EVOCA GROUP

Press Release

Milan, Italy – October 15, 2019. EVOCA S.p.A. (the "**Company**") provides today updated information regarding the Company and its subsidiaries to the holders of its €410.0 million 7.00% Senior Secured Notes due 2023 and €100.0. million 10.50% Second Lien Notes due 2023 (collectively, the "**Existing Notes**"), as follows:

Preliminary trading update for the nine and three months ending September 30, 2019

As of the date of this press release, we have not finalized trading results for the three months ending September 30, 2019. However, based on preliminary financial information, for the nine months ending September 30, 2019, we estimate revenue to be between €349 million and €351 million (compared to €336.7 million for the nine months ended September 30, 2018, including the impact of Quality Espresso from the date of acquisition) and estimate our Adjusted EBITDA (Pre-IFRS 16) to be between €77 million and €79 million (compared to €78.8 million for the nine months ending September 30, 2018, including the impact of Quality Espresso from the date of acquisition). For the three months ending September 30, 2019, we estimate revenue to be between €104 million and €106 million (compared to €107.3 million for the three months ended September 30, 2018), of which September was between €41 million and €42 million (compared to €39.9 million for the month ending September 30, 2018). We estimate our Adjusted EBITDA (Pre-IFRS 16) to be between €21 million and €22 million (compared to €24.4 million for the three months ending September 30, 2018).

During the three months ending September 30, 2019, we continued to increase sales in the HoReCa channel with Accessories and Spares and Impulse lines of business also ahead of prior year. Increases in these areas were offset by lower sales with two key customers impacting our Automatic and OCS product areas.

The preliminary financial results presented above are based on unaudited internal monthly management accounts and are not intended to be a comprehensive statement of the consolidated financial or operational results of EVOCA and its subsidiaries for any period or for the year ending December 31, 2019. This information has been prepared by, and is the responsibility of, management. The independent auditors of the Company have not audited, reviewed, compiled or performed any procedures with respect to the accompanying preliminary financial results for the purpose of their inclusion herein.

The preliminary financial results set out above are based on a number of assumptions that are subject to inherent uncertainties and subject to change. While we believe these assumptions to be reasonable, our actual results for such period may vary from the preliminary financial results presented above, and these variations could be material. Although we believe that the preliminary financial information presented above may provide investors with a helpful estimate of our results of operations since June 30, 2019, the preliminary financial results above may not be indicative of results of the quarter ending September 30, 2019 since a number of period-end adjustments have not been performed for such internal monthly management accounts. Further, our actual results for our next quarterly reporting period may differ materially from the trends included herein and may not be indicative of our future results. Such actual results remain subject to our normal review process. As such, you should not place undue reliance on the inclusion of the preliminary financial results in this document, it should not be regarded as an indication or representation that such preliminary financial results will be an accurate prediction of future events, and such information should not be relied on as such. See "—Forward-Looking Statements."

Other Financial Data

On January 1, 2019, the Company adopted IFRS 16, Leases ("**IFRS 16**"). IFRS 16 was applied using the modified retrospective approach. The first time adoption of the new standard has no impact on equity. As a consequence of the first application of IFRS 16, the Company recognizes for all lease contracts, except for short-term leases, a right-of-use asset at the commencement date of the lease which corresponds to the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease liabilities. The cost of rights-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date and restoration costs. Lease liability is recognized at the commencement date and is measured at the present value of lease payments to be made over the lease term, discounted using incremental borrowing rates (IBR), if the specific interest rate implicit in the lease agreement is not readily determinable. After the commencement date, the amount of lease liabilities increases to reflect the accretion of interest and decreases for the lease payments made. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The table below shows the impact of the first time application of IFRS 16 on (i) our Adjusted *Pro Forma* EBITDA for the six months ended June 30, 2019 and the twelve months ended June 30, 2019 to show the hypothetical disapplication of IFRS 16 for the entire period and then the impact of IFRS 16 for the six months ended June 30, 2019 and as though it had been in effect for the entire twelve months ended June 30, 2019 period and (ii) our consolidated balance sheet as of June 30, 2019.

	As of and For the Six Months Ended June 30, 2019	**As of and For the Twelve Months Ended June 30, 2019**
Adjusted *Pro Forma* EBITDA (Pre-IFRS 16)(€ in millions)	**56.5**	**110.5**[(1)]
IFRS 16 application impact on Adjusted EBITDA (€ in millions)	2.9	5.7
Adjusted *Pro Forma* EBITDA (Post-IFRS 16)(€ in millions)	**59.4**	**116.2**
Financial indebtedness related to lease obligations (€ in millions)[(2)]	28.3	28.3

[(1)] Adjusted *Pro Forma* EBITDA for the twelve months ended June 30, 2019 differs from the same metric disclosed in the Company's previous reporting in that it includes an additional €3.0 million adjustment related to (i) €1.0 million headcount reductions and general and administrative efficiency initiatives and cost savings already executed or identified and comprises, the consolidation of headquarters functions at the Group level and the corresponding elimination of various management positions, the permanent reduction of general administrative costs following attrition as well as certain cost savings premised on shared usage of sales offices and cost savings associated with the previously executed closure of a manufacturing site which is no longer utilized. The foregoing adjustments have been estimated by management based on the annualization of cost savings as well as certain estimates based on internal information available to management and (ii) €2.0 million in cost savings from completed M&A reflect the estimated cost savings associated with the insourcing of production of certain product lines given the Group's greater own-production capabilities and the annualized effect of certain procurement savings associated with economies of scale and consolidation of suppliers.

The estimates presented above with respect to headcount reductions and general and administrative efficiency initiative and cost savings from completed M&A have been prepared using current estimates and taking into account certain assumptions about future operations, including overall procurement and production volumes and macroeconomic conditions. There can be no assurance that these cost savings initiatives will have the desired outcomes and the costs associated with achieving them may outweigh any benefits. The foregoing assumptions underlying the adjustments involve risks, uncertainties and other factors that may cause actual results or performance to be materially different from anticipated future results or performance expressed or implied by such adjustments.

[(2)] Financial indebtedness related to lease obligations comprise €28.3 million following the adoption of IFRS 16 on January 1, 2019 of which €0.2 million relates to finance leases that would have been on balance sheet prior to the adoption of IFRS 16.

It should be noted that the covenants in respect of the Existing Notes do not provide for the application of IFRS 16.

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The financial information included in this press release includes some measures which are termed "non-IFRS measures" (including Adjusted Pro Forma EBITDA, both pre-IFRS 16 and post-IFRS 16) because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS, or are calculated using financial measures that are not calculated in accordance with IFRS.

The non-IFRS measures may not be comparable to other similarly titled measures used by other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Company's operating results as reported under IFRS.

Forward-Looking Statements

This press release may include forward looking statements. These forward looking statements can be identified by the use of forward looking terminology, including the terms as "believe", "expect", "anticipate", "may", "assume", "plan", "intend", "will", "should", "estimate", "risk" and or, in each case, their negative, or other variations or comparable terminology. These forward looking statements include all matters that are not historical facts and include statements regarding the Company's or any of its affiliates' intentions, beliefs or current expectations concerning, among other things, the Company's or any of its affiliate's results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which it operates. By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Readers are cautioned that forward looking statements are not guarantees of future performance and that the Company or any of its affiliate's actual results of operations, financial condition and liquidity, and the development of the industries in which they operate may differ materially from those made in or suggested by the forward looking statements contained in this press release. In addition, even if the Company or any of its affiliate's results of operations, financial condition and liquidity, and the development of the industries in which they operate are consistent with the forward looking statements contained in this press release, those results or developments may not be indicative of results or developments in subsequent periods.