

**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 June 30, 2016

OR

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 001-37540

GORES HOLDINGS, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

9800 Wilshire Blvd.
Beverly Hills, CA
(Address of Principal Executive Offices)

47-4168492
(I.R.S. Employer
Identification Number)

90212
(Zip Code)

(310) 209-3010

(Registrant's Telephone Number, Including Area Code)

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 Web site, 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, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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 August 9, 2016, there were 37,500,000 shares of the Company's Class A common stock, par value \$0.0001 per share, and 9,375,000 shares of the Company's Class F common stock, par value \$0.0001 per share, issued and outstanding.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Information

GORES HOLDINGS, INC.
CONDENSED BALANCE SHEETS

	June 30, 2016	December 31, 2015
	(unaudited)	(audited)
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 452,181	\$ 790,635
Prepaid expenses	211,526	259,149
Total current assets	663,707	1,049,785
Investments and cash held in Trust Account	375,234,320	375,010,481
Total assets	\$ 375,898,027	\$ 376,060,265
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accrued expenses, formation and offering costs	\$ 2,253,767	\$ 217,384
State franchise tax accrual	62,062	69,917
Total current liabilities	2,315,829	287,301
Deferred underwriting compensation	13,125,000	13,125,000
Total liabilities	15,440,829	13,412,301
Commitments and Contingencies		
Shares of Class A common stock subject to possible redemption; 35,545,719 and 35,764,796 shares at June 30, 2016 and December 31, 2015, respectively, at a redemption value of \$10.00 per share	355,457,190	357,647,960
Stockholders' equity:		
Preferred stock, \$0.0001 par value; 1,000,000 shares authorized, none issued or outstanding	—	—
Common stock		
Class A common stock, \$0.0001 par value; 200,000,000 shares authorized, 1,954,281 and 1,735,204 shares issued and outstanding (excluding 35,545,719 and 35,764,796 shares subject to possible redemption) at June 30, 2016 and December 31, 2015, respectively	195	174
Class F common stock, \$0.0001 par value; 20,000,000 shares authorized, 9,375,000 shares issued and outstanding	938	938
Additional paid-in-capital	7,659,560	5,468,811
Retained earnings	—	—
Deficit accumulated	(2,660,685)	(469,919)
Total stockholders' equity	5,000,008	5,000,004
Total liabilities and stockholders' equity	\$ 375,898,027	\$ 376,060,265

See accompanying notes to condensed financial statements (unaudited).

GORES HOLDINGS, INC.
CONDENSED STATEMENT OF OPERATIONS
(Unaudited)

	For the Three months ended June 30, 2016	For the period from June 1, 2015 (inception) to Three months ended June 30, 2015	For the Six months ended June 30, 2016	For the period from June 1, 2015 (inception) to June 30, 2015
Revenues	\$ —	\$ —	\$ —	\$ —
Professional fees and other expenses	(2,091,783)	(12,000)	(2,325,835)	(12,000)
State franchise taxes, other than income tax	(45,000)	—	(90,000)	—
Loss from operations	(2,136,783)	(12,000)	(2,415,835)	(12,000)
Other income - Interest and dividend income	152,971	—	225,069	—
Net loss	<u>\$ (1,983,812)</u>	<u>\$ (12,000)</u>	<u>\$ (2,190,766)</u>	<u>\$ (12,000)</u>
Weighted average common shares outstanding Basic and diluted	11,027,712	9,375,000	11,027,712	9,375,000
Net loss per common share: Basic and diluted	\$ (0.18)	\$ (0.00)	\$ (0.20)	\$ (0.00)

See accompanying notes to condensed financial statements (unaudited).

GORES HOLDINGS, INC.
CONDENSED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
For the Six Months Ended June 30, 2016 and the Period from June 1, 2015 (inception) to June 30, 2015
(Unaudited)

	Common Stock		Additional Paid-in Capital	Deficit Accumulated During the Development Stage	Retained Earnings	Stockholders' Equity
	Shares	Amount				
Balance at January 1, 2016	11,110,204	1,112	5,468,811	—	(469,919)	5,000,004
Change in proceeds subject to possible redemption; 35,545,719 shares at redemption value	219,077	22	2,190,748	—	—	2,190,770
Net loss	—	—	—	(2,190,766)	—	(2,190,766)
Balance at June 30, 2016	11,329,281	1,134	7,659,559	(2,190,766)	(469,919)	5,000,008

	Common Stock		Additional Paid-in Capital	Deficit Accumulated During the Development Stage	Retained Earnings	Stockholders' Equity
	Shares	Amount				
Balance at June 1, 2015 (inception)	—	\$ —	\$ —	\$ —	\$ —	\$ —
Sale of Class F common stock to Sponsor in June 2015 ⁽¹⁾	9,375,000	938	24,062	—	—	25,000
Net loss	—	—	—	(12,000)	—	(12,000)
Balance at June 30, 2015	9,375,000	938	24,062	(12,000)	—	13,000

(1) Reflects the forfeiture of 2,125,000 shares of Class F common stock. See Note 4.

See accompanying notes to condensed financial statements (unaudited).

GORES HOLDINGS, INC.
CONDENSED STATEMENT OF CASH FLOWS
(Unaudited)

	For the Six months ended June 30, 2016	For the period from June 1, 2015 (inception) to June 30, 2015
Cash flows from operating activities:		
Net loss	\$ (2,190,766)	\$ (12,000)
Changes in prepaid expenses	47,623	—
Changes in state franchise tax accrual	(7,855)	—
Changes in accounts payable and accrued expenses	2,036,383	—
Changes in deferred offering costs associated with proposed public offering	—	(252,118)
Changes in accrued expenses, formation and offering costs	—	194,618
Net cash used by operating activities	(114,615)	(69,500)
Cash flows from investing activities:		
Cash deposited in Trust Account	—	—
Interest reinvested in Trust Account	(223,839)	—
Net cash used in investing activities	(223,839)	—
Cash flows from financing activities:		
Proceeds from notes and advances payable – related party	—	150,000
Proceeds from sale of Class F common stock to Sponsor	—	25,000
Net cash provided by financing activities	—	175,000
Increase in cash	(338,454)	105,500
Cash at beginning of period	790,635	—
Cash at end of period	\$ 452,181	\$ 105,500
Supplemental disclosure of non-cash financing activities:		
Deferred underwriting compensation	\$ 13,125,000	\$ —
Offering costs included in accrued expenses	\$ —	\$ 182,618

See accompanying notes to condensed financial statements (unaudited).

GORES HOLDINGS, INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

Note 1 — Organization and Business Operations

Organization and General

Gores Holdings, Inc. (the “Company”) was incorporated in Delaware on June 1, 2015. 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 (the “Business Combination”). The Company has neither engaged in any significant operations nor generated any revenue to date. The Company’s management has broad discretion with respect to the Business Combination. The Company’s sponsor is Gores Sponsor LLC, a Delaware limited liability company (the “Sponsor”). The Company has selected December 31 as its fiscal year-end.

At June 30, 2016, the Company had not commenced any significant operations. All activity for the period from June 1, 2015 (inception) through June 30, 2016 relates to the Company’s formation, initial public offering (“Public Offering”) described below and efforts directed toward locating a suitable Business Combination. The Company will not generate any operating revenues until after the completion of its Business Combination, at the earliest. The Company will generate non-operating income in the form of interest income on cash and cash equivalents from the proceeds derived from the Public Offering and the sale of the Private Placement Warrants (as defined below) held in the Trust Account (as defined below).

Financing

The Company intends to finance a Business Combination with the net proceeds from its \$375,000,000 Public Offering and its sale of \$9,500,000 of Private Placement Warrants.

Upon the closing of the Public Offering on August 19, 2015 (the “Public Offering Closing Date”) and the sale of the Private Placement Warrants, an aggregate of \$375,000,000 was placed in a trust account with Continental Stock Transfer & Trust Company (the “Trust Account”) acting as Trustee. The remaining proceeds held outside the Trust Account may be used to pay for business, legal and accounting due diligence on prospective acquisitions and continuing general and administrative expenses.

Trust Account

Funds held in the Trust Account can be invested only in U.S. government treasury bills with a maturity of one hundred and eighty (180) days or less or in money market funds meeting certain conditions under Rule 2a-7 under the Investment Company Act of 1940, as amended, that invest only in direct U.S. government obligations. As of June 30, 2016 and December 31, 2015, the Trust Account consisted solely of money market funds.

The Company’s amended and restated certificate of incorporation provides that, other than the withdrawal of interest to pay income taxes, if any, none of the funds held in trust will be released until the earliest of: (i) the completion of the Business Combination; or (ii) the redemption of any public shares of common stock properly tendered in connection with a stockholder vote to amend the Company’s amended and restated certificate of incorporation to modify the substance or timing of the Company’s obligation to redeem 100% of such public shares of common stock if the Company does not complete the Business Combination within 24 months from the closing of the Public Offering; or (iii) the redemption of 100% of the public shares of common stock if the Company is unable to complete a Business Combination within 24 months from the closing of the Public Offering, subject to the requirements of law and stock exchange rules.

Business Combination

The Company’s management has broad discretion with respect to the specific application of the net proceeds of the Public Offering, although substantially all of the net proceeds of the Public Offering are intended to be generally applied toward consummating a Business Combination. The Business Combination must be with one or more target businesses that together have a fair market value equal to at least 80% of the balance in the Trust Account (less any deferred underwriting commissions and taxes payable on interest income earned) at the time of the Company signing a definitive agreement in connection with the Business Combination. Furthermore, there is no assurance that the Company will be able to successfully effect a Business Combination.

The Company, after signing a definitive agreement for a Business Combination, will either (i) seek stockholder approval of the Business Combination at a meeting called for such purpose in connection with which stockholders may seek to redeem their shares, regardless of whether they vote for or against the Business Combination, for cash equal to their pro rata share of the aggregate amount then on deposit in the Trust Account as of two business days prior to the consummation of the Business Combination, including interest income but less taxes payable, or (ii) provide stockholders with the opportunity to sell their shares to the Company by means of a tender offer (and thereby avoid the need for a stockholder vote) for an amount in cash equal to their pro rata share of the aggregate amount then on deposit in the Trust Account as of two business days prior to the consummation of the Business Combination, including interest income but less taxes payable. The decision as to whether the Company will seek stockholder approval of the Business Combination or will allow stockholders to sell their shares in a tender offer will be made by the Company, solely in its discretion, and will be based on a variety of factors such as the timing of the transaction and whether the terms of the transaction would otherwise require the Company to seek stockholder approval, unless a vote is required by law or under the rules of the National Association of Securities Dealers Automated Quotations Capital Market (“NASDAQ”). If the Company seeks stockholder approval, it will complete its Business Combination only if a majority of the outstanding shares of common stock voted are voted in favor of the Business Combination. However, in no event will the Company redeem its public shares of common stock in an amount that would cause its net tangible assets to be less than \$5,000,001. In such case, the Company would not proceed with the redemption of its public shares of common stock and the related Business Combination, and instead may search for an alternate Business Combination.

As a result of the foregoing redemption provisions, the public shares of common stock have been recorded at redemption amount and classified as temporary equity, in accordance with ASC 480, “Distinguishing Liabilities from Equity” (“ASC 480”).

The Company only has 24 months from the closing date of the Public Offering to complete its Business Combination. If the Company does not complete a Business Combination within this period of time, it shall (i) cease all operations except for the purposes of winding up; (ii) as promptly as reasonably possible, but not more than ten business days thereafter, redeem the public shares of common stock for a per share pro rata portion of the Trust Account, including interest income, but less taxes payable (less up to \$50,000 of such net interest income to pay dissolution expenses) and (iii) as promptly as possible following such redemption, dissolve and liquidate the balance of the Company’s net assets to its remaining stockholders, as part of its plan of dissolution and liquidation. The Sponsor and the Company’s officers and directors have entered into a letter agreement with the Company, pursuant to which they waived their rights to participate in any redemption with respect to their Founder Shares (as defined below); however, if the Sponsor or any of the Company’s officers, directors or affiliates acquire public shares of common stock, they will be entitled to a pro rata share of the Trust Account in the event the Company does not complete a Business Combination within the required time period.

In the event of such distribution, it is possible that the per share value of the residual assets remaining available for distribution (including Trust Account assets) will be less than the initial public offering price per Unit (as defined below) in the Public Offering.

Emerging Growth Company

Section 102(b)(1) of the Jumpstart Our Business Startups Act of 2012 (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 registration statement pursuant to the Securities Act of 1933, as amended (the “Securities Act”) declared effective or do not have a class of securities registered under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a 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.

Note 2 — Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and pursuant to the accounting and disclosure rules and regulations of the Securities and Exchange Commission (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 June 30, 2016 and the results of operations and cash flows for the period presented. Operating results for the three and six months ended June 30, 2016 are not necessarily indicative of results that may be expected for the full year in any other period.

The accompanying unaudited condensed financial statements should be read in conjunction with the audited financial statements included in the Company’s Annual Report on Form 10-K filed with the SEC on March 17, 2016.

Net Loss Per Common Share

Net loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding during the period, plus to the extent dilutive the incremental number of shares of common stock to be issued in connection with the conversion of Class F common stock or to settle warrants, as calculated using the treasury stock method. At June 30, 2016, the Company did not have any dilutive securities or other contracts that could, potentially, be exercised or converted into common stock and then share in the earnings of the Company under the treasury stock method. As a result, diluted net loss per common share is the same as basic net loss per common share for the period.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash accounts in a financial institution as well as the Trust Account, which at times, may exceed the Federal depository insurance coverage of \$250,000. 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 value of the Company's assets and liabilities, which qualify as financial instruments under ASC 820, "Fair Value Measurements and Disclosures," approximates the carrying amounts represented in the balance sheet.

Offering Costs

The Company complies with the requirements of the ASC 340-10-S99-1 and SEC Staff Accounting Bulletin (SAB) Topic 5A — "Expenses of Offering." Offering costs consist principally of professional and registration fees incurred through the balance sheet date that are related to the Public Offering and were charged to stockholders' equity upon the completion of the Public Offering. Accordingly, at June 30, 2016 and December 31, 2015, offering costs totaling approximately \$21,407,116 and \$21,407,116 respectively (including \$20,625,000 in underwriters' fees), have been charged to stockholders' equity.

Redeemable Common Stock

As discussed in Note 3, all of the 37,500,000 common shares sold as part of the Units in the Public Offering contain a redemption feature which allows for the redemption of such public shares in connection with the Company's liquidation, if there is a stockholder vote or tender offer in connection with the Business Combination and in connection with certain amendments to the Company's charter. In accordance with ASC 480, redemption provisions not solely within the control of the Company require common stock subject to redemption 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 did not specify a maximum redemption threshold, its charter provides that currently, the Company will not 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 adjusts the carrying value of redeemable common stock to equal the redemption value at the end of each reporting period. Increases or decreases in the carrying amount of redeemable common stock are affected by charges against additional paid in capital.

Accordingly, at June 30, 2016 and December 31, 2015, 35,545,719 and 35,764,796, respectively, of the 37,500,000 public shares are classified outside of permanent equity at its redemption value.

Use of Estimates

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

Income Taxes

The Company follows the asset and liability method of accounting for income taxes under ASC 740, "Income Taxes." Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period

that includes the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

For those liabilities or 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 related to unrecognized tax liabilities as income tax expense. No amounts were accrued for the payment of interest and penalties at June 30, 2016.

The Company may be subject to potential examination by U.S. federal, states or foreign jurisdiction authorities in the areas of income taxes. These potential examinations may include questioning the timing and amount of deductions, the nexus of income amounts various tax jurisdictions and compliance with U.S. federal, states or foreign tax laws.

The Company is incorporated in the State of Delaware and is required to pay franchise taxes to the State of Delaware on an annual basis.

Cash and Cash Equivalents

The Company considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. The Company continually monitors its positions with and the credit quality of the financial institutions with which it invests. As of the balance sheet date, and periodically throughout the year, the Company has maintained balances in various operating accounts in excess of federally insured limits.

Trust Account

At June 30, 2016 and December 31, 2015, the Company had \$375,234,320 and \$375,010,481, respectively, in the Trust Account which may be utilized for Business Combinations. At June 30, 2016 and December 31, 2015, the Trust Account consisted of solely money market funds.

The Company's amended and restated certificate of incorporation provides that, other than the withdrawal of interest to pay taxes, if any, none of the funds held in trust will be released until the earlier of: (i) the completion of the Business Combination; (ii) the redemption of any public shares of common stock properly tendered in connection with a stockholder vote to amend the Company's amended and restated certificate of incorporation to modify the substance or timing of the Company's obligation to redeem 100% of such public shares of common stock if the Company does not complete the Business Combination within 24 months from the closing of the Public Offering; or (iii) the redemption of 100% of the public shares of common stock if the Company is unable to complete a Business Combination within 24 months from the closing of the Public Offering, subject to the requirements of law and stock exchange rules.

Recently Adopted Accounting Pronouncements

The Company adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2014-10 to Topic 915, which eliminated certain financial reporting requirements of companies previously identified as "Development Stage Entities" (Topic 915). The amendments in ASU No. 2014-10 simplify the accounting guidance by removing all incremental financial reporting requirements for development stage entities. The amendments also reduce data maintenance and, for those entities subject to audit, audit costs, by eliminating the requirement for development stage entities to present inception-to-date information in the statements of operations, cash flows and stockholders' equity. The adoption of ASU No. 2014-10 did not have a significant impact on the financial statements.

The Company adopted FASB ASU No. 2014-15, which provided guidance on management's responsibility in evaluating whether there is substantial doubt about a company's ability to continue as a going concern within one year from the date the financial statements are issued and to provide related footnote disclosures. The adoption of this guidance did not have a significant impact on the financial statements.

In November 2015, the FASB issued ASU No. 2015-17, *Income Taxes - Balance Sheet Classification of Deferred Taxes* (Topic 740). The amendments under the new guidance require that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. The guidance is effective for consolidated financial statements issued for annual periods beginning after December 15, 2016, and interim periods within those annual periods. Earlier application is permitted for all entities as of the beginning of an interim or annual reporting period. The amendments in this ASU may be applied either prospectively to all deferred tax liabilities and assets or retrospectively to all periods presented. The Company has early adopted this guidance effective December 31, 2015 on a retrospective basis, the impact of which was not significant to the financial statements.

Going Concern Consideration

If the Company does not complete its Business Combination by August 19, 2017, 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 100% of the

common stock sold as part of the units in the Public Offering, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest (which interest shall be net of franchise and income taxes payable and less up to \$50,000 of such net interest which may be distributed to the Company to pay dissolution expenses), divided by the number of then outstanding public shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidation distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the Company's remaining stockholders and the Company's Board of Directors, dissolve and liquidate, subject in each case to the Company's obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law.

In the event of such distribution, it is possible that the per share value of the residual assets remaining available for distribution (including Trust Account assets) will be less than the initial public offering price per unit in the Public Offering. In addition if the Company fails to complete its Business Combination by August 19, 2017, there will be no redemption rights or liquidating distributions with respect to the warrants, which will expire worthless.

In addition, at June 30, 2016, the Company had current liabilities of \$2,315,829 and working capital of (\$1,652,122), largely due to amounts owed to professionals, consultants, advisors and others who are working on seeking a Business Combination as described in Note 1. Such work is continuing after June 30, 2016 and amounts are continuing to accrue.

Note 3 — Public Offering

Public Units

On August 19, 2015, the Company sold 37,500,000 units at a price of \$10.00 per unit (the "Units"), including 2,500,000 Units as a result of the underwriters' partial exercise of their over-allotment option, generating gross proceeds of \$375,000,000. Each Unit consists of one share of the Company's Class A common stock, \$0.0001 par value, and one redeemable Class A common stock purchase warrant (the "Warrants"). Each Warrant entitles the holder to purchase one-half of one share of Class A common stock for \$5.75 per half share. Each Warrant will become exercisable on the later of 30 days after the completion of the Business Combination or 12 months from the closing of the Public Offering and will expire five years after the completion of the Business Combination or earlier upon redemption or liquidation. However, if the Company does not complete the Business Combination on or prior to the 24-month period allotted to complete the Business Combination, the Warrants will expire at the end of such period. The Warrants were issued in registered form under a warrant agreement between Continental Stock Transfer & Trust Company, as warrant agent, and the Company. The Company did not register the shares of common stock issuable upon exercise of the Warrants under the Securities Act or any state securities law. Under the terms of the warrant agreement, the Company has agreed to use its best efforts to file a registration statement under the Securities Act following the completion of the Business Combination covering the shares of common stock issuable upon exercise of the Warrants.

The Company paid an upfront underwriting discount of 2.00% (\$7,500,000) of the per Unit offering price to the underwriters at the closing of the Public Offering, with an additional fee (the "Deferred Discount") of 3.50% of the per Unit offering price payable upon the Company's completion of a Business Combination. The Deferred Discount will become payable to the underwriters from the amounts held in the Trust Account solely in the event the Company completes its Business Combination.

Note 4 — Related Party Transactions

Founder Shares

On June 12, 2015, the Sponsor purchased 11,500,000 shares of Class F common stock (the "Founder Shares") for an aggregate purchase price of \$25,000, or approximately \$0.002 per share. Subsequently, the Sponsor transferred an aggregate of 75,000 Founder Shares to the Company's independent directors (together with the Sponsor, the "Initial Stockholders"). On August 13, 2015, the Sponsor forfeited 1,437,500 Founder Shares, and following the expiration of the unexercised portion of underwriters' over-allotment option, the Sponsor forfeited an additional 687,500 Founder Shares, so that the Founder Shares held by the Initial Stockholders would represent 20.0% of the outstanding shares of common stock following completion of the Public Offering. Such forfeitures were retroactively applied as indicated in the condensed statement of changes in stockholders' equity to reflect an initial sale of 9,375,000 Founder Shares to the Sponsor in June 2015. The Founder Shares are identical to the common stock included in the Units sold in the Public Offering except that the Founder Shares will automatically convert into shares of Class A common stock at the time of the Business Combination on a one-for-one basis, subject to adjustment as described in the Company's amended and restated certificate of incorporation.

Private Placement Warrants

The Sponsor purchased from the Company an aggregate of 19,000,000 warrants at a price of \$0.50 per warrant (a purchase price of \$9,500,000) in a private placement that occurred prior to the Public Offering (the "Private Placement Warrants"). Each Private Placement Warrant entitles the holder to purchase one-half of one share of Class A common stock at \$5.75 per half share. A portion of

the purchase price of the Private Placement Warrants was added to the proceeds from the Public Offering to be held in the Trust Account pending completion of the Business Combination. The Private Placement Warrants have terms and provisions that are identical to those of the Warrants sold as part of the Units in the Public Offering, except that the Private Placement Warrants may be net cash settled and are not redeemable so long as they are held by the Sponsor or its permitted transferees

If the Company does not complete a Business Combination, then the Private Placement Warrants proceeds will be part of the liquidation distribution to the public stockholders and the Private Placement Warrants will expire worthless.

Registration Rights

The holders of Founder Shares, Private Placement Warrants and warrants issued upon conversion of working capital loans, if any, have registration rights (in the case of the Founder Shares, only after conversion of such shares to common shares) pursuant to a registration rights agreement entered into by the Company, the Sponsor and the other security holders named therein on August 13, 2015. These holders will also have certain demand and “piggy back” registration rights. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

Administrative Services Agreement

The Company entered into an administrative services agreement on August 13, 2015, pursuant to which it agreed to pay to an affiliate of the Sponsor \$10,000 a month for office space, utilities and secretarial support. Services commenced on the date the securities were first listed on the NASDAQ Capital Market and will terminate upon the earlier of the consummation by the Company of a Business Combination or the liquidation of the Company. For the three and six months ended June 30, 2016, the Company paid an affiliate of the Sponsor \$30,000 and \$60,000, respectively, for such services.

Note 5 — Deferred Underwriting Compensation

The Company is committed to pay the Deferred Discount totaling \$13,125,000, or 3.50% of the gross offering proceeds of the Public Offering, to the underwriters upon the Company’s consummation of a Business Combination. The underwriters are not entitled to any interest accrued on the Deferred Discount, and no Deferred Discount is payable to the underwriters if there is no Business Combination.

Note 6 — Income Taxes

Components of the Company’s deferred tax asset at June 30, 2016 are as follows:

Net operating loss	1,011,060
Valuation allowance	(1,011,060)
	—

Components of the Company’s deferred tax asset at December 31, 2015 are as follows:

Net operating loss	178,569
Valuation allowance	(178,569)
	—

The Company established a valuation allowance of approximately \$1,011,060 as of June 30, 2016 and \$178,569 as of December 31, 2015, which fully offsets the deferred tax asset as of June 30, 2016 and December 31, 2015 of approximately \$1,011,060 and \$178,569, respectively. The deferred tax asset results from applying an effective combined federal and state tax rate of 38% to net operating carryforwards of approximately \$2,660,685 as of June 30, 2016 and \$469,919 as of December 31, 2015, respectively. The Company’s net operating losses will expire beginning 2035.

The Company has evaluated tax positions taken or expected to be taken in the course of preparing the financial statements to determine if the tax positions are “more likely than not” of being sustained by the applicable tax authority. Tax positions not deemed to meet the “more likely than not” threshold would be recorded as a tax benefit or expense in the current year. The Company has concluded that there was no impact related to uncertain tax positions on the results of its operations for the three months ended June 30, 2016. As of June 30, 2016, the Company has no accrued interest or penalties related to uncertain tax positions. 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 conclusions regarding tax positions will be subject to review and may be adjusted at a later date based on factors including, but not limited to, ongoing analyses of tax laws, regulations, and interpretations thereof.

Note 7 — Investments and Cash Held in Trust

At June 30, 2016 and December 31, 2015, funds in the Trust Account totaled \$375,234,320 and \$375,010,481, respectively, and were held in a money market fund.

Note 8 — Fair Value Measurement

The Company complies with FASB ASC 820, Fair Value Measurements, for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually. ASC 820 determines fair value to be the price that would be received to sell an asset or would be paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the measurement date.

The following table presents information about the Company's assets that are measured at fair value on a recurring basis as of June 30, 2016 and December 31, 2015, and indicates the fair value hierarchy of the valuation techniques the Company utilized to determine such fair value. In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset or liability, and includes situations where there is little, if any, market activity for the asset or liability:

Description	June 30, 2016	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Investments in money market funds held in Trust Account	375,234,320	375,234,320	—	—
Total	\$ 375,234,320	\$ 375,234,320	\$ —	—
Description	December 31, 2015	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Investments in money market funds held in Trust Account	375,010,481	375,010,481	—	—
Total	\$ 375,010,481	\$ 375,010,481	\$ —	—

Note 9 — Stockholders' Equity*Common Stock*

The Company is authorized to issue 220,000,000 shares of common stock, consisting of 200,000,000 shares of Class A common stock, par value \$0.0001 per share and 20,000,000 shares of Class F common stock, par value \$0.0001 per share. Holders of the Company's common stock are entitled to one vote for each share of common stock and vote together as a single class. At June 30, 2016, there were 37,500,000 shares of Class A common stock and 9,375,000 shares of Class F common stock issued and outstanding.

Preferred Stock

The Company is authorized to issue 1,000,000 shares of preferred stock, par value \$0.0001 per share, with such designations, voting and other rights and preferences as may be determined from time to time by the Board of Directors. At June 30, 2016, there were no shares of preferred stock issued and outstanding.

Note 10 — Subsequent Events*Proposed Business Combination*

On July 5, 2016, Gores Holdings, Inc. (the "Company") entered into a Master Transaction Agreement (the "Master Transaction Agreement"), by and among the Company, Merger Sub, the Sellers and the Sellers' Representative (each as defined in the Master Transaction Agreement), pursuant to which the Company will acquire Hostess Brands, LLC and related entities (the "Acquisition"). The transactions set forth in the Master Transaction Agreement (the "Transactions") will result in a "Business Combination" involving

the Company, as defined in the Company's charter. The Company will create a new class of common stock in connection with the Acquisition designated as the Class B common stock, par value \$0.0001 per share. The Class B common stock will be issued to effect an "Up-C" structure following the Acquisition, and each holder of Class B common stock will hold an equivalent number of Class B units of Hostess Holdings, L.P. The Class B common stock will have no economic interest, but will vote as a single class with the Class A common stock.

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

The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with our unaudited condensed financial statements and the notes related thereto which are included in "Item 1. Financial Statements" of this Quarterly Report on Form 10-Q.

Cautionary note regarding forward-looking statements

All statements other than statements of historical fact included in this Quarterly Report on Form 10-Q including, without limitation, statements under this "Management's Discussion and Analysis of Financial Condition and Results of Operations" regarding the Company's financial position, business strategy and the plans and objectives of management for future operations, are forward-looking statements. When used in this Quarterly Report on Form 10-Q, words such as "anticipate," "believe," "estimate," "expect," "intend" and similar expressions, as they relate to us or the Company's management, identify forward-looking statements. Such forward-looking statements are based on the beliefs of management, as well as assumptions made by, and information currently available to, the Company's management. Actual results could differ materially from those contemplated by the forward-looking statements as a result of certain factors detailed in our filings with the Securities and Exchange Commission (the "SEC"). All subsequent written or oral forward-looking statements attributable to us or persons acting on the Company's behalf are qualified in their entirety by this paragraph.

Overview

We are a blank check company incorporated on June 1, 2015 as a Delaware corporation and 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 (the "Business Combination") with one or more target businesses. We have reviewed, and continue to review, a number of opportunities to enter into a Business Combination with an operating business, but we are not able to determine at this time whether we will complete a Business Combination with any of the target businesses that we have reviewed or with any other target business. We intend to effectuate our Business Combination using cash from the proceeds of our initial public offering ("Public Offering") and the sale of an aggregate of 19,000,000 warrants at a price of \$0.50 per warrant (a purchase price of \$9,500,000) in a private placement that occurred prior to the Public Offering (the "Private Placement Warrants"), our capital stock, debt, or a combination of cash, stock and debt.

As indicated in the accompanying consolidated financial statements in "Item 1. Financial Statements," at June 30, 2016, we had approximately \$452,000 in cash and deferred offering costs of \$13,125,000. We expect to continue to incur significant costs in the pursuit of our acquisition plans. We cannot assure you that our plans to complete our Business Combination will be successful.

Recent Developments

Proposed Hostess Business Combination

On July 5, 2016, Gores Holdings, Inc. (the "Company") entered into a Master Transaction Agreement (the "Master Transaction Agreement"), by and among the Company, Merger Sub, the Sellers and the Sellers' Representative (each as defined in the Master Transaction Agreement), pursuant to which the Company will acquire Hostess Brands, LLC and related entities (the "Acquisition"). The transactions set forth in the Master Transaction Agreement (the "Transactions") will result in a "Business Combination" involving the Company, as defined in the Company's charter. The Company will create a new class of common stock in connection with the Acquisition designated as the Class B common stock, par value \$0.0001 per share. The Class B common stock will be issued to effect an "Up-C" structure following the Acquisition, and each holder of Class B common stock will hold an equivalent number of Class B units of Hostess Holdings, L.P. The Class B common stock will have no economic interest, but will vote as a single class with the Class A common stock.

The Master Transaction Agreement

As a result of the Acquisition, the Sellers will receive cash and shares of common stock of the Company, as calculated pursuant to the terms of the Master Transaction Agreement. In order to facilitate the Acquisition, the Sponsor has agreed to the cancellation of a portion of its Founder Shares and the acquisition of shares of Class A common stock and Class B common stock by the Sellers (pursuant to the Master Transaction Agreement) and the participants in the Private Placement (as defined below) (pursuant to the subscription agreements entered into in connection therewith) at a discount.

Pursuant to the Master Transaction Agreement, the aggregate consideration to be paid to the Sellers will consist of (i) an amount in cash equal to the Closing Cash Payment Amount (as defined in the Master Transaction Agreement), (ii) a number of shares of Class A common stock and Class B common stock equal to the Closing Number of Securities (as defined in the Master Transaction Agreement) and (iii) approximately 5.4 million shares of Class B common stock issued as part of a partial rollover of one Seller's existing equity investment. Based upon assumed net indebtedness of approximately \$992 million (after giving effect to the partial repayment of existing indebtedness), the purchase price to be paid by the Company is expected to be approximately \$2.3 billion.

In addition to the consideration to be paid at the closing of the transactions contemplated by the Master Transaction Agreement, the Sellers will be entitled to receive an additional earn-out payment from the Company of up to 5.5 million shares of Class A common stock and Class B common stock, subject to the achievement of a specified adjusted EBITDA level for each of fiscal years 2016 and 2017.

The Company and C. Dean Metropoulos will be parties to certain employment arrangements, pursuant to which Mr. Metropoulos will serve as Executive Chairman of the Board of Directors. Mr. Metropoulos will receive approximately 2.5 million shares of Class B common stock under the employment arrangements at the closing of the Transactions. In addition, Mr. Metropoulos will be entitled to receive an additional earn-out payment from the Company of up to 2.75 million shares (which may be paid in either Class A common stock or Class B common stock), subject to the achievement of a specified adjusted EBITDA level for fiscal year 2018.

Consummation of the transactions contemplated by the Master Transaction Agreement is subject to customary closing conditions as well as specified cash availability conditions. The Master Transaction Agreement also contains customary representations and warranties and may be terminated by the parties thereto as specified therein.

Private Placement Subscription Agreements

On July 5, 2016, the Company entered into subscription agreements with certain investors, including the Sponsor, pursuant to which the investors have agreed to purchase in the aggregate approximately 32.7 million shares of Class A common stock on a private placement basis for approximately \$9.18 per share (the "Private Placement"). The proceeds from the Private Placement will be used to partially fund the cash consideration to be paid to the Sellers at the closing of the transactions contemplated by the Master Transaction Agreement. The Private Placement is conditioned on, among other things, the closing of the Transactions. The subscription agreements also contain customary representations and warranties and may be terminated by the parties thereto as specified therein.

Tax Receivable Agreement

At the closing of the transactions contemplated by the Master Transaction Agreement, the Company will enter into a Tax Receivable Agreement with the Sellers and C. Dean Metropoulos. The Tax Receivable Agreement will generally provide for the payment by the Company to the Sellers of 85% of the net cash savings, if any, in U.S. federal, state and local income tax that the Company actually realizes (or is deemed to realize in certain circumstances) in periods after the closing of the Transactions, as a result of certain increases in tax basis, tax attributes and imputed interest, as specified therein. The Company will retain the benefit of the remaining 15% of these cash savings. Certain payments under the Tax Receivable Agreement will be made to the Sellers in accordance with specified percentages, regardless of the source of the applicable tax attribute. Although the amount and timing of any payments under the Tax Receivable Agreement will vary depending upon a number of factors, including the amount and timing of our income, we expect that the payments that we may make thereunder could be substantial. The Tax Receivable Agreement may be terminated by the parties thereto as specified therein.

Promissory Note

On July 27, 2016, the Sponsor loaned the Company \$500,000 pursuant to a promissory note issued by the Company to the Sponsor. The proceeds from the note will be used for on-going operational expenses and certain other expenses in connection with the Acquisition. The note is unsecured, non-interest bearing and matures on the earlier of: (i) December 31, 2016 or (ii) the date on which the Company consummates the proposed Acquisition.

Results of Operations

For the three and six months ended June 30, 2016, we had a net loss of \$1,983,812 and \$2,190,766, respectively. Our business activities during the three and six month periods mainly consisted of identifying and evaluating prospective acquisition candidates for a Business Combination. We believe that we have sufficient funds available to complete our efforts to effect a Business Combination with an operating business by August 19, 2017. However, if our estimates of the costs of identifying a target business, undertaking in-depth due diligence and negotiating a Business Combination are less than the actual amount necessary to do so, we may have insufficient funds available to operate our business prior to our Business Combination.

As indicated in the accompanying unaudited consolidated financial statements, at June 30, 2016, we had approximately \$452,000 in cash and deferred offering costs of \$13,125,000. Further, we expect to continue to incur significant costs in the pursuit of our acquisition plans. We cannot assure you that our plans to complete our Business Combination will be successful.

Liquidity and Capital Resources

In June 2015, the Company's sponsor, Gores Sponsor LLC, (the "Sponsor") purchased an aggregate of 11,500,000 shares of Class F common stock (the "Founder Shares") for an aggregate purchase price of \$25,000, or approximately \$0.002 per share. Subsequently, our Sponsor transferred an aggregate of 75,000 Founder Shares to each of our independent directors. Immediately prior to the Public Offering, our Sponsor forfeited 1,437,500 Founder Shares, and following the expiration of the unexercised portion of the underwriters' over-allotment option, our Sponsor forfeited an additional 687,500 Founder Shares, so that the remaining Founder Shares held by our Sponsor and the Company's independent directors (together, the "Initial Stockholders") represented 20.0% of the outstanding shares upon completion of our Public Offering. On August 19, 2015, we consummated our Public Offering of 37,500,000 units at a price of \$10.00 per unit (the "Units"), including 2,500,000 Units as a result of the underwriters' partial exercise of their over-allotment option, generating gross proceeds of \$375,000,000. Prior to the Public Offering Closing Date, we completed the private sale of an aggregate of 19,000,000 Private Placement Warrants, each exercisable to purchase one-half of one share of Class A common stock at \$5.75 per half share, to our Sponsor, at a price of \$0.50 per Private Placement Warrant, generating gross proceeds, before expenses, of \$9,500,000. After deducting the underwriting discounts and commissions (excluding the additional fee of 3.50% of the per Unit offering price payable upon the Company's completion of a Business Combination (the "Deferred Discount"), which amount will be payable upon consummation of the Business Combination, if consummated) and the estimated offering expenses, the total net proceeds from our Public Offering and the sale of the Private Placement Warrants were \$376,100,000, of which \$375,000,000 (or \$10.00 per share sold in the Public Offering) was placed in a trust account with Continental Stock Transfer & Trust Company (the "Trust Account") acting as Trustee. The amount of proceeds not deposited in the Trust Account was \$1,100,000 at the closing of our Public Offering. In addition, interest income on the funds held in the Trust Account may be released to us to pay our franchise and income tax obligations. As of June 30, 2016 and December 31, 2015, the Trust Account consisted solely of money market funds.

As of June 30, 2016 and December 31, 2015, we had cash held outside of the Trust Account of approximately \$452,000 and \$790,000, respectively, which is available to fund our working capital requirements.

At June 30, 2016 and December 31, 2015, the Company had current liabilities of \$2,315,829 and \$287,301, respectively, and working capital of (\$1,652,122) and \$762,484, respectively, largely due to amounts owed to professionals, consultants, advisors and others who are working on seeking a Business Combination. Such work is continuing after June 30, 2016 and amounts are continuing to accrue.

We intend to use substantially all of the funds held in our Trust Account, including interest (which interest shall be net of taxes payable) to consummate our Business Combination. Moreover, we may need to obtain additional financing either to complete a Business Combination or because we become obligated to redeem a significant number of shares of our Class A common stock upon completion of a Business Combination. To the extent that our capital stock or debt is used, in whole or in part, as consideration to consummate our Business Combination, the remaining proceeds held in our Trust Account, if any, will be used as working capital to finance the operations of the target business or businesses, make other acquisitions and pursue our growth strategy.

Off-balance sheet financing arrangements

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.

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 entered into any non-financial agreements involving assets.

Contractual obligations

As of June 30, 2016 and December 31, 2015, we did not have any long-term debt obligations, capital lease obligations, operating lease obligations, purchase obligations or long-term liabilities other than an administrative services agreement to pay monthly recurring expenses of \$10,000 to The Gores Group LLC, an affiliate of our Sponsor, for office space, utilities and secretarial support. The administrative services agreement terminates upon the earlier of the completion of a Business Combination or the liquidation of the Company.

The underwriters are entitled to underwriting discounts and commissions of 5.5%, of which 2.0% (\$7,500,000) was paid at the closing of the Public Offering, and 3.5% (\$13,125,000) was deferred. The Deferred Discount 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. The underwriters are not entitled to any interest accrued on the Deferred Discount.

Critical Accounting Policies

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) requires our 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 financial statements, and income and expenses during the periods reported. Actual results could materially differ from those estimates. We have identified the following as our critical accounting policies:

Offering Costs

We comply with the requirements of the Accounting Standards Codification (the “ASC”) 340-10-S99-1 and SEC Staff Accounting Bulletin Topic 5A — “Expenses of Offering.” Offering costs consist principally of professional and registration fees incurred through the balance sheet date that are related to our Public Offering and were charged to stockholders’ equity upon the completion of our Public Offering. Accordingly, at June 30, 2016 and December 31, 2015, offering costs totaling approximately \$21,407,116 and \$21,407,116, respectively, (including \$20,625,000 in underwriters’ fees), have been charged to stockholders’ equity.

Redeemable Common Stock

All of the 37,500,000 shares of Class A common stock sold as part of the Units in our Public Offering contain a redemption feature which allows for the redemption of such shares in connection with our liquidation, if there is a stockholder vote or tender offer in connection with our Business Combination and in connection with certain amendments to our charter. In accordance with ASC 480, “Distinguishing Liabilities from Equity” (“ASC 480”), redemption provisions not solely within our control require common stock subject to redemption 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 we did not specify a maximum redemption threshold, our charter provides that the Company will not redeem our public shares in an amount that would cause our net tangible assets (stockholders’ equity) to be less than \$5,000,001.

We recognize changes in redemption value immediately as they occur and adjust the carrying value of redeemable common stock to equal the redemption value at the end of each reporting period. Increases or decreases in the carrying amount of redeemable common stock are affected by charges against accumulated deficit.

Accordingly, at June 30, 2016 and December 31, 2015, 35,545,719 and 35,764,796, respectively, of the 37,500,000 public shares are classified outside of permanent equity at their redemption value.

Net loss per common share

Net loss per common share is computed by dividing net loss applicable to stockholders by the weighted average number of common shares outstanding during the period, plus to the extent dilutive the incremental number of shares of Class A common stock to be issued in connection with the conversion of the Class F common stock or to settle Warrants (as defined below), as calculated using the treasury stock method. At June 30, 2016, we did not have any dilutive securities or other contracts that could, potentially, be exercised or converted into common stock and then share in our earnings under the treasury stock method. As a result, diluted net loss per common share is the same as basic net loss per common share for the period.

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.

Recent accounting pronouncements

The Company adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2014-10 to Topic 915, which eliminated certain financial reporting requirements of companies previously identified as “Development Stage Entities” (Topic 915). The amendments in ASU No. 2014-10 simplify the accounting guidance by removing all incremental financial reporting requirements for development stage entities. The amendments also reduce data maintenance and, for those entities subject to audit, audit costs, by eliminating the requirement for development stage entities to present inception-to-date information in the statements of operations, cash flows and stockholders’ equity. The adoption of ASU No. 2014-10 did not have a significant impact on the financial statements.

In November 2015, the FASB issued ASU No. 2015-17, *Income Taxes - Balance Sheet Classification of Deferred Taxes (Topic 740)*. The amendments under the new guidance require that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. The guidance is effective for consolidated financial statements issued for annual periods beginning after December 15, 2016, and interim periods within those annual periods. Earlier application is permitted for all entities as of the beginning of an interim or annual reporting period. The amendments in this ASU may be applied either prospectively to all deferred tax liabilities and assets or retrospectively to all periods presented. The Company early adopted this guidance effective December 31, 2015 on a retrospective basis, the impact of which was not significant to the financial statements.

The Company adopted FASB ASU No. 2014-15, which provided guidance on management’s responsibility in evaluating whether there is substantial doubt about a company’s ability to continue as a going concern within one year from the date the financial statements are issued and to provide related footnote disclosures.

As of June 30, 2016, the Company’s financial statements have been presented to conform to the reporting and disclosure requirements of the above standards.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk is a broad term for the risk of economic loss due to adverse changes in the fair value of a financial instrument. These changes may be the result of various factors, including interest rates, foreign exchange rates, commodity prices and/or equity prices. Our business activities for the three and six months ended June 30, 2016 consisted solely of organizational activities and activities relating to our Public Offering and the identification of a target company for our Business Combination. As of June 30, 2016, \$375,234,320 (including accrued interest and subject to reduction by the Deferred Discount due at the consummation of the Business Combination) was held in the Trust Account for the purposes of consummating our Business Combination. As of such date, the Trust Account consisted solely of money market funds. Due to the short-term nature of the money market fund’s investments, we do not believe that there will be an associated material exposure to interest rate risk.

We have not engaged in any hedging activities during the three or six months ended June 30, 2016. We do not expect to engage in any hedging activities with respect to the market risk to which we are exposed.

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 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 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 June 30, 2016. Based upon their 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 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

Factors that could cause our actual results to differ materially from those in this report are any of the risks described in our Annual Report on Form 10-K filed with the SEC on March 17, 2016. Any of these factors could result in a significant or material adverse effect on our results of operations or financial condition. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business or results of operations.

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 filed on March 17, 2016 with the SEC, however, we may disclose changes to such factors or disclose additional factors from time to time in our future filings with the SEC.

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

Unregistered Sales

On June 12, 2015, our Sponsor purchased 11,500,000 Founder Shares for an aggregate purchase price of \$25,000, or approximately \$0.002 per share. Subsequently, our Sponsor transferred an aggregate of 75,000 Founder Shares to our independent directors. On August 13, 2015, our Sponsor forfeited 1,437,500 Founder Shares, and following the expiration of the underwriters' remaining over-allotment option, our Sponsor forfeited an additional 687,500 Founder Shares, so that the remaining Founder Shares held by the Initial Stockholders would represent 20.0% of the outstanding shares of Class A common stock and Class F common stock following the completion of our Public Offering. Our Public Offering was consummated on August 19, 2015.

Prior to the Public Offering Closing Date, we completed the private sale of an aggregate of 19,000,000 Private Placement Warrants to our Sponsor at a price of \$0.50 per Private Placement Warrant, generating total proceeds, before expenses, of \$9,500,000. The Private Placement Warrants are substantially similar to the Warrants underlying the Units issued in our Public Offering, except that the Private Placement Warrants may be net cash settled and are not redeemable so long as they are held by our Sponsor or its permitted transferees. If the Private Placement Warrants are held by holders other than our Sponsor or its permitted transferees, the Private Placement Warrants will be redeemable by us and exercisable by the holders on the same basis as the Warrants.

The sales of the above securities by the Company were exempt from registration under the Securities Act, in reliance on Section 4(a)(2) of the Securities Act as transactions by an issuer not involving a public offering.

Use of Proceeds

On August 13, 2015, our registration statement on Form S-1 (File No. 333-205734) was declared effective by the SEC for the Public Offering pursuant to which we sold an aggregate of 37,500,000 Units at an offering price to the public of \$10.00 per Unit, including 2,500,000 Units as a result of the underwriters' partial exercise of their over-allotment option, generating gross proceeds of \$375,000,000.

After deducting the underwriting discounts and commissions (excluding the Deferred Discount, which amount will be payable upon the consummation of our Business Combination, if consummated) and the estimated offering expenses, the total net proceeds from our Public Offering and the sale of the Private Placement Warrants were \$376,100,000, of which \$375,000,000 (or \$10.00 per share sold in the Public Offering) was placed in the Trust Account in the United States maintained by the Trustee.

Through June 30, 2016, we incurred approximately \$8,282,117 for costs and expenses related to the Public Offering. At the closing of the Public Offering, we paid a total of \$7,500,000 in underwriting discounts and commissions. In addition, the underwriters agreed to defer \$13,125,000 in underwriting commissions, which amount will be payable upon consummation of our Business Combination, if consummated. There has been no material change in the planned use of proceeds from our Public Offering as described in our final prospectus which was filed with the SEC on August 13, 2015.

Our Sponsor, executive officers and directors have agreed, and our amended and restated certificate of incorporation provides, that we will have only 24 months from the Public Offering Closing Date to complete our Business Combination. If we are unable to complete our Business Combination within such 24-month period, we 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 our Trust Account, including interest (which interest shall be net of taxes payable, and less up to \$50,000 of interest to pay dissolution expenses) divided by the number of then outstanding public shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidation distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption,

subject to the approval of our remaining stockholders and our Board of Directors, dissolve and liquidate, subject in each case to our obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law.

As of June 30, 2016, after giving effect to our Public Offering and our operations subsequent thereto, approximately \$375,234,320 was held in the Trust Account, and we had approximately \$452,000 of unrestricted cash available to us for our activities in connection with identifying and conducting due diligence of a suitable Business Combination, and for general corporate matters.

Item 3. Defaults Upon Senior Securities

None

Item 4. Mine Safety Disclosures

Not Applicable.

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.

Exhibit Number	Description
31.1*	Certification of Principal Executive Officer 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.
31.2*	Certification of Principal Financial Officer 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.
32.1*	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.
32.2*	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.
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 Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith

**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, Mark Stone, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Gores Holdings, Inc.;
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 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) [Omitted];
 - (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: August 9, 2016

By: /s/ Mark Stone

Mark Stone
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, Andrew McBride, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Gores Holdings, Inc.;
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 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) [Omitted];
 - (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: August 9, 2016

By: /s/ Andrew McBride

Andrew McBride
Chief Financial Officer
(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 Gores Holdings, Inc. (the "Registrant") on Form 10-Q for the quarterly period ending June 30, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, in the capacity and on the date indicated below, 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, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

This certificate is being furnished solely for the purposes of 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Date: August 9, 2016

By: /s/ Mark Stone

Mark Stone
Chief Executive Officer
(Principal Executive 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 Gores Holdings, Inc. (the "Registrant") on Form 10-Q for the quarterly period ending June 30, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, in the capacity and on the date indicated below, 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, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

This certificate is being furnished solely for the purposes of 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Date: August 9, 2016

By: /s/ Andrew McBride

Andrew McBride
Chief Financial Officer
(Principal Financial and Accounting Officer)