

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

FORM 10-Q

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

For the quarterly period ended March 31, 2017

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

For the transition period from _____ to _____

Commission File Number: 001-367881

QUINPARIO ACQUISITION CORP. 2

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

47-1347291

(I.R.S. Employer
Identification Number)

**c/o Quinpario Partners 2, LLC
12935 N. Forty Drive
Suite 201
St. Louis, Missouri**

(Address of principal executive offices)

63141

(Zip Code)

Registrant's telephone number, including area code: (314) 548-6200

Not Applicable

(Former name or former address, if changed since last report)

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 and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See 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	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
(Do not check if a smaller reporting company)		Emerging growth company	<input checked="" type="checkbox"/>

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 May 10, 2017 there were 28,848,601 shares of common stock of the Company issued and outstanding.

QUINPARIO ACQUISITION CORP. 2

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS	1
Condensed Consolidated Interim Balance Sheets	1
Condensed Consolidated Interim Statements of Operations	2
Condensed Consolidated Interim Statements of Cash Flows	3
Notes to Interim Financial Statements	4
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	13
Forward Looking Statements	13
Overview	13
Results of Operations	13
Liquidity and Capital Resources	14
Critical Accounting Policies	15
ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	15
ITEM 4. CONTROLS AND PROCEDURES	15
PART II. OTHER INFORMATION	
ITEM 1. LEGAL PROCEEDINGS	16
ITEM 1A. RISK FACTORS	16
ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS	16
ITEM 6. EXHIBITS	18

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

QUINPARIO ACQUISITION CORP. 2

CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS

	As of	
	March 31, 2017 (unaudited)	December 31, 2016
ASSETS:		
Current asset:		
Cash and cash equivalents	\$ 296,311	\$ 120,382
Prepaid insurance	24,137	-
Total current assets	320,448	120,382
Cash and investments held in Trust Account	201,105,244	351,088,398
Total assets	<u>\$ 201,425,692</u>	<u>\$ 351,208,780</u>
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable and accrued expenses	\$ 137,552	\$ 107,331
Deferred underwriters' fees	12,250,000	12,250,000
Total liabilities	<u>12,387,552</u>	<u>12,357,331</u>
Commitments		
Common stock subject to possible redemption; 18,392,883 and 33,281,648 shares (at redemption value) at March 31, 2017 and December 31, 2016, respectively.	184,038,137	333,851,446
Stockholders' equity:		
Preferred stock, \$0.0001 par value; 1,000,000 shares authorized; none issued and outstanding	-	-
Common stock, \$0.0001 par value; 135,000,000 shares authorized; 10,455,718 and 10,468,352 shares issued and outstanding at March 31, 2017 and December 31, 2016, respectively (which excludes 18,392,883 and 33,281,648 shares subject to possible redemption at March 31, 2017 and December 31, 2016, respectively).	1,045	1,047
Additional paid-in capital	5,753,811	5,367,258
Accumulated deficit	(754,853)	(368,302)
Total stockholders' equity	<u>5,000,003</u>	<u>5,000,003</u>
Total liabilities and stockholders' equity	<u>\$ 201,425,692</u>	<u>\$ 351,208,780</u>

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

QUINPARIO ACQUISITION CORP. 2

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
General and administrative costs	<u>\$ (642,155)</u>	<u>\$ (354,634)</u>
Loss from operations	(642,155)	(354,634)
Interest income	<u>255,604</u>	<u>295,722</u>
Net loss	<u>\$ (386,551)</u>	<u>\$ (58,912)</u>
Weighted average number of common shares outstanding - basic and diluted	<u>10,468,212</u>	<u>10,385,539</u>
Net loss per common share - basic and diluted	<u>\$ (0.04)</u>	<u>\$ (0.01)</u>

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

QUINPARIO ACQUISITION CORP. 2

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Cash Flows from Operating Activities:		
Net loss	\$ (386,551)	\$ (58,912)
Adjustments to reconcile net loss to net cash used in operating activities:		
Interest income on restricted cash and cash equivalents held in Trust Account	(255,604)	(115,722)
Changes in operating assets and liabilities:		
Prepaid insurance	(24,137)	18,679
Accounts payable and accrued expenses	30,221	(2,715)
Net Cash Used in Operating Activities	<u>(636,071)</u>	<u>(158,670)</u>
Cash Flows from Investing Activities:		
Proceeds released from Trust Account	150,238,759	-
Net Cash Provided by Investing Activities	<u>150,238,759</u>	<u>-</u>
Cash Flows from Financing Activities:		
Redemption of common stock	(149,426,759)	-
Net Cash Used in Financing Activities	<u>(149,426,759)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	175,929	(158,670)
Cash and cash equivalents – beginning	<u>120,382</u>	<u>881,923</u>
Cash and cash equivalents – ending	<u>\$ 296,311</u>	<u>\$ 723,253</u>
Supplemental disclosure of noncash investing and financing activities:		
Change in shares subject to possible redemption	\$ 386,551	\$ 58,912

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

Quinpario Acquisition Corp. 2

Notes to Unaudited Condensed Consolidated Interim Financial Statements

1. DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS

Quinpario Acquisition Corp. 2 (“us”, “we”, “Company” or “our”) is a blank check company incorporated in Delaware on July 15, 2014. The Company was formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses or entities (“Business Combination”). All activity through March 31, 2017 relates to the Company’s formation, initial public offering described below, special meeting and search for a Business Combination. The Company is an early stage and emerging growth company and, as such, the Company is subject to all of the risks associated with early stage and emerging growth companies.

In connection with the execution of the Agreement (defined below), the Company formed two wholly-owned subsidiaries, Quinpario Merger Sub I, Inc. and Quinpario Merger Sub II, Inc., in Delaware on February 17, 2017.

On The registration statement for the Company’s initial public offering (“Initial Public Offering”) was declared effective on January 15, 2015. The Company consummated the Initial Public Offering of 35,000,000 units (“Units”) at \$10.00 per Unit on January 22, 2015, generating gross proceeds of \$350,000,000, which is described in Note 3.

Simultaneously with the closing of the Initial Public Offering, the Company consummated the private placement of 18,000,000 warrants (“Private Placement Warrants”) at a price of \$0.50 per warrant to Quinpario Partners 2, LLC, the Company’s sponsor (“Sponsor”), generating gross proceeds of \$9,000,000, which is described in Note 3.

Transaction costs amounted to \$19,805,250, consisting of \$7,000,000 of underwriting fees, \$12,250,000 of deferred underwriting fees (which are held in the Trust Account (defined below)), \$555,250 of Initial Public Offering costs and \$63,920 of other expenses incurred through January 22, 2015. In addition, \$1,380,830 of cash was available to fund operations and held outside of the Trust Account on January 22, 2015.

Following the closing of the Initial Public Offering on January 22, 2015, an amount of \$350,000,000 (\$10.00 per Unit) from the net proceeds of the sale of the Units in the Initial Public Offering and the Private Placement Warrants was placed in a trust account (“Trust Account”) and has been invested in U.S. treasury bills, notes or bonds with a maturity of 180 days or less or in an open ended investment company that holds itself out as a money market fund selected by the Company meeting the conditions of paragraph (d) of Rule 2a-7 of the Investment Company Act of 1940 and that invests solely in U.S. treasuries, as determined by the Company. Such proceeds will continue to be held in such investments until the earlier of: (i) the consummation of a Business Combination or (ii) the distribution of the Trust Account as described below.

In January 2017, we held a special meeting of stockholders at which our stockholders approved an amendment to our Amended and Restated Certificate of Incorporation to extend the date by which we had to consummate an initial business combination to July 24, 2017. 19,997,082 public shares were voted in favor of the amendment. Such vote also constituted their consent for the Company to amend the Investment Management Trust Agreement governing the Trust Account to withdraw from the Trust Account any interest earned on the funds held therein related to those shares, net of taxes payable, for the Company’s working capital requirements. In connection with the extension, holders of 14,901,399 public shares exercised their right to convert such public shares into a pro rata portion of the Trust Account. As a result, \$201,543,292 remained in the Trust Account as of January 19, 2017. In addition, 101,519 public shares were not voted and, for that reason, the Company cannot use the interest earned on those shares for the Company’s working capital requirements. As a result, \$1,018,002 of the funds that remain in the Trust Account are for the benefit of those public stockholders who did not vote on the extension amendment and will disburse such amount and all additional interest earned on those funds from January 19, 2017 to such public stockholders if and when they present their shares for conversion. At March 31, 2017, there was \$201,105,244 remaining in the Trust Account.

The Company’s management has broad discretion with respect to the specific application of the net proceeds of its Initial Public Offering, although substantially all of the net proceeds of the Initial Public Offering are intended to be generally applied toward consummating a Business Combination. Furthermore, there is no assurance that the Company will be able to successfully affect a Business Combination.

Quinpario Acquisition Corp. 2

Notes to Unaudited Condensed Consolidated Interim Financial Statements

1. DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS – (continued)

On January 5, 2017, the Company received a notice from the Listing Qualifications Department of The Nasdaq Stock Market (“Nasdaq”) stating that the Company failed to hold an annual meeting of stockholders within 12 months after its fiscal year ended December 31, 2015, as required by Nasdaq Listing Rules 5620(a) and 5810(c)(2)(G). On February 21, 2017, the Company submitted to Nasdaq a plan to regain compliance pursuant to the procedures set forth in the Nasdaq Listing. On March 7, 2017, Nasdaq granted the Company an extension until June 29, 2017 to regain compliance with the foregoing rules. The Company’s securities will continue to trade on Nasdaq during this time period.

On February 21, 2017, the Company entered into a Business Combination Agreement (the “Agreement”) by and among the Company, Quinpario Merger Sub I, Inc., a Delaware corporation (“SourceHOV Merger Sub”), Quinpario Merger Sub II, Inc., a Delaware corporation (“Novitex Merger Sub” and, together with SourceHOV Merger Sub, the “Merger Subs”), Novitex Holdings, Inc., a Delaware corporation (“Novitex”), SourceHOV Holdings, Inc., a Delaware corporation (“SourceHOV”), Novitex Parent, L.P. (“Novitex Parent”), HOVS LLC and HandsOn Fund 4 I, LLC (collectively, the “HGM Group” and, together with Novitex Parent, each a “Seller” and collectively, the “Sellers”). Completion of the transaction is subject to amongst other requirements, the approval of the transaction by our stockholders. Accordingly, there can be no assurance that the proposed transaction will be consummated. The purchase price is expected to be funded through a combination of \$1.35 billion in new debt financing, cash from the Company, rollover equity and cash on hand at closing, including from equity financing. Shareholders of SourceHOV and Novitex are rolling 100% of the current equity, and will be the majority shareholders of the combined company. In addition, in connection with the execution of the Agreement, certain of the holders of Insider Shares and Private Placement Warrants (each as defined below) have agreed to forfeit certain of their shares and warrants at the closing of the Business Combination.

We will seek stockholder approval of our initial Business Combination at a meeting called for such purpose at which stockholders may seek to convert their shares, regardless of whether they vote for or against the proposed Business Combination, into their pro rata share of the aggregate amount then on deposit in the Trust Account (net of taxes payable). We will consummate our initial Business Combination only if we have net tangible assets of at least \$5,000,001 upon such consummation and a majority of the outstanding shares of common stock voted are voted in favor of the Business Combination. Notwithstanding the foregoing, the Amended and Restated Certificate of Incorporation of the Company provides that a public stockholder, together with any affiliate or other person with whom such public stockholder is acting in concert or as a “group” (within the meaning of Section 13 of the Securities Act of 1934, as amended (the “Securities Act”)), will be restricted from seeking redemption rights with respect to an aggregate of more than 15% of the public shares (but only with respect to the amount over 15% of the public shares).

Quinpario Acquisition Corp. 2

Notes to Unaudited Condensed Consolidated Interim Financial Statements

1. DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS – (continued)

The proposed transaction is expected to be consummated in the second quarter of 2017, after the required approval by the Company's stockholders and the fulfillment of certain other conditions.

The Company's Units, common stock and warrants are listed on the Nasdaq Capital Market ("NASDAQ"). Pursuant to the NASDAQ listing rules, the Company's initial Business Combination must be with a target business or businesses whose collective fair market value is at least equal to 80% of the balance in the Trust Account (excluding deferred underwriting commissions and taxes payable) at the time of the execution of a definitive agreement for such Business Combination. The Company determined this test was met in connection with the proposed transaction with the Sellers.

The Company will have until July 24, 2017 to consummate its initial Business Combination. If the Company is unable to consummate an initial Business Combination within such time period for whatever reason (such as if not enough holders approve of the proposed business combination or too many holders seek conversion of their shares), it will, as promptly as possible but not more than ten business days thereafter, redeem 100% of the outstanding public shares for a pro rata portion of the funds held in the Trust Account and then seek to dissolve and liquidate. In such event, the warrants will expire worthless. The Company expects the redemption price to be \$10.00 per share of common stock, without taking into account any interest earned on such funds. However, the Company may not be able to distribute such amounts as a result of claims of creditors which may take priority over the claims of public stockholders.

We believe the \$296,311 in our working capital account on March 31, 2017, plus any additional interest earned on the funds held in the Trust Account that may be released to us, will be sufficient to meet our working capital needs, to pay any taxes that we may owe and to complete our initial Business Combination by July 24, 2017. We may need to seek additional capital to continue our operations. If additional capital is required, we intend to borrow sufficient funds from Quinpario Partners, LLC or the management team to operate until we close our initial Business Combination. Neither Quinpario Partners, LLC nor our management team is under any obligation to advance funds to us. Any loan would be evidenced by a non-interest bearing promissory note. Up to \$1,500,000 of such notes may be convertible into additional Private Placement Warrants at a price of \$0.50 per warrant of the post business combination entity. Any such loans would be repaid only from funds held outside the Trust Account or from funds released to us upon completion of our initial Business Combination. If we are unable to complete our initial Business Combination because we do not have sufficient funds available to us, we will be forced to cease operations and liquidate the Trust Account.

Quinpario Acquisition Corp. 2

Notes to Unaudited Condensed Consolidated Interim Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying unaudited condensed consolidated interim financial statements are presented in U.S. dollars and have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and pursuant to the rules and regulations of the SEC. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal accrual) considered for a fair presentation have been included. Operating results for the three months ended March 31, 2017 are not necessarily indicative of the results that may be expected for the year ending December 31, 2017. For further information refer to the financial statements and footnotes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2016, filed with the SEC on March 6, 2017.

Principles of Consolidation

The unaudited condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Quinpario Merger Sub I, Inc. and Quinpario Merger Sub II, Inc. All significant intercompany balances and transactions have been eliminated in consolidation.

Cash and marketable securities held in Trust Account

The amounts held in the Trust Account represent substantially all of the proceeds of the Initial Public Offering, less redemptions in connection with the extension and less interest withdrawn to pay taxes and for working capital needs, and are classified as restricted assets since such amounts can only be used by the Company in connection with the consummation of a Business Combination. As of March 31, 2017 and December 31, 2016, cash and trading securities held in the Trust Account consisted of \$201,104,101 and \$351,085,907, respectively, in United States Treasury Bills with an original maturity of three months or less and \$1,143 and \$2,491 in cash at March 31, 2017 and December 31, 2016, respectively.

Shares subject to possible redemption

The Company accounts for its shares subject to possible redemption in accordance with the guidance in Accounting Standards Codification (“ASC”) Topic 480 “Distinguishing Liabilities from Equity.” Shares subject to mandatory redemption (if any) are classified as a liability instrument and measured at fair value. Conditionally redeemable shares (including 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, shares are classified as stockholders’ equity. The Company’s shares feature certain redemption rights that are considered to be outside of the Company’s control and subject to occurrence of uncertain future events. Accordingly, at March 31, 2017 and December 31, 2016, shares subject to possible redemption are presented as temporary equity, outside of the stockholders’ equity section of the Company’s balance sheet.

Quinpario Acquisition Corp. 2

Notes to Unaudited Condensed Consolidated Interim Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

Net income (loss) per common share

The Company complies with accounting and disclosure requirements of the Financial Accounting Standards Board (“FASB”) ASC 260, “Earnings Per Share.” Net income (loss) per common share is computed by dividing net income (loss) applicable to common stockholders by the weighted average number of common shares outstanding for the period. The Company has not considered the effect of (i) warrants sold in the Initial Public Offering to purchase 17,500,000 shares of the Company and (ii) the Private Placement Warrants to purchase 9,000,000 shares of the Company, in the calculation of net income (loss) per share, since the exercise of the warrants is contingent on the occurrence of future events. 18,392,883 and 33,347,737 shares subject to possible redemption at March 31, 2017 and March 31, 2016, respectively, were also excluded from the calculation of basic income (loss) per common share since such shares, if redeemed, only participate in their pro rata share of earnings in the Trust Account. At March 31, 2017 and March 31, 2016, the Company did not have any other dilutive securities or other contracts that could, potentially, be exercised or converted into common stock and then share in the earnings of the Company. As a result, diluted income (loss) per common share is the same as basic income (loss) per common share for the periods.

Concentration of credit risk

Financial instruments that potentially subject the Company to concentration of credit risk consist of cash accounts in a financial institution which, at times may exceed the federal depository insurance coverage of \$250,000. The Company has not experienced losses on these accounts and since the Company maintains its cash accounts with major financial institutions, management believes the Company is not exposed to significant risks on such accounts.

Fair value of financial instruments

The fair value of the Company’s assets and liabilities, which qualify as financial instruments under FASB ASC 820, “Fair Value Measurements and Disclosures,” approximates the carrying amounts represented in the balance sheet, primarily due to their short-term nature.

Use of estimates

The preparation of financial statements in conformity with GAAP requires 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Quinpario Acquisition Corp. 2

Notes to Unaudited Condensed Consolidated Interim Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

Income taxes

The Company complies with the accounting and reporting requirements of FASB ASC, 740, "Income Taxes," which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed for differences between the financial statement and tax bases of assets and liabilities that will result in future taxable or deductible amounts, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

There were no unrecognized tax benefits as of March 31, 2017. 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. The Company recognizes accrued interest and penalties as income tax expense. No amounts were accrued for the payment of interest and penalties at March 31, 2017. 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 may be subject to potential examination by U.S. federal and state authorities in the areas of income taxes. These potential examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions and compliance with U.S. federal and state tax laws. The Company's management does not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months. Federal and Missouri income tax returns for the years ended December 31, 2016, 2015 and 2014 are currently open to examination although no audits are ongoing.

Recently issued accounting standards

Management does not believe that any recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on the Company's financial statements.

Quinpario Acquisition Corp. 2

Notes to Unaudited Condensed Consolidated Interim Financial Statements

3. INITIAL PUBLIC OFFERING

On January 22, 2015, the Company sold 35,000,000 Units at \$10.00 per Unit. Each Unit consists of one share of common stock and one warrant. Each warrant entitles the holder thereof to purchase one-half of one share of common stock at a price of \$5.75 per half share. Warrants may be exercised only for a whole number of shares of common stock. No fractional shares will be issued upon exercise of the warrants. Each warrant will become exercisable 30 days after the completion of an initial Business Combination and will expire five years after the completion of an initial Business Combination, or earlier upon redemption. We may redeem the outstanding warrants (excluding 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,
- if, and only if, the last sales price of our shares of common stock equals or exceeds \$24.00 per share for any 20 trading days within a 30 trading day period (the "30-day trading period") ending three business days before we send the notice of redemption, and
- if, and only if, there is a current registration statement in effect with respect to the shares of common stock underlying such warrants commencing five business days prior to the 30-day trading period and continuing each day thereafter until the date of redemption.

If we call the warrants for redemption as described above, our management will have the option to require all holders that wish to exercise warrants to do so on a "cashless basis."

Simultaneously with the Initial Public Offering, the Sponsor purchased an aggregate of 18,000,000 Private Placement Warrants at a price of \$0.50 per warrant (\$9,000,000 in the aggregate) in a private placement. The proceeds from the purchase of the Private Placement Warrants were placed in the Trust Account.

The Private Placement Warrants are identical to the warrants included in the Units sold in the Initial Public Offering except the Private Placement Warrants will be non-redeemable and may be exercised on a cashless basis, at the holder's option, in each case so long as they continue to be held by the Sponsor or its permitted transferees. The purchaser has also agreed not to transfer, assign or sell any of the Private Placement Warrants or underlying securities (subject to certain exceptions) until 30 days after the completion of an initial Business Combination.

Quinpario Acquisition Corp. 2

Notes to Unaudited Condensed Consolidated Interim Financial Statements

4. RELATED PARTY TRANSACTIONS

In September 2014, the Sponsor purchased an aggregate of 10,062,500 shares of our common stock (the “Insider Shares”), for an aggregate purchase price of \$25,000. The managing member of the Sponsor is Quinpario Partners LLC (“Quinpario Partners”), an entity affiliated with several of our officers and directors. On November 10, 2014, the Sponsor transferred 300,000 Insider Shares to independent directors of the Company. The Insider Shares held by our initial stockholders, which include the Sponsor, management team and directors, included an aggregate of up to 1,312,500 shares subject to forfeiture to the extent that the underwriters’ over-allotment option was not exercised in full or in part, so that our initial stockholders would collectively own 20.0% of our issued and outstanding shares after the Initial Public Offering (assuming they did not purchase units in the Initial Public Offering). On January 22, 2015, the underwriters informed the Company that they were waiving their right to exercise any portion of their over-allotment option. As a result, the Sponsor forfeited an aggregate of 1,312,500 Insider Shares, leaving the initial stockholders with an aggregate of 8,750,000 Insider Shares. The Company has recorded the forfeited shares as treasury stock and simultaneously retired and cancelled the shares and charged additional paid-in capital.

The initial stockholders have agreed not to transfer, assign or sell any of the Insider Shares (except to certain permitted transferees) until (1) with respect to 20% of the Insider Shares, the consummation of an initial Business Combination and (2) with respect to the remaining 80% of the Insider Shares, the earlier of one year after the date of the consummation of an initial Business Combination or if after 150 days after an initial Business Combination, the closing price of the Company’s common stock equals or exceeds \$12.00 per share (as adjusted for stock splits, stock dividends, reorganizations and recapitalizations) for any 20 trading days within any 30-trading day period. Notwithstanding the foregoing, the foregoing transfer restrictions will be removed earlier if, after an initial Business Combination, the Company consummates a subsequent (i) liquidation, merger, stock exchange or other similar transaction which results in all of the Company’s stockholders having the right to exchange their shares of common stock for cash, securities or other property or (ii) consolidation, merger or other change in the majority of the Company’s management team.

In order to meet our working capital needs following the consummation of the Initial Public Offering, our Sponsor, officers and directors and their respective affiliates may, but are not obligated to, loan us funds, from time to time or at any time, in whatever amount they deem reasonable in their sole discretion. Each loan would be evidenced by a non-interest bearing promissory note. The notes would either be paid upon consummation of an initial Business Combination, without interest, or, at the lender’s discretion, up to \$1,500,000 of the notes may be converted upon consummation of the Business Combination into additional Private Placement Warrants at a price of \$0.50 per warrant. If we do not complete a Business Combination, the loans will not be repaid.

Quinpario Partners had loaned and advanced to us a total of \$325,370 which was used to pay operating expenses and costs associated with the Initial Public Offering. These loans and advances were non-interest bearing, unsecured and repaid at the consummation of the Initial Public Offering out of the proceeds of the Initial Public Offering.

Quinpario Partners and Jeffrey N. Quinn, our former Chairman, have agreed that they will be liable to ensure that the proceeds in the Trust Account are not reduced by the claims of target businesses or claims of vendors or other entities that are owed money by us for services rendered or contracted for or products sold to us, but they may not be able to satisfy their indemnification obligations if they are required to do so. Furthermore, they will have no liability under this indemnity as to any claimed amounts owed to a target business or vendor or other entity who has executed an agreement with us waiving any right, title, interest or claim of any kind they may have in or to any monies held in the Trust Account.

Quinpario Acquisition Corp. 2

Notes to Unaudited Condensed Consolidated Interim Financial Statements

4. RELATED PARTY TRANSACTIONS – (continued)

Pursuant to a registration rights agreement entered into on January 15, 2015 with the Company's initial stockholders, the Company is required to register certain securities for sale under the Securities Act. The holders of a majority of these securities are entitled to make up to three demands that we register such securities. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to our consummation of an initial Business Combination. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

Quinpario Partners has agreed that, commencing on January 15, 2015 through the earlier of our consummation of an initial Business Combination or our liquidation, it will make available to us certain general and administrative services, including office space, utilities and administrative support, as we may require from time to time. We have agreed to pay Quinpario Partners \$10,000 per month for these services. Total expenses paid for the three months ended March 31, 2017 and March 31, 2016 was \$30,000 and \$30,000, respectively.

In November 2015, the Company reimbursed Quinpario Partners \$38,522 for dues and subscriptions relating to systems that the Company utilizes in search for a target business.

5. COMMITMENTS & CONTINGENCIES

The underwriters are entitled to an underwriting discount of five and one-half percent (5.5%), of which two percent (2.0%), or \$7,000,000, was paid in cash at the closing of the Initial Public Offering on January 22, 2015, and three and one-half percent (3.5%), or \$12,250,000, has been deferred. The deferred fee will be payable in cash upon the closing of an initial Business Combination. 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 the Business Combination, subject to the terms of the underwriting agreement. If an initial Business Combination is not consummated, the deferred fees will not be paid.

The Company has engaged two law firms to assist the Company with its legal matters in identifying, negotiating, and consummating a Business Combination, as well as assisting with other legal matters. In the event of a successful Business Combination, the amount of fees to be paid to the first law firm will be agreed upon between the Company and that law firm in light of all the facts and circumstances at that point in time. If a Business Combination does not occur, the Company will not be required to pay the first law firm the contingent fees. Management is unable to determine the amount of the legal fees to be paid to the first law firm at this time. In connection with the agreement with the second law firm, in the event of a successful Business Combination, the amount of fees to be paid will not be less than \$100,000 and will be billed to the Company on a monthly basis. If a Business Combination does not occur, the Company will not be required to pay the minimum \$100,000. As of March 31, 2017, the Company has paid the second law firm an aggregate of \$10,992. There can be no assurance that the Company will complete a Business Combination.

In addition, in connection with the execution of the Business Combination Agreement, the Company engaged various financial and other advisors at customary rates and on customary terms and conditions to assist in negotiating and consummating the proposed transaction.

6. STOCKHOLDERS' EQUITY

Common Stock — The Company is authorized to issue 135,000,000 shares of common stock with a par value of \$0.0001 per share. At March 31, 2017, there were 10,455,718 common shares outstanding (which excludes 18,392,883 shares subject to possible redemption) and at December 31, 2016 there were 10,468,352 common shares outstanding (which excludes 33,281,648 shares subject to possible redemption).

Preferred Stock — The Company is authorized to issue 1,000,000 shares of preferred stock in one or more series with such designations, voting and other rights and preferences as may be determined from time to time by the Board of Directors. At March 31, 2017 and December 31, 2016, the Company had not issued any preferred shares.

7. SUBSEQUENT EVENTS

Management has approved the financial statements and performed an evaluation of subsequent events through the date the financial statements were issued, noting no additional items which require adjustment or disclosure.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

References to the "Company," "us," "we" or "our" refer to Quinpario Acquisition Corp. 2. The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the 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.

Forward-Looking Statements

This Quarterly Report on Form 10-Q includes forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (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. Factors that might cause or contribute to such a discrepancy include, but are not limited to, those described in our other SEC filings.

Overview

We are a blank check company formed on July 15, 2014 for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses or entities ("Business Combination").

On February 21, 2017, we entered into the Agreement with SourceHOV Merger Sub, Novitex Merger Sub, Novitex, SourceHOV, Novitex Parent, HOVS LLC and HandsOn Fund 4 I, LLC. The transaction will result in the formation of a market-leading business process outsourcing platform with expertise in financial technology, information services and data processing. Novitex, a North American provider of technology-driven managed services, is owned by certain funds managed by affiliates of Apollo Global Management, LLC (NYSE: APO). SourceHOV is majority owned by HandsOn Global Management, LLC and affiliates, and provides transaction processing solutions and enterprise information management solutions.

The Agreement provides for (i) the merger of SourceHOV Merger Sub with and into SourceHOV, as a result of which the separate corporate existence of SourceHOV Merger Sub ceases, with SourceHOV continuing as the surviving company and a subsidiary of the Company, and (ii) the merger of Novitex Merger Sub with and into Novitex, as a result of which the separate corporate existence of Novitex Merger Sub ceases, with Novitex as the surviving company and a subsidiary of the Company.

Consummation of the transactions contemplated by the Agreement is subject to customary conditions of the respective parties, including the approval of our stockholders.

Results of Operations

We have not generated any revenues to date. Our entire activity from inception to the closing of our initial public offering ("Initial Public Offering") on January 22, 2015 was in preparation for that event. Subsequent to the Initial Public Offering, our activity has been limited to the evaluation of Business Combination candidates, and we will not be generating any operating revenues until the closing and completion of our initial Business Combination. We have, and expect to continue to generate small amounts of non-operating income in the form of interest income on cash and cash equivalents. Interest income is not expected to be significant in view of current low interest rates on risk-free investments (treasury securities). We expect to incur increased expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance), as well as for due diligence expenses.

For the three months ended March 31, 2017 and March 31, 2016, we had net loss of \$386,551 and \$58,912, respectively, which consisted of operating costs, offset by interest income of \$255,604 and \$295,722, respectively, on the funds held in the trust account established in connection with the Initial Public Offering ("Trust Account"). Our operating expenses principally consisted of expenses related to our public filings and listing and identification and due diligence related to a potential target business, and to general operating expenses including printing, insurance and office expenses. Until we consummate a Business Combination, we will have no operating revenues.

Liquidity and Capital Resources

Through March 31, 2017, our liquidity needs have been satisfied through receipt of \$25,000 from the sale of shares to Quinpario Partners 2, LLC, our sponsor (“Sponsor”), loans and advances from Quinpario Partners LLC, an affiliate of our Sponsor, totaling \$325,370, and \$1,380,830 of cash from the gross proceeds of the Initial Public Offering. As of the date of this filing, all loans and advances have been repaid to Quinpario Partners LLC from the net proceeds of the Initial Public Offering and \$1,064,000 of interest income has been withdrawn from the Trust Account to pay taxes and for working capital needs.

On January 22, 2015, we consummated our Initial Public Offering of 35,000,000 units (“Units”) at a price of \$10.00 per Unit. Simultaneously with the consummation of our Initial Public Offering, we consummated the private placement of 18,000,000 warrants (“Private Placement Warrants”) to our Sponsor for \$9,000,000. We received net proceeds from our Initial Public Offering and the sale of the Private Placement Warrants of \$351,380,830, net of the non-deferred portion of the underwriting commissions of \$7,000,000, offering costs of \$555,250 and other expenses of \$63,920. For a description of the proceeds generated in our Initial Public Offering and a discussion of the use of such proceeds, we refer you to Part II, Item 2 of this report.

In January 2017, we held a special meeting of stockholders at which our stockholders approved an amendment to our Amended and Restated Certificate of Incorporation to extend the date by which we had to consummate an initial business combination to July 24, 2017. For the 19,997,082 public shares that voted in favor of the amendment, such vote also constituted their consent for the Company to amend the Investment Management Trust Agreement governing the Trust Account to withdraw from the Trust Account any interest earned on the funds held therein related to those shares, net of taxes payable, for the Company’s working capital requirements. In connection with the extension, holders of 14,901,399 public shares exercised their right to convert such public shares into a pro rata portion of the Trust Account. As a result, \$201,543,292 remained in our Trust Account as of January 19, 2017. In addition, 101,519 public shares were not voted and, for that reason, the Company cannot use the interest earned on those shares for the Company’s working capital requirements. As a result, \$1,018,002 of the funds that remain in the Trust Account are for the benefit of those public stockholders who did not vote on the extension amendment and will disburse such amount and all additional interest earned on those funds from January 19, 2017 to such public stockholders if and when they present their shares for conversion. At March 31, 2017, there was \$201,105,244 remaining in the Trust Account.

We believe the \$296,311 in cash plus any additional interest earned on the funds held in the Trust Account that may be released to us will be sufficient to meet our working capital needs, to pay any taxes that we may owe and to complete our initial Business Combination. However, we may need to seek additional capital to continue our operations. If additional capital is required, we intend to borrow sufficient funds from Quinpario Partners, LLC or the management team to operate until we close our initial Business Combination. Neither Quinpario Partners, LLC nor our management team is under any obligation to advance funds to us. Any loan would be evidenced by a non-interest bearing promissory note. Up to \$1,500,000 of such notes may be convertible into additional Private Placement Warrants at a price of \$0.50 per warrant of the post business combination entity. Any such loans would be repaid only from funds held outside the Trust Account or from funds released to us upon completion of our initial Business Combination. If we are unable to complete our initial Business Combination because we do not have sufficient funds available to us, we will be forced to cease operations and liquidate the Trust Account.

Off-Balance Sheet Arrangements

As of March 31, 2017, we have no obligations, assets or liabilities which would be considered off-balance sheet arrangements. 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.

Contractual obligations

We do not have any long-term debt, capital lease obligations, operating lease obligations or long-term liabilities other than a monthly fee of \$10,000 payable to Quinpario Partners LLC for office space, administrative services and secretarial support.

We began incurring these fees on January 15, 2015, the date the Company’s securities were first listed on the NASDAQ Capital Market and will terminate upon the earlier of (i) the consummation of a Business Combination or (ii) the liquidation of the Company.

The Company has engaged two law firms to assist the Company with its legal matters in identifying, negotiating, and consummating a Business Combination, as well as assisting with other legal matters. In the event of a successful Business Combination, the amount of fees to be paid to the first law firm will be agreed upon between the Company and that law firm in light of all the facts and circumstances at that point in time. If a Business Combination does not occur, the Company will not be required to pay the first law firm the contingent fees. Management is unable to determine the amount of the legal fees to be paid to the first law firm at this time. In connection with the agreement with the second law firm, in the event of a successful Business Combination, the amount of fees to be paid will not be less than \$100,000 and will be billed to the Company on a monthly basis. If a Business Combination does not occur, the Company will not be required to pay the minimum \$100,000, just the fees already paid. As of March 31, 2017, the Company has paid the second law firm an aggregate of \$10,992. There can be no assurance that the Company will complete a Business Combination.

In addition, in connection with the execution of the Business Combination Agreement, the Company engaged various financial and other advisors at customary rates and on customary terms and conditions to assist in negotiating and consummating the proposed transaction.

Critical Accounting Policies

The preparation of interim financial statements and related disclosures in conformity with generally accepted accounting principles in the United States (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the interim financial statements, and revenue and expenses during the periods reported. Actual results could materially differ from those estimates. We have identified the following as our critical accounting policies:

Redeemable common stock

All of the 35,000,000 common shares sold as part of the Units in the Initial Public Offering (the “Public Shares”) contain a redemption feature which allows for the redemption of common shares under the Company’s liquidation or tender offer/stockholder approval provisions. In accordance with ASC 480, redemption provisions not solely within the control of the Company require the security to be classified outside of permanent equity. Ordinary liquidation events, which involve the redemption and liquidation of all of the entity’s equity instruments, are excluded from the provisions of ASC 480. Although the Company does not specify a maximum redemption threshold, its amended and restated certificate of incorporation provides that in no event will the Company redeem its Public Shares in an amount that would cause its net tangible assets (stockholders’ equity) to be less than \$5,000,001.

The Company recognizes changes in redemption value immediately as they occur and will adjust the carrying value of the security to equal the redemption value at the end of each reporting period. Increases or decreases in the carrying amount of redeemable common stock shall be affected by charges against paid-in capital.

Accordingly, at March 31, 2017, 18,392,883 of the original 35,000,000 Public Shares are classified outside of permanent equity at their redemption value. We expect the redemption price to be \$10.00 per share of common stock, without taking into account any interest earned on such funds. However, we may not be able to distribute such amounts as a result of claims of creditors which may take priority over the claims of public stockholders.

Recent accounting pronouncements.

Management does not believe that any recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on the Company’s financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the sensitivity of income to changes in interest rates, foreign exchanges, commodity prices, equity prices and other market driven rates or prices. We are a blank check company incorporated on July 15, 2014 as a Delaware corporation and formed for the purpose of effecting a Business Combination with one or more businesses or entities. We are not presently engaged in and, if we do not consummate a suitable Business Combination prior to the prescribed liquidation date of the Trust Account, we may not engage in, any substantive commercial business. Accordingly, we are not and, until such time as we consummate a Business Combination, we will not be, exposed to significant risks associated with foreign exchange rates, commodity prices, equity prices or other market driven rates or prices. The net proceeds of our Initial Public Offering held in the Trust Account may be invested by the trustee only in U.S. government treasury bills, notes or bonds with a maturity of 180 days or less or in money market funds investing solely in U.S. Treasuries and meeting certain conditions under Rule 2a-7 under the Investment Company Act. Given our limited risk in our exposure to government securities and money market funds, we do not view the interest rate risk to be significant.

ITEM 4. 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 Securities Exchange Act of 1934, as amended (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 Company reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our principal executive officer and principal financial and accounting officer, to allow timely decisions regarding required disclosure. As required by Rules 13a-15 and 15d-15 under the Exchange Act, our principal executive officer and principal financial and accounting officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of March 31, 2017. Based upon his evaluation, our principal executive officer and principle financial and accounting officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15 (e) and 15d-15 (e) under the Exchange Act) were effective.

During the most recently completed fiscal quarter, there has been no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

As of the date of this report, there have been no material changes to the risk factors previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2016. Risk factors relating to our proposed initial Business Combination may be found in our preliminary proxy statement filed with the SEC on April 3, 2017.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On January 22, 2015, the Sponsor purchased 18,000,000 Private Placement Warrants to purchase one-half of one share of our common stock exercisable at \$5.75 per half share, at a price of \$0.50 per warrant (\$9,000,000 in the aggregate) in a private placement that occurred simultaneously with the consummation of the Initial Public Offering. The purchase price of the Private Placement Warrants was added to the proceeds from the Initial Public Offering and is being held in the Trust Account. If we do not complete a Business Combination by July 24, 2017, the proceeds from the sale of the Private Placement Warrants held in the Trust Account will be used to fund the redemption of our public shares (subject to the requirements of applicable law). There will be no redemption rights or liquidating distributions with respect to the Private Placement Warrants, which will expire worthless. The sale of the Private Placement Warrants was made pursuant to the exemption from registration contained in Section 4(2) of the Securities Act.

Use of Proceeds from the Initial Public Offering

On January 22, 2015, the Company sold 35,000,000 Units at \$10.00 per Unit in the Initial Public Offering. Each Unit consists of one share of the Company's common stock, \$0.0001 par value, and one warrant. Each warrant will entitle the holder to purchase one-half of one share of common stock at an exercise price of \$5.75 per half share and will become exercisable on the later of (a) 30 days after the consummation of our Business Combination, or (b) January 22, 2016. The warrants will expire at 5:00 p.m., New York time, on the fifth anniversary of our completion of an initial Business Combination or earlier upon redemption or liquidation. On the exercise of any warrant, the warrant exercise price will be paid directly to us and not placed in the Trust Account. The warrants (excluding the Private Placement Warrants so long as such warrants are held by the Sponsor or its permitted transferees) will be redeemable by the Company, in whole and not in part, at a price of \$0.01 per warrant at any time the warrants are exercisable, upon a minimum of 30 days' prior written notice of redemption, if, and only if, the last sales price of our shares of common stock equals or exceeds \$24.00 per share for any 20 trading days within a 30-day trading period ending three business days before we send the notice of redemption, and if, and only if there is a current registration statement in effect with respect to the shares of common stock underlying such warrants commencing five business days prior to the 30-day trading period and continuing each day thereafter until the date of redemption. The Units in the Initial Public Offering were sold at an offering price of \$10.00 per Unit, generating total gross proceeds of \$350,000,000. Deutsche Bank Securities Inc. and Cantor Fitzgerald & Co. acted as representatives and joint book-runners of the Initial Public Offering (together, the "Underwriters"). The securities sold in the Initial Public Offering were registered under the Securities Act on a registration statement on Form S-1 (No. 333-198988). The SEC declared the registration statement effective on January 15, 2015.

We paid a total of \$7,000,000 in underwriting discounts and commissions, \$555,250 of offering costs and \$63,920 of other expenses incurred through January 22, 2015. In addition, the Underwriters agreed to defer \$12,250,000 in underwriting discounts and commissions, which amount will be payable upon consummation of our initial Business Combination, if consummated. We also repaid all loans and advances outstanding to an affiliate of our Sponsor (an entity controlled by our Chairman) from the proceeds of the Initial Public Offering.

After deducting the underwriting discounts and commissions (excluding the deferred portion of \$12,250,000 in underwriting discounts and commissions, which amount will be payable upon consummation of our initial Business Combination, if consummated) and the offering expenses, the total net proceeds from our Initial Public Offering and the private placement of the Private Placement Warrants was \$351,380,830, of which \$350,000,000 was placed in the Trust Account. The remaining amount of \$1,380,830 was being held outside the Trust Account and is being used to fund the Company's operating expenses. The proceeds held in the Trust Account may be invested by the trustee only in U.S. government treasury bills, notes or bonds with a maturity of 180 days or less or in money market funds investing solely in U.S. Treasuries and meeting certain conditions under Rule 2a-7 under the Investment Company Act.

In January 2017, we held a special meeting of stockholders at which our stockholders approved an amendment to our Amended and Restated Certificate of Incorporation to extend the date by which we had to consummate an initial business combination to July 24, 2017. For the 19,997,082 public shares that voted in favor of the amendment, such vote also constituted their consent for the Company to amend the Investment Management Trust Agreement governing the Trust Account to withdraw from the Trust Account any interest earned on the funds held therein related to those shares, net of taxes payable, for the Company's working capital requirements. In connection with the extension, holders of 14,901,399 public shares exercised their right to convert such public shares into a pro rata portion of the Trust Account. As a result, \$201,543,292 remained in our Trust Account as of January 19, 2017. In addition, 101,519 public shares were not voted and, for that reason, the Company cannot use the interest earned on those shares for the Company's working capital requirements. As a result, \$1,018,002 of the funds that remain in the Trust Account are for the benefit of those public stockholders who did not vote on the extension amendment and will disburse such amount and all additional interest earned on those funds from January 19, 2017 to such public stockholders if and when they present their shares for conversion.

ITEM 6. EXHIBITS

Exhibit Number	Description
2.1	<u>Business Combination Agreement, dated as of February 21, 2017, by and among Quinpario Acquisition Corp. 2, Quinpario Merger Sub I, Inc., Quinpario Merger Sub II, Inc., Novitex Holdings, Inc., SourceHOV Holdings, Inc., Novitex Parent, L.P, HOVS LLC and Handson Fund 4 I, LLC (incorporated by reference to the Registrant's Current Report on Form 8-K filed with the SEC on February 22, 2017)</u>
3.1	<u>Amendment to Amended and Restated Certificate of Incorporation (incorporated by reference to the Registrant's Current Report on Form 8-K filed with the SEC on January 20, 2017)</u>
10.1	<u>Amendment to Investment Management Trust Agreement (incorporated by reference to the Registrant's Current Report on Form 8-K filed with the SEC on February 1, 2017)</u>
31	<u>Certification of the Principal Executive Officer and Principal Financial and Accounting Officer required by Rule 13a-14(a) and Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes Oxley Act of 2002.</u>
32	<u>Certification of the Principal Executive Officer and Principal Financial and Accounting Officer required by 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002.</u>
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Furnished herewith

SIGNATURES

Pursuant to the requirements of the Section 13 or 15 or 15(d) 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 the 10th day of May, 2017.

QUINPARIO ACQUISITION CORP. 2

By: /s/ D. John Srivisal
D. John Srivisal
Chief Executive Officer
(Principal Executive Officer and
Principal Financial and Accounting Officer)

**FORM OF CERTIFICATION
PURSUANT TO RULE 13a-14 AND 15d-14
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

CERTIFICATIONS

I, D. John Srivisal, certify that:

- 1 I have reviewed this quarterly report on Form 10-Q of Quinpario Acquisition Corp. 2;
- 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 issuer as of, and for, the periods presented in this report;
- 4 I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the issuer is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report my 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 issuer's internal control over financial reporting that occurred during the issuer's most recent fiscal quarter (the issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer'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 issuer'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 issuer's internal control over financial reporting.

Date: May 10, 2017

/s/ D. John Srivisal
 Name: D. John Srivisal
 Title: Chief Executive Officer
 (Principal Executive Officer and Principal Financial
 and Accounting Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Quinpario Acquisition Corp. 2 (the "Company") on Form 10-Q for the quarter ended March 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, in the capacities and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 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. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: May 10, 2017

/s/ D. John Srivisal

Name: D. John Srivisal
Title: Chief Executive Officer
(Principal Executive Officer and Principal Financial
and Accounting Officer)

