities from Equity.” In such case, the Company will proceed with a Business Combination if the Company has net tangible assets of at least \$5,000,001 upon such consummation of a Business Combination and, only if a majority of the ordinary shares, represented in person or by proxy and entitled to vote thereon, voted at a shareholder meeting are voted in favor of the Business Combination. If a shareholder vote is not required by law and the Company does not decide to hold a shareholder vote for business or other reasons, the Company will, pursuant to the amended and restated memorandum and articles of association which the Company adopted upon the consummation of the Initial Public Offering (the “Amended and Restated Memorandum and Articles of Association”), conduct the redemptions pursuant to the tender offer rules of the U.S. Securities and Exchange Commission (“SEC”) and file tender offer documents with the SEC prior to completing a Business Combination. If, however, shareholder approval of the transactions is required by law, or the Company decides to obtain shareholder approval for business or other reasons, the Company will offer to redeem shares in conjunction with a proxy solicitation pursuant to the proxy rules and not pursuant to the tender offer rules. Additionally, each Public Shareholder may elect to redeem their Public

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Shares irrespective of whether they vote for or against the proposed transaction or vote at all. If the Company seeks shareholder approval in connection with a Business Combination, the initial shareholders (as defined below) have agreed to vote their Founder Shares (as defined below in Note 4) and any Public Shares purchased during or after the Initial Public Offering in favor of a Business Combination. In addition, the initial shareholders have agreed to waive their redemption rights with respect to their Founder Shares, Private Placement Warrants and Public Shares in connection with the completion of a Business Combination.

Notwithstanding the foregoing, if the Company seeks shareholder approval of its Business Combination and does not conduct redemptions in connection with its Business Combination pursuant to the tender offer rules, the Amended and Restated Memorandum and Articles of Association will provide that a Public Shareholder, together with any affiliate of such shareholder or any other person with whom such shareholder is acting in concert or as a “group” (as defined under Section 13 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), will be restricted from redeeming its shares with respect to more than an aggregate of 15% of the Class A ordinary shares sold in the Initial Public Offering, without the prior consent of the Company.

The Company’s Sponsor, officers and directors (the “initial shareholders”) have agreed not to propose an amendment to the Amended and Restated Memorandum and Articles of Association (a) that would modify the substance or timing of the Company’s obligation to provide holders of its Public Shares the right to have their shares redeemed in connection with a Business Combination or to redeem 100% of the Company’s Public Shares if the Company does not complete its Business Combination within 24 months from the closing of the Initial Public Offering, or November 23, 2022 (the “Combination Period”) or with respect to any other provision relating to the rights of Public Shareholders, unless the Company provides the Public Shareholders with the opportunity to redeem their Class A ordinary shares in conjunction with any such amendment.

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If the Company has not completed a Business Combination within the Combination Period, the Company will (i) cease all operations except for the purpose of winding up; (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest earned on the funds held in the Trust Account and not previously released to the Company to pay for its income taxes, if any (less up to \$100,000 of interest to pay dissolution expenses), divided by the number of the then-outstanding Public Shares, which redemption will completely extinguish Public Shareholders' rights as shareholders (including the right to receive further liquidation distributions, if any); and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the Company's remaining shareholders and its board of directors, liquidate and dissolve, subject in the case of clauses (ii) and (iii) to the Company's obligations under Cayman Islands law to provide for claims of creditors and the requirements of other applicable law.

The initial shareholders have agreed to waive their liquidation rights with respect to the Founder Shares and Private Placement Warrants held by them if the Company fails to complete a Business Combination within the Combination Period. However, if the initial shareholders acquire Public Shares in or after the Initial Public Offering, they will be entitled to liquidating distributions from the Trust Account with respect to such Public Shares if the Company fails to complete a Business Combination within the Combination Period. The Underwriters have agreed to waive their rights to their deferred underwriting commission (see Note 5) held in the Trust Account in the event the Company does not complete a Business Combination within the Combination Period and, in such event, such amounts will be included with the other funds held in the Trust Account that will be available to fund the redemption of the Public Shares. In the event of such distribution, it is possible that the per share value of the assets remaining available for distribution (including Trust Account assets) will be only \$10.00 per share initially held in the Trust Account. In order to protect the amounts held in the Trust Account, the Sponsor has agreed to be liable to the Company if and to the extent any claims by a third party for services rendered or products sold to the Company, or a prospective target business with which the Company has discussed entering into a transaction agreement, reduce the amount of funds in the Trust Account to below the lesser of (i) \$10.00 per Public Share and (ii) the actual amount per Public Share held in the Trust Account as of the date of the liquidation of the Trust Account if less than \$10.00 per Public Share due to reductions in the value of the trust assets. This liability will not apply with respect to any claims by a third party who executed a waiver of any right, title, interest or claim of any kind in or to any monies held in the Trust Account or to any claims under the Company's indemnity of the Underwriters of the Initial Public Offering against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"). Moreover, in the event that an executed waiver is deemed to be unenforceable against a third party, the Sponsor will not be responsible to the extent of any liability for such third-party claims. The Company will seek to reduce the possibility that the Sponsor will have to indemnify the Trust Account due to claims of creditors by endeavoring to have all vendors, service providers (excluding the Company's independent registered public accounting firm), prospective target businesses or other entities with which the Company does business, execute agreements with the Company waiving any right, title, interest or claim of any kind in or to monies held in the Trust Account.

Business Combination Agreement

On July 18, 2021, the Company, entered into a Business Combination Agreement (as it may be amended, supplemented or otherwise modified from time to time, the "Business Combination Agreement"), by and among IIAC, Ermenegildo Zegna Holditalia SpA, a joint stock company incorporated under Italian law ("Zegna") and EZ Cayman, a Cayman Islands exempted company ("Merger Sub").

The Business Combination Agreement provides for, among other things, the following transactions: (i) Zegna will implement across-border conversion and transfer its legal seat from Italy to The Netherlands and be organized as a Dutch public limited liability company (the "Conversion"), (ii) in connection with the Conversion Zegna will undergo a share split (or other transaction or share reorganization with a similar effect) to ensure the then existing shareholders of Zegna will hold 155,400,000 Zegna Ordinary Shares immediately following the Closing, (iii) Strategic Holding Group S.à.r.l., an affiliate of the Sponsor (the "Forward Purchaser"), will purchase 22,500,000 Class A ordinary shares, \$0.0001, par value, of IIAC ("Class A ordinary shares") from IIAC for an aggregate purchase price of €184.5 million (\$219.3 million), subject to adjustment (the "Forward Purchase"), (iv) following the Forward Purchase, Merger Sub will merge with and into IIAC, with IIAC as the surviving company in the merger and, after giving effect to such merger, continuing as a wholly-owned subsidiary of Zegna (the "Merger"), (v) (a) in connection with the Merger, each issued and outstanding Public Shares and Founder Shares (as defined below) (collectively, the "IIAC Shares") will be exchanged as of the effective time of the Merger into one ordinary share of Zegna ("Zegna Ordinary Shares") and (b) each outstanding warrant to purchase IIAC Shares will convert into, or be exchanged for, as applicable, warrants to acquire Zegna Ordinary Shares and (vi) upon distribution by IIAC to Zegna of proceeds received from the Forward Purchase and the aggregate cash proceeds from IIAC's trust account (net of redemptions and transaction expenses) (the "Capital Distribution") and after giving effect to the PIPE Financing (as described below), Zegna will purchase from certain of its existing shareholders, 54,600,000 Zegna Ordinary Shares for an amount equal to €455.0 million (\$540.7 million) (the "Share Repurchase").

The Conversion, the Forward Purchase, the Merger, the PIPE Financing, the Capital Distribution, the Share Repurchase and the other transactions contemplated by the Business Combination Agreement are referred to herein as the "Business Combination".

The Business Combination is expected to close in the fourth quarter of 2021, following the receipt of the required approval by IIAC's shareholders and the fulfillment of other customary closing conditions.

Refer to the Company's current report on Form 8-K, filed with the SEC on July 19, 2021.

Liquidity and Capital Resources

The Company had approximately \$229,000 in its operating bank account, working capital of approximately (\$931,000), and cash and marketable securities held in the Trust Account of \$402.5 million as of September 30, 2021.

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The Company's liquidity needs up to September 30, 2021 had been satisfied through \$25,000 paid by the Sponsor to cover certain expenses on the Company's behalf in exchange for the issuance of the Founder Shares (as defined below), a loan of approximately \$61,000 pursuant to a promissory note issued to the Sponsor (the "Promissory Note"), and an additional loan of approximately \$66,000 from the Sponsor under the Promissory Note, for a total amount of approximately \$127,000 under the Promissory Note, the proceeds from the consummation of the Private Placement not held in the Trust Account, and additional promissory notes (the "Additional Promissory Notes") from the Sponsor for a combined amount of \$1,250,000. The Company repaid the Promissory Note in full on December 11, 2020 (see Note 4). The Additional Promissory Notes were issued on January 15, 2021, in the amount of \$750,000, and on April 19, 2021 in the amount of \$500,000, respectively, each as a Working Capital Loan (see Note 4).

We intend to use substantially all of the funds held in the Trust Account, including any amounts representing interest earned on the Trust Account (less taxes payable) to complete our initial business combination. We may withdraw interest from the trust account to pay franchise and income taxes. To the extent that the Company's equity or debt is used, in whole or in part, as consideration to complete the initial business combination, the remaining proceeds held in the Trust Account will be used as working capital to finance the operations of the target business or businesses, make other acquisitions, and pursue growth strategies.

Basis of Presentation

The unaudited condensed financial statements are presented in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and pursuant to the rules and regulations of the SEC and reflect all adjustments, consisting only of normal recurring adjustments, which are, in the opinion of management, necessary for a fair presentation of the financial position as of September 30, 2021 and the results of operations and cash flows for the periods presented. Certain information and disclosures normally included in unaudited condensed financial statements prepared in accordance with U.S. GAAP have been omitted pursuant to such rules and regulations.

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Interim results are not necessarily indicative of results for a full year or any future period. The accompanying unaudited condensed financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Form 10-K/A as of December 31, 2020 and for the period from September 7, 2020 (inception) through December 31, 2020, filed with the SEC on filed with the SEC on November 23, 2021.

Note 2—Restatement of Previously Issued Financial Statements

Since issuance in November 2020, in connection with our IPO, the Company has considered the Class A ordinary shares subject to possible redemption to be equal to the redemption value of \$10.00 per Class A ordinary share while also taking into consideration a redemption cannot result in net tangible assets being less than \$5,000,001. Previously, the Company did not consider redeemable stock classified as temporary equity as part of net tangible assets. Effective with these financial statements, the Company revised this interpretation to include temporary equity in net tangible assets. Management determined that the Class A ordinary shares issued in connection with our IPO and pursuant to the exercise of the underwriters' overallotment can be redeemed or become redeemable subject to the occurrence of future events considered outside the Company's control. Therefore, management concluded that the redemption value should include all Class A ordinary shares subject to possible redemption, resulting in the Class A ordinary shares subject to possible redemption being equal to their redemption value. As a result, management has noted a reclassification adjustment related to temporary equity and permanent equity should be made. This resulted in an adjustment to the initial carrying value of the Class A ordinary shares subject to possible redemption with the offset recorded to additional paid-in capital (to the extent available), accumulated deficit and Class A ordinary shares.

On July 19, 2021, in conjunction with the Business Combination Agreement, the Company entered into a deal-contingent forward currency contract (the "Deal-Contingent Forward") to purchase €305.0 million at set daily rates from October 13, 2021 through April 19, 2022. Management has determined that the Deal-Contingent Forward should have been recognized on the Balance Sheet at fair value with changes in fair value recognized within the Statement of Operations for the quarter ended September 30, 2021.

The Company concluded that, because of a misapplication of the accounting guidance related to its Class A ordinary shares subject to possible redemption and its derivatives, the Company's previously filed quarterly unaudited financial statements as of (i) March 31, 2021, as filed on Form 10-K on June 1, 2021, (ii) June 30, 2021, as filed on Form 10-Q as of August 13, 2021, and (iii) September 30, 2021 as filed on Form 10-Q on November 15, 2021 (the "Affected Periods") should be restated and no longer be relied upon. As such, the Company is restating its unaudited financial statements for the Affected Periods included in this Form 10-Q.

In connection with the change in presentation for the Class A ordinary shares subject to redemption, the Company also revised its earnings per share calculation to allocate net income (loss) evenly to Class A and Class B ordinary shares for the Affected Periods. This presentation contemplates a Business Combination as the most likely outcome.

The impact of the restatement on the Company's financial statements is reflected in the following table

	As Previously Reported	Adjustments	As Restated
Balance Sheet as of March 31, 2021 (unaudited)			
Class A Ordinary Shares Subject to Possible Redemption	\$367,155,330	35,344,670	402,500,000
Class A Ordinary Shares	354	(354)	—
Additional Paid-in Capital	—	—	—
(Accumulated Deficit) Retained Earnings	4,998,647	(35,344,316)	(30,345,669)
Balance Sheet as of June 30, 2021 (unaudited)			
Class A Ordinary Shares Subject to Possible Redemption	\$362,088,200	\$ 40,411,800	\$402,500,000
Class A Ordinary Shares	405	(405)	—
Additional Paid-in Capital	2,336,837	(2,336,837)	—
(Accumulated Deficit) Retained Earnings	2,261,761	(38,074,558)	(35,412,797)
Balance Sheet as of September 30, 2021 (unaudited)			
Other Derivative Instruments	\$ —	\$ (5,048,594)	\$ (5,048,594)
Accumulated Deficit	(40,951,977)	(5,048,594)	(46,000,571)
Statement of Operations for the Three Months Ended March 31, 2021			
Basic and Diluted Net Income Per Class A Ordinary Share	\$ —	\$ 0.25	\$ 0.25
Basic and Diluted Net Income Per Class B Ordinary Share	\$ 1.38	\$ (1.13)	\$ 0.25
Statement of Operations for the Three Months Ended June 30, 2021			
Basic and Diluted Net Income Per Class A Ordinary Share	\$ —	\$ (0.10)	\$ (0.10)
Basic and Diluted Net Income Per Class B Ordinary Share	\$ (0.50)	\$ 0.40	\$ (0.10)
Statement of Operations for the Six Months Ended June 30, 2021			
Basic and Diluted Net Income Per Class A Ordinary Share	\$ —	\$ 0.15	\$ 0.15
Basic and Diluted Net Income Per Class B Ordinary Share	\$ 0.75	\$ (0.60)	\$ 0.15
Statement of Operations for the Three Months Ended September 30, 2021 (unaudited)			
Change in Fair Value of Other Derivative Instruments	\$ —	\$ (5,048,594)	\$ (5,048,594)
Total other income (expense)	(5,023,035)	(5,048,594)	(10,071,629)
Net (loss) income	(5,539,180)	(5,048,594)	(10,587,774)
Basic and Diluted Net Income Per Class A Ordinary Share	\$ (0.11)	\$ (0.10)	\$ (0.21)
Basic and Diluted Net Income Per Class B Ordinary Share	\$ (0.11)	\$ (0.10)	\$ (0.21)
Statement of Operations for the Nine Months Ended September 30, 2021 (unaudited)			
Change in Fair Value of Other Derivative Instruments	\$ —	\$ (5,048,594)	\$ (5,048,594)
Total other income (expense)	3,437,960	(5,048,594)	(1,610,634)
Net (loss) income	1,991,985	(5,048,594)	(3,056,609)
Basic and Diluted Net Income Per Class A Ordinary Share	\$ 0.04	\$ (0.10)	\$ (0.06)
Basic and Diluted Net Income Per Class B Ordinary Share	\$ 0.04	\$ (0.10)	\$ (0.06)
Statement of Cash Flows for the Three Months Ended March 31, 2021 (unaudited)			
Change in value of Class A ordinary shares subject to possible redemption	\$ 12,527,610	\$(12,527,610)	\$ —
Statement of Cash Flows for the Six Months Ended June 30, 2021 (unaudited)			

Change in value of Class A ordinary shares subject to possible redemption	\$ 7,460,480	\$ (7,460,480)	\$ —
Statement of Cash Flows for the Nine Months Ended September 30, 2021 (unaudited)			
Net (loss) income	\$ 1,991,985	\$ (5,048,594)	\$ (3,056,609)

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Going Concern

In connection with the Company's assessment of going concern considerations in accordance with FASB's Accounting Standards Update ("ASU") 2014-15, "Disclosures of Uncertainties about an Entity's Ability to Continue as a Going Concern," management has determined that if the Company is unable to raise additional funds to alleviate liquidity needs, obtain approval for an extension of the deadline or complete a Business Combination by November 23, 2022, then the Company will cease all operations except for the purpose of liquidating. The liquidity condition and date for mandatory liquidation and subsequent dissolution raise substantial doubt about the Company's ability to continue as a going concern. No adjustments have been made to the carrying amounts of assets or liabilities should the Company be required to liquidate after November 23, 2022. The Company intends to complete a Business Combination before the mandatory liquidation date or obtain approval for an extension.

Note 3—Summary of Significant Accounting Policies

Emerging Growth Company

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that an emerging growth company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's unaudited condensed interim financial statements with another public company that is neither an emerging growth company nor an emerging growth company that has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Use of Estimates

The preparation of the unaudited condensed interim financial statements in conformity with U.S. GAAP requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed interim financial statements and the reported amounts of expenses during the reporting period. Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate, could change in the near term due to one or more future conforming events. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents. The Company had approximately \$229,000 in cash and no cash equivalents as of September 30, 2021. The Company had approximately \$1.0 million in cash and no cash equivalents as of December 31, 2020.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash accounts in a financial institution, which, at times, may exceed the Federal Deposit Insurance Corporation coverage of \$250,000. As of September 30, 2021 and December 31, 2020, the Company has not experienced losses on these accounts and management believes the Company is not exposed to significant risks on such accounts.

Financial Instruments

The fair values of the Company's assets and liabilities, which qualify as financial instruments under the FASB ASC 820, "Fair Value Measurements and Disclosures," approximate the carrying amounts represented in the accompanying condensed interim financial statements, primarily due to their short-term nature, except for the derivative warrant liabilities (see Note 9).

Net Income (Loss) Per Ordinary Share

The Company complies with accounting and disclosure requirements of FASB ASC Topic 260, "Earnings Per Share." Net income (loss) per ordinary share is computed by dividing net income (loss) by the weighted average number of ordinary shares outstanding for the period. The Company applies the two-class method in calculating earnings per share; however, as described in Note 2, the Company has applied its net income (loss) on a pro rata basis between share classes. Accretion associated with the redeemable Class A ordinary shares is excluded from earnings per share as the redemption value approximates fair value.

The Company has not considered the effect of the warrants sold in our Initial Public Offering (including the consummation of the over-allotment option) and the private placement to purchase an aggregate of 20,116,667 Class A ordinary shares in the calculation of diluted net income (loss) per ordinary share, because the exercise of the warrants is contingent upon the occurrence of future events.

At September 30, 2021, other than the warrants, the Company did not have any dilutive securities and other contracts that could, potentially, be exercised or converted into ordinary shares and then share in the earnings of the Company. As a result, diluted income (loss) per share is the same as basic income (loss) per share for the periods presented.

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Offering Costs

Offering costs consist of underwriting, legal, accounting and other expenses incurred through the Initial Public Offering that are directly related to the Initial Public Offering. Offering costs are allocated to the separable financial instruments issued in the Initial Public Offering based on a relative fair value basis, compared to total proceeds received. Offering costs associated with derivative warrant liabilities are expensed as incurred, presented as non-operating expenses in the statement of operations. Offering costs associated with the Public Shares were charged against the carrying value of the Class A ordinary shares subject to possible redemption to shareholders' equity upon the completion of the Initial Public Offering. Of the total offering costs of the Initial Public Offering, \$22.3 million, inclusive of deferred offering costs amounting to \$14.1 million, were charged against the carrying value of the Class A ordinary shares subject to possible redemption.

Derivative Warrant Liabilities

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in ASC Topic 480, Distinguishing Liabilities from Equity ("ASC 480") and ASC Topic 815, Derivatives and Hedging ("ASC 815"). The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own ordinary shares and whether the warrant holders could potentially require "net cash settlement" in a circumstance outside of the Company's control, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding.

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For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be recorded as a liability at their initial fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of liability-classified warrants are recognized as a non-cash gain or loss on the statement of operations. The fair value of warrants issued in connection with the Initial Public Offering, exercise of the over-allotment option and Private Placement were initially and subsequently through January 11, 2021 measured at fair value using a Monte Carlo simulation model. After the Public Warrants began to trade on January 11, 2021, the Public Warrants were measured at their trading price and the Private Warrants were measured with reference to the Public Warrants.

The Company issued an aggregate of 13,416,667 Public Warrants in the Initial Public Offering and upon the underwriters' exercise of their over-allotment option, and issued 6,700,000 Private Placement Warrants. All of the Company's outstanding warrants are recognized as liabilities in accordance with ASC 815-40. Accordingly, the Company recognized the warrant instruments as liabilities at fair value and adjusted the instruments to fair value at each reporting period.

Forward Currency Contracts

Forward currency contracts are entered into as an economic hedge against foreign currency exchange rate risk. The Company does not enter into forward currency contracts for speculation or trading purposes. A forward currency contract is an obligation to purchase a currency against another currency at a future date at an agreed upon price and quantity. Forward currency contracts are traded over-the-counter and not on an organized exchange. Forward currency contracts help to manage the overall exposure to the foreign currency related to Euro proceeds that will be needed to close the Business Combination Agreement. The Company's single forward currency contract is not designated as a hedging instrument. Therefore, changes in the market value of the instrument are recorded by the Company as an unrealized gain or loss when the instrument is marked-to-market each period end. When the contract is closed, the Company records a realized gain or loss equal to the difference between the value at the time it was opened and the value at the time it was closed. The use of forward currency contracts involves risk that counterparties may not meet the terms of the agreement or unfavorable movements in the value of a foreign currency relative to the U.S. dollar. The Company accounts for its forward currency contract as a derivative instrument based on an assessment of the contract's specific terms and applicable authoritative guidance in ASC 815. The Company's open forward currency contract at September 30, 2021 is reflected within the condensed balance sheet.

Income Taxes

FASB ASC 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. There were no unrecognized tax benefits for the three months ended September 30, 2021. The Company's management determined that the Cayman Islands and the United Kingdom are the Company's only major tax jurisdictions. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. No amounts were accrued for the payment of interest and penalties for the three months ended September 30, 2021. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position. The Company's management does not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months.

The Company is subject to income tax examinations by major taxing authorities since inception. There is currently no taxation imposed on income by the Government of the Cayman Islands. In accordance with Cayman income tax regulations, income taxes are not levied on the Company. Central management and control of the Company has been exercised in the United Kingdom since incorporation and accordingly the Company should be treated as tax resident in the United Kingdom from its inception. In accordance with United Kingdom taxation law, income taxes are levied on the Company's taxable profits at the rate of 19%. Management has determined that certain expenses incurred through September 30, 2021 may be deductible in the United Kingdom, however given the quantum of these expenses, noting the Company's first tax accounting period will be the period from September 7, 2020 (inception) to September 6, 2021, and given the uncertainty whether future taxable income will arise to the Company which could be offset against such expenses, no provision for income taxes has been made in the three months ended September 30, 2021.

Recent Accounting Pronouncements

In August 2020, the FASB issued Accounting Standards Update ("ASU") No. 2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity ("ASU 2020-06"), which simplifies accounting for convertible instruments by removing major separation models required under current U.S. GAAP. The ASU also removes certain settlement conditions that are required for equity-linked contracts to qualify for the derivative scope exception, and it simplifies the diluted earnings per share calculation in certain areas. The Company adopted ASU 2020-06 on January 1, 2021. Adoption of the ASU did not impact the Company's financial position, results of operations or cash flows.

The Company's management does not believe that any other recently issued, but not yet effective, accounting pronouncements, if currently adopted, would have a material effect on the Company's unaudited condensed financial statements.

Investments Held in Trust Account

The Company's portfolio of marketable securities is comprised solely of U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act, with a maturity of 185 days or less, classified as trading securities. Trading securities are presented on the condensed balance sheets at fair value at the end of each reporting period. Gains and losses resulting from the change in fair value of these securities is included in gain on marketable securities (net), dividends and interest, held in the Trust Account in the accompanying statement of operations. The estimated fair values of marketable securities held in the Trust Account are determined using available market information.

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Class A Ordinary Shares Subject to Possible Redemption

Class A ordinary shares subject to mandatory redemption (if any) are classified as liability instruments and are measured at fair value. Conditionally redeemable Class A ordinary shares (including Class A ordinary shares that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company's control) are classified as temporary equity. At all other times, Class A ordinary shares are classified as shareholders' equity. The Company's Class A ordinary shares feature certain redemption rights that are considered to be outside of the Company's control and subject to the occurrence of uncertain future events. Accordingly, at September 30, 2021 and December 31, 2020, 40,250,000 and 40,250,000 Class A ordinary shares, respectively, are subject to possible redemption and are presented as temporary equity, outside of the shareholders' equity section of the Company's condensed balance sheets.

At September 30, 2021 and December 31, 2020, the Class A ordinary shares reflected in the condensed balance sheets are reconciled in the following

Gross proceeds	\$402,500,000
Less:	
Proceeds allocated to Public Warrants	(19,588,333)
Class A ordinary shares issuance costs	(22,230,543)
Plus:	
Accretion of carrying value to redemption value	41,818,876
Class A ordinary shares subject to possible redemptions	<u>\$402,500,000</u>

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Note 5—Initial Public Offering

On November 23, 2020, the Company consummated its Initial Public Offering of 35,000,000 Units, at an offering price of \$10.00 per Unit, generating gross proceeds of \$350.0 million, and incurring approximately \$12.3 million in deferred underwriting commissions. On November 24, 2020, the Underwriters fully exercised the Over-Allotment Option to purchase an additional 5,250,000 Units. On November 27, 2020, the Company completed the sale of the Over-Allotment Units to the Underwriters, generating gross proceeds of approximately \$52.5 million, and incurring additional deferred underwriting commissions of approximately \$1.8 million. The Company also incurred additional offering costs of approximately \$9.2 million.

Each Unit consists of one Class A ordinary share and one-third of one Public Warrant. Each whole Public Warrant entitles the holder to purchase one Class A ordinary share at a price of \$11.50 per share, subject to adjustment (see Note 6).

Note 6—Related Party Transactions

Founder Shares

On September 10, 2020, the Sponsor paid \$25,000 to cover certain costs of the Company in consideration of 10,062,500 Class B ordinary shares, par value \$0.0001, (the “Founder Shares”). On November 18, 2020, the Sponsor transferred an aggregate of 125,000 Founder Shares to the Company’s independent directors.

The initial shareholders agreed, subject to limited exceptions, not to transfer, assign or sell any of their Founder Shares until the earlier to occur of: (A) one year after the completion of the initial Business Combination and (B) subsequent to the initial Business Combination, (x) if the closing price of the Company’s Class A ordinary shares equals or exceeds \$12.00 per share (as adjusted for share splits, share capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after the initial Business Combination, or (y) the date on which the Company completes a liquidation, merger, share exchange, reorganization or other similar transaction that results in all of the Public Shareholders having the right to exchange their Class A ordinary shares for cash, securities or other property.

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Private Placement Warrants

Simultaneously with the closing of the Initial Public Offering, the Company consummated the Private Placement of 6,000,000 Private Placement Warrants, each exercisable to purchase one Class A ordinary share at \$11.50 per share, at a price of \$1.50 per Private Placement Warrant, generating gross proceeds to the Company of approximately \$9.0 million. A portion of the proceeds from the Private Placement Warrants was added to the proceeds from the Initial Public Offering held in the Trust Account. In connection with the underwriters' full exercise of its Over-Allotment Option, the Company also consummated the sale of an additional 700,000 Private Placement Warrants at \$1.50 per warrant, generating total proceeds of approximately \$1.1 million (see Note 6).

The Sponsor and the Company's officers and directors agreed, subject to limited exceptions, not to transfer, assign or sell any of their Private Placement Warrants until 30 days after the completion of the initial Business Combination.

Related Party Loans

On September 10, 2020, the Sponsor agreed to loan the Company an aggregate of up to \$300,000 to cover expenses related to the Initial Public Offering pursuant to a promissory note. This loan was non-interest bearing and payable upon the earlier of March 31, 2021, or the completion of the Initial Public Offering. The Company repaid all amounts outstanding under the Promissory Note in full on December 11, 2020 in connection with the closing of the Initial Public Offering, and the amounts were no longer available to the Company.

Furthermore, on January 15, 2021 and on April 19, 2021, the Company entered into the "Additional Promissory Note as Working Capital Loans (as defined below). The Additional Promissory Note is non-interest bearing and due on the earlier of: (i) November 23, 2022 or (ii) the effective date of a Business Combination. Up to \$1,250,000 of the Additional Promissory Note may be converted into warrants to purchase Class A ordinary shares at a conversion price of \$1.50 per warrant at the option of Sponsor. If Sponsor elects such conversion, the terms of the warrants issued in connection with such conversion would be identical to the Private Placement Warrants. Pursuant to the Sponsor Letter Agreement, entered into among the Company, Zegna, the Sponsor and the current independent directors of the Company, the Company and the Sponsor have agreed not to convert the Working Capital Loans into warrants without the consent of Zegna.

In order to finance transaction costs in connection with a Business Combination, the Sponsor or an affiliate of the Sponsor, or certain of the Company's officers and directors may, but are not obligated to, loan the Company funds as may be required ("Working Capital Loans"). If the Company completes a Business Combination, the Company may repay the Working Capital Loans out of the proceeds of the Trust Account released to the Company.

Otherwise, the Working Capital Loans may be repaid only out of funds held outside the Trust Account. In the event that a Business Combination does not close, the Company may use a portion of the proceeds held outside the Trust Account to repay the Working Capital Loans but no proceeds held in the Trust Account would be used to repay the Working Capital Loans. Except for the foregoing, the terms of such Working Capital Loans, if any, have not been determined and no written agreements exist with respect to such loans. The Working Capital Loans would either be repaid upon consummation of a Business Combination, without interest, or, at the lender's discretion, up to \$1.5 million of such Working Capital Loans may be convertible into shares of the post Business Combination entity at a price of \$1.50 per warrant. Such warrants would be identical to the Private Placement Warrants. The Company has no borrowings outstanding under this agreement to date.

Administrative Support Agreement

Commencing on the date that the Company's securities were first listed on the New York Stock Exchange through the earlier of consummation of the initial Business Combination and the Company's liquidation, the Company began to reimburse the Sponsor for office space, secretarial and administrative services provided to the Company in the amount of \$10,000 per month. Upon completion of the initial Business Combination or the Company's liquidation, the Company will cease paying these monthly fees. The Company incurred approximately \$30,000 in expenses in connection with such services during each three months ended September 30, 2021 and \$90,000 during the nine months ended September 30, 2021 as reflected in the accompanying condensed statements of operations. Under this agreement, \$104,000 and \$14,000 was due to the Sponsor as of September 30, 2021 and December 31, 2020.

Forward Purchase Agreement

On November 18, 2020, the Company entered into a forward purchase agreement with the Forward Purchaser (the "Forward Purchase Agreement"), pursuant to which such affiliate has committed to purchase up to 25,000,000 of the Company's Class A ordinary shares for \$10 per share, or an aggregate amount of up to \$250 million, in a private placement that would occur concurrently with the consummation of the initial Business Combination.

On July 18, 2021, the Company entered into the Business Combination, providing for, among other things, the amendment of the Forward Purchase Agreement. On July 26, 2021, the Company and the Forward Purchaser entered into the Amendment to the Forward Purchase Agreement (the "Amendment"). Pursuant to the Amendment, the Forward Purchaser committed to purchase 22,500,000 Class A ordinary shares for an aggregate purchase price of €184.5 million (\$219.3 million), subject to adjustment in accordance with the terms of the Amendment, which forward purchase shall be consummated on the closing date of the transactions contemplated by the Business Combination Agreement.

A copy of the Amendment is filed with the Current Report on Form 8-K filed on July 28, 2021 as Exhibit 10.1 and the foregoing description of the Amendment is qualified in its entirety by reference thereto.

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Note 7—Commitments & Contingencies

Registration Rights

The holders of Founder Shares, Private Placement Warrants and warrants that may be issued upon conversion of working capital loans, if any, and any Class A ordinary shares issuable upon the exercise of the Private Placement Warrants and warrants that may be issued upon conversion of the Working Capital Loans are entitled to registration rights pursuant to a registration and shareholder rights agreement. The holders of these securities are entitled to make up to three demands, excluding short form demands, that the Company registers such securities. In addition, the holders have certain “piggy-back” registration rights with respect to registration statements filed subsequent to the Company’s completion of its Business Combination. However, the registration and shareholder rights agreement provides that the Company will not permit any registration statement filed under the Securities Act to become effective until termination of the applicable lock-up period, which occurs (i) in the case of the Founder Shares, in accordance with the letter agreement the Company’s initial shareholders entered into and (ii) in the case of the Private Placement Warrants, 30 days after the completion of the Company’s Business Combination. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

Underwriting Agreement

The Company granted the Underwriters a 45-day option from the final prospectus relating to the Initial Public Offering to purchase up to 5,250,000 additional Units to cover over-allotments, at the Initial Public Offering price less the underwriting discounts and commissions. On November 24, 2020, the Underwriters fully exercised the over-allotment option to purchase the Over-Allotment Units and on November 27, 2020, the Company completed the sale of the Over-Allotment Units to Underwriters.

The Underwriters were entitled to an underwriting discount of \$0.20 per Unit, or approximately \$8.1 million in the aggregate, paid upon the closing of the Initial Public Offering and consummation of the over-allotment option. In addition, \$0.35 per Unit, or approximately \$14.1 million in the aggregate will be payable to the Underwriters for deferred underwriting commissions. The deferred fee will become payable to the Underwriters from the amounts held in the Trust Account solely in the event that the Company completes a Business Combination, subject to the terms of the underwriting agreement.

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Note 8—Shareholders' Equity

Preference Shares—The Company is authorized to issue 5,000,000 preference shares with a par value of \$0.0001 per share and with such designations, voting and other rights and preferences as may be determined from time to time by the Company's board of directors. As of September 30, 2021 and December 31, 2020, there were no preference shares issued or outstanding.

Class A Ordinary Shares—The Company is authorized to issue 500,000,000 Class A ordinary shares with a par value of \$0.0001 per share. As of September 30, 2021 and December 31, 2020, there were 40,250,000 Class A ordinary shares issued and outstanding, all subject to possible redemption.

Class B Ordinary Shares—The Company is authorized to issue 50,000,000 Class B ordinary shares with a par value of \$0.0001 per share. On September 7, 2020, the Company issued 10,062,500 Class B ordinary shares, which remain outstanding at September 30, 2021 and December 31, 2020.

Holders of the Class A ordinary shares and holders of the Class B ordinary shares will vote together as a single class on all matters submitted to a vote of the shareholders, except as required by law or stock exchange rule; provided that only holders of the Class B ordinary shares have the right to vote on the election of the Company's directors prior to the initial Business Combination and holders of a majority of the Company's Class B ordinary shares may remove a member of the board of directors for any reason.

The Class B ordinary shares will automatically convert into Class A ordinary shares on the first business day following the consummation of the initial Business Combination at a ratio such that the number of Class A ordinary shares issuable upon conversion of all Founder Shares will equal, in the aggregate, on an as-converted basis, 20% of the sum of (i) the total number of ordinary shares issued and outstanding (excluding the Private Placement Warrants) upon the consummation of the Initial Public Offering, plus (ii) the sum of the total number of Class A ordinary shares issued or deemed issued or issuable upon conversion or exercise of any equity-linked securities or rights issued or deemed issued, by the Company in connection with or in relation to the consummation of the initial Business Combination, excluding any Class A ordinary shares or equity-linked securities exercisable for or convertible into Class A ordinary shares issued, deemed issued, or to be issued, to any seller in the initial Business Combination and any Private Placement Warrants issued to the Sponsor, members of the Company's management team or any of their affiliates upon conversion of Working Capital Loans. In no event will the Class B ordinary shares convert into Class A ordinary shares at a rate of less than one-to-one.

Note 9—Derivative Warrant Liabilities

As of September 30, 2021 and December 31, 2020, the Company had 13,416,667 and 6,700,000 Public Warrants and Private Placement Warrants, respectively, outstanding. No fractional warrants will be issued upon separation of the Units and only whole warrants will trade. The warrants will become exercisable on the later of (a) 30 days after the completion of an initial business combination or (b) 12 months from the closing of the Proposed Public Offering; provided in each case that the Company has an effective registration statement under the Securities Act covering the issuance of the Class A ordinary shares issuable upon exercise of the warrants and a current prospectus relating to them is available and such shares are registered, qualified or exempt from registration under the securities, or blue sky, laws of the state of residence of the holder (or holders are permitted to exercise their warrants on a cashless basis under the circumstances specified in the warrant agreement, including as a result of a notice of redemption). If and when the warrants become redeemable by the Company, the Company may exercise its redemption right even if it is unable to register or qualify the underlying securities for sale under all applicable state securities laws. The Company has agreed that as soon as practicable, but in no event later than 15 business days after the closing of an initial business combination, the Company will use commercially reasonable efforts to file with the SEC a registration statement covering the issuance of the Class A ordinary shares issuable upon exercise of the warrants and to maintain the effectiveness of such registration statement and a current prospectus relating to those Class A ordinary shares until the warrants expire or are redeemed, as specified in the warrant agreement. If a registration statement covering the issuance of the Class A ordinary shares issuable upon exercise of the warrants is not effective by the 60th business day after the closing of an initial business combination, warrant holders may, until such time as there is an effective registration statement and during any period when the Company will have failed to maintain an effective registration statement, exercise warrants on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act or another exemption. Notwithstanding the above, if the Class A ordinary shares are at the time of any exercise of a warrant not listed on a national securities exchange such that they satisfy the definition of a "covered security" under Section 18(b)(1) of the Securities Act, the Company may, at its option, require holders of warrants who exercise their warrants to do so on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act and, in the event the Company so elects, it will not be required to file or maintain in effect a registration statement, and in the event the Company does not so elect, it will use commercially reasonable efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available.

The warrants will expire five years after the completion of an initial business combination or earlier upon redemption or liquidation.

Redemption of Warrants when the price per Class A ordinary share equals or exceeds \$18.00. Once the warrants become exercisable, the Company may call the outstanding warrants for redemption (except as described herein with respect to the Private Placement Warrants):

- in whole and not in part;
- at a price of \$0.01 per warrant;
- upon a minimum of 30 days' prior written notice of redemption to each warrant holder, which we refer to as the "30-day redemption period"; and

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- if, and only if, the last reported sale price of the Company's Class A ordinary shares equals or exceeds \$8.00 per share (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a warrant) for any 20 trading days within a 30 trading day period ending on the third trading day prior to the date on which we send the notice of redemption to the warrant holders.

The Company will not redeem the warrants as described above unless a registration statement under the Securities Act covering the issuance of the Class A ordinary shares issuable upon exercise of the warrants is then effective and a current prospectus relating to those Class A ordinary shares is available throughout the 30 day redemption period. If and when the warrants become redeemable by the Company, the Company may exercise its redemption right even if it is unable to register or qualify the underlying securities for sale under all applicable state securities laws.

Redemption of Warrants when the price per Class A ordinary share equals or exceeds \$10.00. Once the warrants become exercisable, the Company may call the outstanding warrants for redemption (except as described therein with respect to the Private Placement Warrants):

- in whole and not in part; and
- at \$0.10 per warrant upon a minimum of 30 days' prior written notice of redemption; provided that holders will be able to exercise their warrants on a cashless basis prior to redemption and receive that number of Class A ordinary shares on the redemption date and the "fair market value" of the Company's Class A ordinary shares; and
- if, and only if, the closing price of Class A ordinary shares equals or exceeds \$10.00 per share (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a warrant) for any 20 trading days within the 30 trading day period ending three trading days before the Company sends the notice of redemption to the warrant holders; and
- if the closing price of the Class A ordinary shares for any 20 trading days within a 30 trading day period ending on the third trading day prior to the date on which we send the notice of redemption to the warrant holders is less than \$18.00 per share (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a warrant) the Private Placement Warrants must also be concurrently called for redemption on the same terms as the outstanding Public Warrants, as described above.

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The “fair market value” of the Company’s Class A ordinary shares for the above purpose shall mean the volume weighted average price of Class A ordinary shares during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of warrants. The Company will provide its warrant holders with the final fair market value no later than one business day after the 10 trading day period described above ends.

The Private Placement Warrants are identical to the warrants sold in the Initial Public Offering except that, so long as they are held by its sponsor or its permitted transferees, the Private Placement Warrants are subject to the transfer restrictions, may not (including the Class A ordinary shares issuable upon exercise of these warrants), subject to certain limited exceptions, be transferred, assigned or sold by the holders until 30 days after the completion of an initial business combination, may be exercised by the holders on a cashless basis and will be entitled to registration rights. If the Private Placement Warrants are held by holders other than its sponsor or its permitted transferees, the Private Placement Warrants will be redeemable by the Company in all redemption scenarios and exercisable by the holders on the same basis as the warrants included in the units sold in the Initial Public Offering. If the Company does not complete its initial business combination within the required time period, the Private Placement Warrants will expire worthless. The Private Placement Warrants (including the Class A ordinary shares issuable upon exercise of the Private Placement Warrants) are not be transferable, assignable or salable until 30 days after the completion of an initial business combination.

Note 10— Other Derivative Instruments

On July 19, 2021, the Company entered into a deal-contingent forward currency contract (the “Deal-Contingent Forward”) with a bank counterparty to purchase €305.0 million at set daily rates from October 13, 2021 through April 19, 2022. The Company entered into the Deal-Contingent Forward in order to lock in the amount of Euro proceeds owed by the Company to Zegna upon closing the Business Combination and reduce the risk of fluctuations in foreign currency exchange rates. Subject to certain customary exceptions, if the Business Combination does not close by April 22, 2022, the Company will have no liability to the bank counterparty. The Company accounts for the Deal-Contingent Forward as a derivative instrument based on an assessment of the contract’s specific terms and applicable authoritative guidance in ASC 815. The Company’s agreement is with a creditworthy financial institution and the Company anticipates performance by the counterparty to this contract. Therefore, no material loss is expected as a result of nonperformance. Refer also to Note 4—*Summary of Significant Accounting Policies* and Note 11 – *Fair Value Measurements* where information on forward currency contracts has been disclosed.

Note 11—Fair Value Measurements

The Company follows the guidance in ASC 820 for its financial assets and liabilities that are measured and reported at fair value at each reporting period, and non-financial assets and liabilities that are measured and reported at fair value at least annually. Fair value is defined as the price that would be received for sale of an asset or paid for transfer of a liability, in an orderly transaction between market participants at the measurement date. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These tiers include:

- Level 1, defined as observable inputs such as quoted prices for identical instruments in active markets;
- Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

In some circumstances, the inputs used to measure fair value might be categorized within different levels of the fair value hierarchy. In those instances, the fair value measurement is categorized in its entirety in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement. The Company’s portfolio of investments held in the Trust Account is comprised mainly of investments in U.S. government securities with an original maturity of 185 days or less. The fair value for trading securities is determined using quoted market prices in active markets.

The following table presents information about the Company’s assets and liabilities that are measured at fair value on a recurring basis as of September 30, 2021 and indicates the fair value hierarchy of the valuation techniques that the Company utilized to determine such fair value.

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Description	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
As of September 30, 2021:			
Assets:			
Investments held in Trust Account - U.S Treasury Securities Money Market Fund	\$ 402,518,127	\$ —	\$ —
Liabilities			
Derivative warrant liabilities - Public	\$ 17,307,500	\$ —	\$ —
Derivative warrant liabilities - Private		\$ 8,643,000	
Other derivative instruments	\$ —	\$ —	\$ 5,048,594

The following table presents information about the Company's assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2020 and indicates the fair value hierarchy of the valuation techniques that the Company utilized to determine such fair value.

Description	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Assets:			
Investments held in Trust Account – U.S. Treasury Securities Money Market Fund	\$ 402,500,000	\$ —	\$ —
Liabilities:			
Derivative warrant liabilities – Public	\$ —	\$ —	\$ 19,588,333
Derivative warrant liabilities – Private	\$ —	\$ —	\$ 9,782,000

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Transfers to/from Levels 1, 2, and 3 are recognized at the end of the reporting period. The Public Warrants began to trade on January 11, 2021, and were moved from Level 3 to Level 1. The Private Warrants do not trade; however, as of the commencement of trading of the Public Warrants, the price of the Public Warrants has been used to determine the valuation of the Private Warrants, which moved from Level 3 to Level 2. The Public Warrants and the Private Warrants have substantially similar terms.

Level 1 instruments further include investments in money market funds and U.S. Treasury securities. The Company uses inputs such as actual trade data, benchmark yields, quoted market prices from dealers or brokers, and other similar sources to determine the fair value of its investments.

Derivative Warrant Liabilities

The warrants are accounted for as liabilities in accordance with ASC815-40 and are presented within derivative warrant liabilities on the Company's balance sheet. The derivative warrant liabilities are measured at fair value at inception and on a recurring basis, with any subsequent changes in fair value presented within change in fair value of derivative warrant liabilities in the Company's statement of operations.

The fair value of the Public Warrants issued in connection with the Public Offering and Private Placement Warrants were measured at fair value using a Monte Carlo simulation model both at issuance and as of December 31, 2020. The Public Warrants began to trade on January 11, 2021; subsequently, the Public Warrants have been measured at their trading price and the Private Warrants have been measured with respect to the Public Warrants. The Company recognized gains and losses in the statement of operations resulting from changes in the fair value of warrant liabilities of (\$5.0 million) for the three months ended September 30, 2021. For the nine months ended September 30, 2021, the Company recognized a gain to the statement of operations resulting from a decrease in the fair value of liabilities of approximately \$3.4 million on the accompanying unaudited condensed statement of operations.

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Prior to the separation and trading of the Public Warrants, the estimated fair values of both the Public Warrants and the Private Placement Warrants were determined using Level 3 inputs. Inherent in a Monte Carlo simulation are assumptions related to expected share-price volatility, expected life, risk-free interest rate and dividend yield. The Company estimates the volatility of its ordinary shares based on implied volatility from historical volatility of select peer company's ordinary shares that matches the expected remaining life of the warrants. The risk-free interest rate is based on the U.S. Treasury zero-coupon yield curve on the grant date for a maturity similar to the expected remaining life of the warrants. The expected life of the warrants is assumed to be equivalent to their remaining contractual term. The dividend rate is based on the historical rate, which the Company anticipates remaining at zero.

The following table provides quantitative information regarding Level 3 fair value measurements for warrants as of December 31, 2020:

Share price	\$ 9.79
Exercise price	\$ 11.50
Risk-free interest rate	0.69%
Volatility	23.0%
Expected term (years)	5.0
Dividend yield	0.0%

Warrants are measured at fair value on a recurring basis. The Public Warrants began trading on January 11, 2021, and quoted market prices were used for the Level 1 fair value measurement of the Public Warrants as of September 30, 2021. The Private Warrants are not publicly traded. The subsequent measurement of the Public Warrants as of September 30, 2021 is classified as Level 1 due to the use of an observable market quote in an active market. As the transfer of Private Placement Warrants to anyone who is not a permitted transferee would result in the Private Placement Warrants having substantially the same terms as the Public Warrants, the company determined that the fair value of each Private Placement Warrant is equivalent to that of each public warrant. As such, the Private Placement Warrants are classified as Level 2.

The following table presents a roll-forward of the fair value of Level 3 (significant unobservable inputs) warrant liabilities for the nine months ended September 30, 2021:

	Public Warrant Liabilities	Private Warrant Liabilities	Total Warrant Liabilities
Beginning balance at December 31, 2020	\$ 19,588,333	\$ 9,782,000	\$ 29,370,333
Change in fair value	(2,280,833)	(1,139,000)	(3,419,833)
Transfers out of Level 3 during nine months ended September 30, 2021	(17,307,500)	(8,643,000)	(25,950,500)
Ending balance as of September 30, 2021	\$ —	\$ —	\$ —

Forward Currency Contract

The Deal-Contingent Forward is accounted for as a derivative in accordance with ASC 815 and is presented within other derivative instruments on the Company's balance sheet. The forward currency contract is measured at fair value at inception and on a recurring basis, with any subsequent changes in fair value presented within change in fair value of other derivative instruments in the Company's statement of operations. For the three and nine months ended September 30, 2021 the Company recognized a loss to the statement of operations resulting from a decrease in the fair value of the forward currency contract of approximately \$5.0 million presented as change in fair value of other derivative instruments on the accompanying unaudited condensed statement of operations.

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The estimated fair value of the Deal-Contingent Forward as of September 30, 2021 was determined using an income approach that incorporates significant unobservable inputs. The expected Business Combination close date is based on the expected effective date of the Business Combination. The probability of Business Combination close prior to April 19, 2022, which represents the date that the Deal-Contingent Forward will expire unsettled, is estimated with consideration given to a number of factors that impact the Company's ability to effect the Business Combination, including the fact that public shareholders have the ability to redeem their shares for cash and thereby reduce the amount of cash available to fund the Business Combination. The risk-free interest rate is based on the U.S. Treasury zero-coupon yield curve as of September 30, 2021 for a maturity similar to the expected remaining term to the Business Combination closing date. The Euro ("EUR") to US Dollar ("USD") forward exchange rate is determined using the EUR to USD forward foreign exchange curve as of September 30, 2021. Counterparty credit risk is assessed based on the strong credit standing of the counterparty as well as the short-term nature of the forward contract. The following table provides quantitative information regarding Level 3 fair value measurement for the Deal-Contingent Forward as of September 30, 2021:

Expected Business Combination closing date	December 31, 2021
Probability of Business Combination close prior to April 19, 2022	70%
Risk-free interest rate	0.056%
EUR to USD forward exchange rate	1.1954
Counterparty credit risk	De minimis

The following table presents a roll-forward of the fair value of Level 3 (significant unobservable inputs) forward currency contract liabilities for the nine months ended September 30, 2021:

	Other Derivative instruments (Level 3)	
Beginning balance at December 31, 2020	\$	—
Change in fair value		5,048,594
Transfers out of Level 3 during nine months ended September 30, 2021		—
Ending balance as of September 30, 2021	\$	5,048,594

Note 12—Subsequent Events

The Company evaluated subsequent events and transactions that occurred up to the date the unaudited condensed interim financial statements were issued. Based upon this review, the Company identified no subsequent events that required adjustment or disclosure in the unaudited condensed interim financial statements.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

References to the "Company," "IIAC," "our," "us" or "we" refer to Investindustrial Acquisition Corp. The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the unaudited condensed interim financial statements and the notes thereto contained elsewhere in this report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties.

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act. We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions about us that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "should," "could," "would," "expect," "plan," "anticipate," "believe," "estimate," "continue," or the negative of such terms or other similar expressions. Such forward-looking statements relate to future events or future performance, but reflect management's current beliefs, based on information currently available. A number of factors could cause actual events, performance, or results to differ materially from the events, performance and results discussed in the forward-looking statements. For information identifying important factors that could cause actual results to differ materially from those anticipated in the forward-looking statements, please refer to the Risk Factors section of the Company's final prospectus for its Initial Public Offering filed with the SEC. The Company's securities filings can be accessed on the EDGAR section of the SEC's website at www.sec.gov. Except as expressly required by applicable securities law, the Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

Overview

We are a blank check company incorporated on September 7, 2020 as a Cayman Islands exempted company for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses. We intend to effectuate our initial business combination using cash from the proceeds of our Initial Public Offering and the sale of the private placement shares, our shares, debt or a combination of cash, equity and debt.

As of September 30, 2021, the Company had not commenced any operations. All activity for the period from September 7, 2020 (inception) through September 30, 2021 relates to the Company's formation and the preparation of its Initial Public Offering, which was consummated on November 23, 2020 and, after the Initial Public Offering, identifying a target company for a Business Combination.

Liquidity and Going Concern

On November 23, 2020, the Company consummated its Initial Public Offering of 35,000,000 units at an offering price of \$10.00 per Unit, generating gross proceeds of \$350.0 million, and incurring approximately \$12.3 million in deferred underwriting commissions. The Company granted the underwriters of the Initial Public Offering a 45-day option from the date of the final prospectus relating to the Initial Public Offering to purchase up to 5,250,000 additional Units to cover over-allotments, if any, at \$10.00 per Unit. On November 24, 2020, the Underwriters fully exercised the Over-Allotment Option to purchase an additional 5,250,000 Units. On November 27, 2020, the Company completed the sale of the Over-Allotment Units to Underwriters, generating gross proceeds of \$52.5 million, and incurred additional deferred underwriting commissions of approximately \$1.8 million in deferred underwriting commissions). The Company also incurred additional offering costs of approximately \$9.2 million associated with the Initial Public Offering and completion of the Over-Allotment sale.

Simultaneously with the closing of the Initial Public Offering, the Company completed a private placement of 6,000,000 Private Placement Warrants at a price of \$1.50 per Private Placement Warrant to the Sponsor, generating proceeds of \$9.0 million. Simultaneously with the closing of the Over-Allotment Units, on November 27, 2020, the Company consummated a second private placement, resulting in the purchase of an aggregate of an additional 700,000 Private Placement Warrants by the Sponsor, generating gross proceeds to the Company of approximately \$1.1 million.

Upon the closing of the Initial Public Offering and the Private Placement, an aggregate of \$350.0 million (\$10.00 per Unit), consisting of \$343.0 million of net proceeds of the Initial Public Offering and \$7.0 million of the gross proceeds of the Private Placement, was placed in a trust account. Upon closing of the Over-Allotment and the Second Private Placement, an aggregate of \$52.5 million (\$10.00 per Unit) was placed in the Trust Account, for a total of \$402.5 million deposited in the Trust Account.

For the nine months ended September 30, 2021, net cash used in operating activities was approximately \$1,995,000. The Company had approximately \$229,000 in its operating account, working capital of approximately (\$931,000) and cash and marketable securities held in the Trust Account of \$402.5 million as of September 30, 2021. We intend to use substantially all of the funds held in the Trust Account, including any amounts representing interest earned on the Trust Account (less taxes payable) to complete our initial business combination. We may withdraw interest from the trust account to pay franchise and income taxes. To the extent that the Company's equity or debt is used, in whole or in part, as consideration to complete the initial business combination, the remaining proceeds held in the Trust Account will be used as working capital to finance the operations of the target business or businesses, make other acquisitions, and pursue growth strategies.

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In order to fund working capital deficiencies or finance transaction costs in connection with a Business Combination, our officers, directors or their affiliates may, but are not obligated to, loan us funds as may be required. If we complete a Business Combination, we would repay such loaned amounts. In the event that a Business Combination does not close, we may use a portion of the working capital held outside the Trust Account to repay such loaned amounts but no proceeds from our Trust Account would be used for such repayment. The Working Capital Loans would either be repaid upon consummation of a Business Combination, without interest, or, at the lender's discretion, up to \$1.5 million of such Working Capital Loans may be convertible into shares of the post Business Combination entity at a price of \$1.50 per warrant. Such warrants would be identical to the Private Placement Warrants. The Company has \$1,250,000 in borrowings outstanding under this agreement in the form of promissory notes.

We do not believe we will need to raise additional funds in order to meet the expenditures required for operating our business. However, if our estimate of undertaking in-depth due diligence and negotiating a Business Combination is less than the actual amount necessary to do so, we may have insufficient funds available to operate our business prior to our Business Combination. Moreover, we may need to obtain additional financing either to consummate our Business Combination or because we become obligated to redeem a significant number of our public shares upon consummation of our Business Combination, in which case we may issue additional securities or incur debt in connection with such Business Combination. Subject to compliance with applicable securities laws, we would only complete such financing simultaneously with the completion of our Business Combination. Following our Business Combination, if cash on hand is insufficient, we may need to obtain additional financing in order to meet our obligations.

In connection with the Company's assessment of going concern considerations in accordance with FASB's Accounting Standards Update ("ASU") 2014-15, "Disclosures of Uncertainties about an Entity's Ability to Continue as a Going Concern," management has determined that if the Company is unable to raise additional funds to alleviate liquidity needs, obtain approval for an extension of the deadline or complete a Business Combination by November 23, 2022, then the Company will cease all operations except for the purpose of liquidating. The liquidity condition and date for mandatory liquidation and subsequent dissolution raise substantial doubt about the Company's ability to continue as a going concern. No adjustments have been made to the carrying amounts of assets or liabilities should the Company be required to liquidate after November 23, 2022. The Company intends to complete a Business Combination before the mandatory liquidation date or obtain approval for an extension.

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Results of Operations

As of September 30, 2021, the Company had not commenced any operations. All activity for the period from September 7, 2020 (inception) through September 30, 2021 relates to the Company's formation and the preparation of its Initial Public Offering described above and, after the Initial Public Offering, identifying a target company for a Business Combination. The Company will not generate any operating revenues until after the completion of its initial Business Combination, at the earliest. The Company will generate non-operating income in the form of interest and dividends on cash and cash equivalents from the proceeds derived from the Initial Public Offering. We are incurring expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance), as well as for due diligence expenses in connection with completing a Business Combination.

For the three months ended September 30, 2021, we had net losses of \$10.6 million, which consisted of general and administrative expenses of \$516,000, a loss due to change in fair value of derivative warrant liabilities of \$5.0 million, a loss due to change in fair value of other derivative instruments of \$5.0 million and dividend income of \$6,000 from the Trust Account. For the nine months ended September 30, 2021 we had net losses of \$3.1 million which consisted of general and administrative expenses of \$1.4 million, a loss due to change in fair value of other derivative instruments of \$5.0 million, which were partially offset by a gain due to change in fair value of derivative warrant liabilities of \$3.4 million, and dividend income of \$18,000 from the Trust Account. For the period from September 7, 2020 (inception) through September 30, 2020, we had net losses of \$11,000, which consisted solely of general and administrative expenses.

Contractual Obligations

We do not have any long-term debt obligations, capital lease obligations, operating lease obligations, purchase obligations or long-term liabilities, other than an administrative support agreement described below.

Registration Rights

The holders of Founder Shares, Private Placement Warrants and warrants that may be issued upon conversion of working capital loans, if any, and any Class A ordinary shares issuable upon the exercise of the Private Placement Warrants and warrants that may be issued upon conversion of the Working Capital Loans are entitled to registration rights pursuant to a registration and shareholder rights agreement. The holders of these securities are entitled to make up to three demands, excluding short form demands, that the Company registers such securities. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to the Company's completion of its Business Combination. However, the registration and shareholder rights agreement provides that the Company will not permit any registration statement filed under the Securities Act to become effective until termination of the applicable lock-up period, which occurs (i) in the case of the Founder Shares, in accordance with the letter agreement the Company's initial shareholders entered into and (ii) in the case of the Private Placement Warrants, 30 days after the completion of the Company's Business Combination. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

Underwriting Agreement

We granted the Underwriters a 45-day option from the final prospectus relating to the Initial Public Offering to purchase up to 5,250,000 additional Public Shares to cover over-allotments, if any, at the Initial Public Offering price less the underwriting discounts and commissions. On November 24, 2020, the Underwriters fully exercised the over-allotment option to purchase the Over-Allotment Units and on November 27, 2020, the Company completed the sale of the Over-Allotment Units to the Underwriters.

The Underwriters were paid a cash underwriting discount of \$0.20 per Unit, or approximately \$8.1 million in the aggregate, paid upon the closing of the Initial Public Offering and Over-Allotment. In addition, \$0.35 per Unit, or approximately \$14.1 million in the aggregate will be payable to the Underwriters for deferred underwriting commissions. The deferred fee will become payable to the Underwriters from the amounts held in the Trust Account solely in the event that we complete a Business Combination, subject to the terms of the underwriting agreement.

Administrative Support Agreement

Commencing on the date that the Company's securities were first listed on the New York Stock Exchange through the earlier of consummation of the initial Business Combination and the Company's liquidation, the Company began to reimburse the Sponsor for office space, secretarial and administrative services provided to the Company in the amount of \$10,000 per month. Upon completion of the initial Business Combination or the Company's liquidation, the Company will cease paying these monthly fees. The Company incurred approximately \$30,000 in expenses in connection with such services during each three months ended September 30, 2021 and \$90,000 during the nine months ended September 30, 2021 as reflected in the accompanying condensed statement of operations. Under this agreement, \$104,000 and \$14,000 was due to the Sponsor as of September 30, 2021 and December 31, 2020.

Forward Purchase Agreement

On November 18, 2020, the Company entered into a forward purchase agreement with an affiliate of the Sponsor (the "Forward Purchaser"), pursuant to which such affiliate has committed to purchase up to 25,000,000 of the Company's Class A ordinary shares for \$10 per share, or an aggregate amount of up to \$250 million, in a private placement that would occur concurrently with the consummation of the initial Business Combination.

As previously disclosed, on July 18, 2021, the Company entered into the Business Combination Agreement providing for, among other things, the amendment of the Forward Purchase Agreement.

On July 26, 2021, the Company and the Forward Purchaser entered into the Amendment to the Forward Purchase Agreement (the "Amendment"). Pursuant to the Amendment, the Forward Purchaser committed to purchase 22,500,000 Class A ordinary shares for an aggregate purchase price of €184.5 million, subject to adjustment in accordance with the terms of the Amendment, which forward purchase shall be consummated on the closing date of the transactions contemplated by the Business Combination Agreement.

Forward Currency Contract

On July 19, 2021, the Company entered into a deal-contingent forward currency contract (the "Deal-Contingent Forward") with a bank counterparty to purchase €305.0 million at set daily rates from October 13, 2021 through April 19, 2022. The Company entered into the Deal-Contingent Forward in order to lock in the amount of Euro proceeds owed by the Company to Zegna upon closing the Business Combination and reduce the risk of fluctuations in foreign currency exchange rates. Subject to certain customary exceptions, if the Business Combination does not close by April 22, 2022, the Company will have no liability to the bank counterparty.

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A copy of the Amendment is filed with this Current Report on Form 8-K, filed with the SEC on July 28, 2021, as Exhibit 10.1 and the foregoing description of the Amendment is qualified in its entirety by reference thereto.

Critical Accounting Policies

This management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with GAAP. The preparation of our financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities in our financial statements. On an ongoing basis, we evaluate our estimates and judgments, including those related to fair value of financial instruments and accrued expenses. We base our estimates on historical experience, known trends and events and various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The company has identified the following as its critical accounting policies:

Offering Costs

We comply with the requirements of the ASC 340-10-S99-1. Offering costs consist of underwriting, legal, accounting and other expenses incurred through the Initial Public Offering that are directly related to the Initial Public Offering. Offering costs are allocated to the separable financial instruments issued in the Initial Public Offering based on a relative fair value basis, compared to total proceeds received. Offering costs associated with derivative warrant liabilities are expenses as incurred, presented as non-operating expenses in the as non-operating expenses in the statement of operations. Offering costs associated with the Public Shares were charged against the carrying value of the Class A ordinary shares subject to possible redemption upon the completion of the Initial Public Offering.

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Net Income (Loss) Per Ordinary Share

The Company complies with accounting and disclosure requirements of FASB ASC Topic 260, "Earnings Per Share." Net income (loss) per ordinary share is computed by dividing net income (loss) by the weighted average number of ordinary shares outstanding for the period. The Company applies the two-class method in calculating earnings per share; however, the Company has applied its net income (loss) on a pro rata basis between share classes. Pro rata allocation contemplates a Business Combination as the most likely outcome, in which case both classes of ordinary shares will share pro rata in the income (loss) of the Company. Accretion associated with the redeemable Class A ordinary shares is excluded from earnings per share as the redemption value approximates fair value.

The Company has not considered the effect of the warrants sold in our Initial Public Offering (including the consummation of the over-allotment option) and the private placement to purchase an aggregate of 20,116,667 Class A ordinary shares in the calculation of diluted net income (loss) per ordinary share, because the warrants were out of the money during the period. At September 30, 2021, except for the warrants, the Company did not have any dilutive securities and other contracts that could, potentially, be exercised or converted into ordinary shares and then share in the earnings of the Company. As a result, diluted income (loss) per share is the same as basic income (loss) per share for the period presented.

Class A Ordinary Shares Subject to Possible Redemption

Class A ordinary shares subject to mandatory redemption (if any) are classified as liability instruments and are measured at fair value. Conditionally redeemable Class A ordinary shares (including Class A ordinary shares that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company's control) are classified as temporary equity. At all other times, Class A ordinary shares are classified as shareholders' equity. The Company's Class A ordinary shares feature certain redemption rights that are considered to be outside of the Company's control and subject to the occurrence of uncertain future events. Accordingly, at September 30, 2021, 40,250,000 Class A ordinary shares subject to possible redemption are presented as temporary equity, outside of the shareholders' equity section of the Company's balance sheet.

Derivative Warrant Liabilities

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in ASC 480 and ASC 815. The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own ordinary shares and whether the warrant holders could potentially require "net cash settlement" in a circumstance outside of the Company's control, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding.

For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be recorded as a liability at their initial fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of liability-classified warrants are recognized as a non-cash gain or loss on the statements of operations. The fair value of warrants issued in connection with the Initial Public Offering, exercise of the over-allotment option and Private Placement were initially and subsequently through January 11, 2021 measured at fair value using a Monte Carlo simulation model. After the Public Warrants began to trade on January 11, 2021, the Public Warrants were measured at their trading price. As the transfer of Private Placement Warrants to anyone who is not a permitted transferee would result in the Private Placement Warrants having substantially the same terms as the Public Warrants, the company determined that the fair value of each Private Placement Warrant is equivalent to that of each public warrant. The fair value of the Public Warrants and Private Placement Warrants as of September 30, 2021 is based on observable listed prices for such warrants.

The Company issued an aggregate of 13,416,667 warrants on Class A ordinary shares in the Initial Public Offering and upon the underwriters' exercise of their over-allotment option, and issued 6,700,000 Private Placement Warrants. All of the Company's outstanding warrants are recognized as liabilities in accordance with ASC 815-40. Accordingly, the Company recognized the warrant instruments as liabilities at fair value and adjusted the instruments to fair value at each reporting period.

Forward Currency Contracts

Forward currency contracts are entered into as an economic hedge against foreign currency exchange rate risk. The Company does not enter into forward currency contracts for speculation or trading purposes. A forward currency contract is an obligation to purchase a currency against another currency at a future date at an agreed upon price and quantity. Forward currency contracts are traded over-the-counter and not on an organized exchange. Forward currency contracts help to manage the overall exposure to the foreign currency related to Euro proceeds that will be needed to close the Business Combination Agreement. The Company's single forward currency contract is not designated as a hedging instrument. Therefore, changes in the market value of the instrument are recorded by the Company as an unrealized gain or loss when the instrument is marked-to-market each period end. When the contract is closed, the Company records a realized gain or loss equal to the difference between the value at the time it was opened and the value at the time it was closed. The use of forward currency contracts involves risk that counterparties may not meet the terms of the agreement or unfavorable movements in the value of a foreign currency relative to the U.S. dollar. The Company accounts for its forward currency contract as a derivative instrument based on an assessment of the contract's specific terms and applicable authoritative guidance in ASC 815. The Company's open forward currency contract at September 30, 2021 is reflected within the condensed balance sheet.

Fair Value

The Company follows the guidance in ASC 820 for its financial assets and liabilities that are measured and reported at fair value at each reporting period, and non-financial assets and liabilities that are measured and reported at fair value at least annually. Fair value is defined as the price that would be received for sale of an asset or paid for transfer of a liability, in an orderly transaction between market participants at the measurement date. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These tiers include:

- Level 1, defined as observable inputs such as quoted prices for identical instruments in active markets;
- Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

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In some circumstances, the inputs used to measure fair value might be categorized within different levels of the fair value hierarchy. In those instances, the fair value measurement is categorized in its entirety in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement. As of September 30, 2021, the carrying values of cash, accounts payable, accrued expenses, and advances from related party approximate their fair values due to the short-term nature of the instruments. The Company's portfolio of investments held in the Trust Account is comprised mainly of investments in U.S. government securities with an original maturity of 185 days or less. The fair value for trading securities is determined using quoted market prices in active markets.

Recent Accounting Pronouncements

In August 2020, the FASB issued ASU 2020-06, which simplifies accounting for convertible instruments by removing major separation models required under current U.S. GAAP. The ASU also removes certain settlement conditions that are required for equity-linked contracts to qualify for the derivative scope exception, and it simplifies the diluted earnings per share calculation in certain areas. The Company adopted ASU 2020-06 on January 1, 2021. Adoption of the ASU did not impact the Company's financial position, results of operations or cash flows.

Off-Balance Sheet Financing Arrangements

As of September 30, 2021, we did not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K. We do not participate in transactions that create relationships with unconsolidated entities or financial partnerships, often referred to as variable interest entities, which would have been established for the purpose of facilitating off-balance sheet arrangements. We have not entered into any off-balance sheet financing arrangements, established any special purpose entities, guaranteed any debt or commitments of other entities, or purchased any non-financial assets.

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Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this item. As of September 30, 2021, we were not subject to any market or interest rate risk. Following the consummation of our Initial Public Offering, the net proceeds received into the Trust Account have been invested in U.S. government securities with a maturity of 185 days or less or in money market funds that meet certain conditions under Rule 2a-7 under the Investment Company Act of 1940, as amended, that invest only in direct U.S. government treasury obligations. Due to the short-term nature of these investments, we believe there will be no associated material exposure to interest rate risk.

We have not engaged in any hedging activities since our inception, however, as a consequence of the business combination we have entered into a “deal contingent forward” hedging instrument (contingent upon successful completion of the Business Combination), to protect ourselves from the fluctuation and volatility of the Euro against the U.S. Dollar.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in your reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2021. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were not effective due to a material weakness in internal control over financial reporting related to the accounting of complex financial instruments. As a result, management performed additional analysis as deemed necessary to ensure that our financial statements were prepared in accordance with U.S. generally accepted accounting principles. Accordingly, management believes that the financial statements included in this Form 10-Q present fairly, in all material respects, our financial position, result of operations and cash flows of the periods presented. Management understands that the accounting standards applicable to our financial statements are complex and has since the inception of the Company benefitted from the support of experienced third-party professionals with whom management has regularly consulted with respect to accounting issues. Management intends to continue to further consult with such professionals in connection with accounting matters.

We do not expect that our disclosure controls and procedures will prevent all errors and all instances of fraud. Disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Further, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and the benefits must be considered relative to their costs. Because of the inherent limitations in all disclosure controls and procedures, no evaluation of disclosure controls and procedures can provide absolute assurance that we have detected all our control deficiencies and instances of fraud, if any. The design of disclosure controls and procedures also is based partly on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting as the circumstances that led to the restatement of our financial statements described in this Quarterly Report on Form 10-Q had not yet been identified. In response, we plan to continue to devote significant effort and resources to the remediation and improvement of our internal control over financial reporting. While we have processes to identify and appropriately apply applicable accounting requirements, we plan to further enhance our system of evaluating and implementing the complex accounting standards that apply to our financial statements. Our plans at this time include providing enhanced access to accounting literature, research materials and documents and increased communication among our personnel and third-party professionals with whom we consult regarding complex accounting issues.

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PART II—OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

As of the date of this Quarterly Report on Form 10-Q, there have been no material changes to the risk factors disclosed in our annual report on Form 10-K/A filed with the SEC on November 23, 2021, except for the below risk factors. We may disclose changes to such factors or disclose additional factors from time to time in our future filings with the SEC.

We have identified a material weakness in our internal control over financial reporting. This material weakness could continue to adversely affect our ability to report our results of operations and financial condition accurately and in a timely manner.

We have identified a material weakness in our internal control over financial reporting related to the accounting of complex financial instruments, including for warrants we issued in connection with our initial public offering in November 2020, notwithstanding the advice on the specific matter also obtained from professional third parties.

Additionally, our management re-evaluated our application of ASC 480-10-S99-3A to our accounting classification of public shares. Our management and our audit committee concluded that it was appropriate to restate previously issued financial statements for the Affected Periods, respectively, to classify all Class A ordinary shares subject to possible redemption in temporary equity.

Also, our management determined there was an error in not recognizing the Deal-Contingent Forward in the Company's unaudited interim financial statements included in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2021, filed with the SEC on November 15, 2021. Our management and our audit committee concluded that the Deal-Contingent Forward should have been recognized on the Balance Sheet at fair value with changes in fair value recognized within the Statement of Operations.

As a result, our management concluded that our internal control over financial reporting was not effective as of December 31, 2020. This material weakness resulted in a material misstatement of our warrant liabilities, change in fair value of warrant liabilities, additional paid-in capital, accumulated deficit, change in the reclassification of public shares, recognition of fair value of the Deal-Contingent Forward on the Balance Sheet and recognition of fair value within the Statement of Operations and related financial disclosures for the Affected Periods.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with GAAP. Our management is likewise required, on a quarterly basis, to evaluate the effectiveness of our internal controls and to disclose any changes and material weaknesses identified through such evaluation in those internal controls. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

We will continue to devote significant effort and resources to the remediation and improvement of our internal control over financial reporting. While we have processes to identify and appropriately apply applicable accounting requirements, we plan to further enhance these processes to better evaluate our research and understanding of the nuances of the complex accounting standards that apply to our consolidated financial statements. Our plans at this time include providing enhanced access to accounting literature, research materials and documents and increased communication among our personnel and third-party professionals with whom we consult regarding complex accounting issues. The elements of our remediation plan can only be accomplished over time, and we can offer no assurance that these initiatives will ultimately have the intended effects. For a discussion of management's consideration of the material weakness identified, see "Note 2—Restatement of Previously Issued Financial Statements" to the accompanying consolidated financial statements, as well as Part II, Item 9A, "Controls and Procedures" of this Form 10-K/A.

Any failure to maintain such internal control could adversely impact our ability to report our financial position and results from operations on a timely and accurate basis. If our financial statements are not accurate, investors may not have a complete understanding of our operations. Likewise, if our financial statements are not filed on a timely basis, we could be subject to sanctions or investigations by the stock exchange on which our ordinary shares is listed, the SEC or other regulatory authorities. In either case, there could result a material adverse effect on our business. Failure to timely file will cause us to be ineligible to utilize short form registration statements on Form S-3, which may impair our ability to obtain capital in a timely fashion to execute our business strategies or issue shares to effect an acquisition. Ineffective internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our stock.

We can give no assurance that the measures we have taken and plan to take in the future will remediate the material weakness identified or that any additional material weaknesses or restatements of financial results will not arise in the future due to a failure to implement and maintain adequate internal control over financial reporting or circumvention of these controls. In addition, even if we are successful in strengthening our controls and procedures, in the future those controls and procedures may not be adequate to prevent or identify irregularities or errors or to facilitate the fair presentation of our consolidated financial statements.

Item 2. Unregistered Sale of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

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<u>No.</u>	<u>Description of Exhibit</u>
31.1 *	<u>Certification of Principal Executive Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
31.2 *	<u>Certification of Principal Financial Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
32.1 **	<u>Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes- Oxley Act of 2002</u>
32.2 **	<u>Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes- Oxley Act of 2002</u>
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. *
101.SCH	Inline XBRL Taxonomy Extension Schema Document *
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document *
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document *
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document *
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document *
104	The cover page for the Company’s Quarterly Report on Form 10-Q has been formatted in Inline XBRL and contained in Exhibit 101

* Filed herewith.

** These certifications are furnished to the SEC pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized on this 23rd day of November, 2021.

INVESTINDUSTRIAL ACQUISITION CORP.

/s/ Roberto Ardagna
Name: Roberto Ardagna
Title: Chief Executive Officer
(Principal Executive Officer)

/s/ Andrea Cicero
Name: Andrea Cicero
Title: Chief Financial Officer
(Principal Financial and Accounting Officer)

CERTIFICATION
PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Roberto Ardagna, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q/A of Investindustrial Acquisition Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) [Paragraph omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 33-8392/34-49313];
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 23, 2021

By: /s/ Roberto Ardagna
Roberto Ardagna
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION
PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Andrea Cicero, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q/A of Investindustrial Acquisition Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) [Paragraph omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 33-8392/34-49313];
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 23, 2021

By: /s/ Andrea Cicero

Andrea Cicero
Chief Financial Officer
(Principal Financial Officer and Accounting Officer)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADDED BY
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Investindustrial Acquisition Corp. (the "Company") on Form 10-Q/A for the quarterly period ended September 30, 2021, as filed with the Securities and Exchange Commission (the "Report"), I, Roberto Ardagna, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as added by §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. To my knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Date: November 23, 2021

By: /s/ Roberto Ardagna
Roberto Ardagna
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADDED BY
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Investindustrial Acquisition Corp. (the "Company") on Form 10-Q/A for the quarterly period ended September 30, 2021, as filed with the Securities and Exchange Commission (the "Report"), I, Andrea Cicero, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as added by §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. To my knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Date: November 23, 2021

By: /s/ Andrea Cicero
Andrea Cicero
Chief Financial Officer
(Principal Financial Officer and Accounting Officer)