HALF-YEARLY FINANCIAL REPORT

2017

TECHNOGYM GROUP

HALF-YEARLY FINANCIAL REPORT AS OF JUNE 30, 2017

The Wellness Company

INDEX

1. CORPORATE DATA

Registered office

Technogym S.p.A.

Via Calcinaro, 2861

47521 Cesena (FC) - Italy

Legal data

Share capital resolved and subscribed Euro 10,000,000

VAT number, Tax Code and CCIAA (Chamber of Commerce, Industry, Craft Trade and Agriculture) no.: 06250230965

Registered in the R.E.A. (Economic and Administrative Index) of Forlì Cesena at no. 315187

Technogym stores

Cesena, Via Calcinaro 2861

Milan, Via Durini 1

New York, Greene Street, 70

Moscow, Piazza Rossa 3, GUM, 3rd floor/3rd line

Moscow, Crocus City Mall, km 66 MKAD, Showroom 163

Moscow, Rublevo-Uspenskoe sh. 85/1

London, c/o Harrods, Brompton Road 87-135

2. CORPORATE OFFICERS

Board of Directors (*)	
Chairman and Chief Executive Officer	Nerio Alessandri
Deputy Chairman	Pierluigi Alessandri
Directors	Erica Alessandri
	Francesca Bellettini [(1)] [(3)]
	Carlo Capelli [(4)]
	Maurizio Cereda
	Riccardo Pinza [(2)]
	Vincenzo Giannelli [(1)] [(2)] [(3)]
	Maria Cecilia La Manna [(1)] [(2)] [(3)]

Board of Statutory Auditors	
Chairman	Claudia Costanza
Standing Auditors	Ciro Piero Cornelli
	Gianluigi Rossi
Alternate Auditors	Laura Acquadro
	Roberto Moro

Supervisory Body	
Chairman	Andrea Russo
	Giuliano Boccanegra
	Emanuele Scorsonetto

Officer in charge	Stefano Zanelli

Independent Auditors	PricewaterhouseCoopers S.p.A.

(*) *Commetees composition at June 30, 2017*

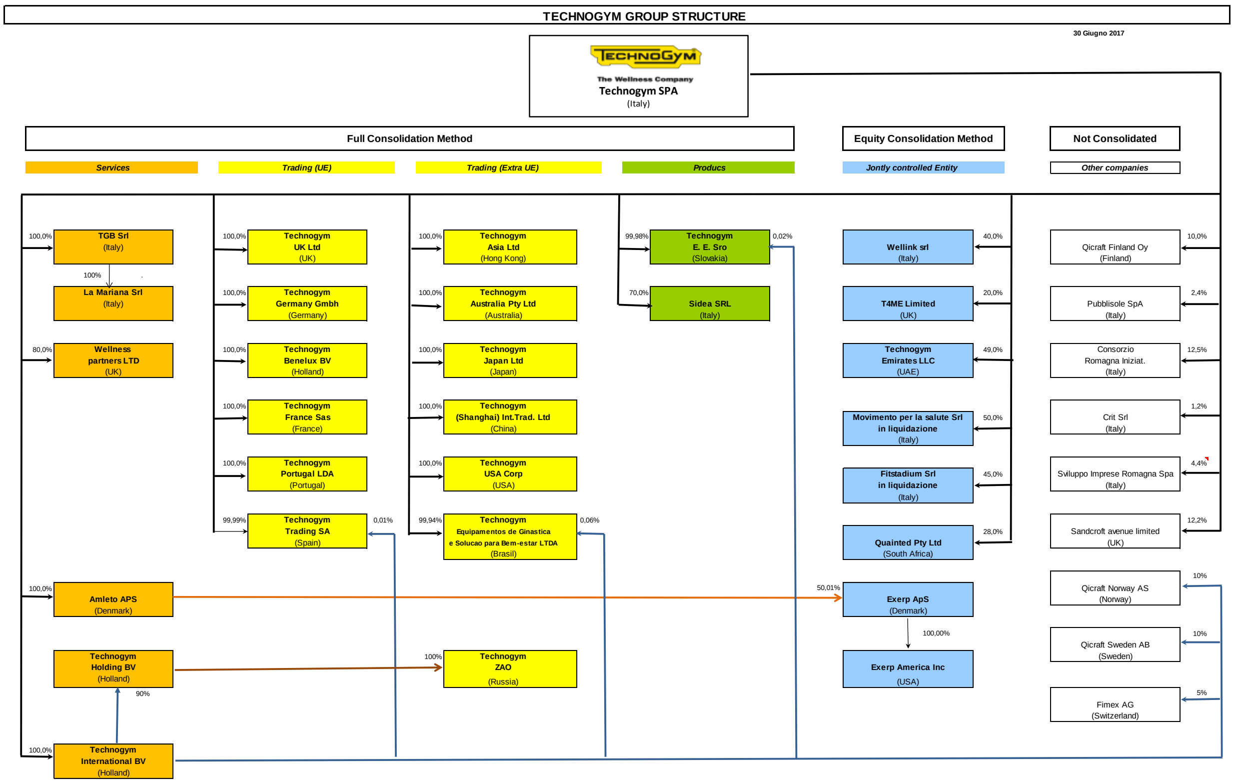
(1) *Member of the Control and Risks Committee*

(2) *Member of the Appointments and Remuneration Committee*

(3) *Member of the Related Party Transactions Committee*

(4) *Director Responsible for the Internal Audit and Risk Management System*

3. GROUP ORGANIZATIONAL CHART AS OF JUNE 30, 2017



4. INTERIM BOARD OF DIRECTORS' REPORT

Operating performance and comments on the economic and financial results

Macroeconomic scenario

“The recovery in the global economy is gathering pace. Commercial trade, sustained by the trend in the investments in the majority of economies, accelerated from the end of 2016. Volatility in the financial markets was extremely low. However, uncertainty over economic policies at global level remains high, which could have negative repercussions on investors’ valuations. In the United States, the timescales and details of the expansionary fiscal measures announced at the start of the year have yet to be defined. Any sales protection measures could have implications for international trade”.

As stated in the opening lines of the Economic Bulletin published in recent days by the Bank of Italy.

The macro-economic scenario in which the Technogym Group also operates therefore seems to have improved, creating a more fruitful environment for investments, consumption and therefore increased socio-economic optimism, which has been lacking for some time.

A more detailed look at the macro-economic parameters pertaining to the geographic areas in which the company is most heavily committed, shows a clear economic recovery in all the most advanced economies: United States, United Kingdom - despite the uncertainties triggered by Brexit - and Japan. These countries have witnessed notable acceleration in investments, which drive commercial trade, with equal beneficial effects on inflation and employment. In the most recent OECD forecasts, the global economy is predicted to grow at a rate of 3.5% in the 2017-2018 period, an acceleration of 3% over the previous year. The exit from the recessionary phase in Russia and Brazil will contribute to this.

More specifically in the Euro area, which accounts for more than 50% of the Technogym Group’s overall sales, favorable signs of growth in economic activity have become more accentuated, sustained in particular by the recovery in investments. By contrast, inflationary prospects still do not appear to have improved, which have actually moved downwards again with respect to the opposite expectations. This encouraged the ECB to maintain its highly accommodative monetary policy stance.

The macro-economic picture incorporates the expectations of a market which will see a gradual adjustment of long-term interest rates and generally more relaxed credit conditions.

The expansion in credit to both businesses and households is therefore continuing, which are also starting to invest again - albeit cautiously - in real estate.

In Italy, where the parent company Technogym has its registered office, following 0.4% GDP growth in the first quarter of the current year, the next few quarters should not see any downward surprises, in fact with the forecasts pointing towards further acceleration in GDP to 1.3% for the coming year.

Turning an eye to the international markets, we can see that the returns on Government bonds of advanced countries have started to rise again, reflecting the signs of strengthening in economic activity in the Euro area and the consolidation of the less accommodating monetary conditions in the United States.

We are therefore facing an expected increase in interest rates. As has already occurred in the United States, also in Europe - despite the continued “quantitative easing” approach – there has been an increase in interest rates. At the same time, this part of the world is witnessing a fall in sovereign risk premiums. Therefore, less economic uncertainty and reduced market volatility.

Share prices continue to grow in all the main financial markets of advanced economies. By contrast, the trend in share prices in the markets of emerging countries has been more erratic, due to the geopolitical tensions which are still evident.

In Italy, the share market - where Technogym has been listed since May 2016 - continues to grow. In the last quarter, the general Italian stock exchange index rose by 2.5%, compared to a variation of 0.4% in the index of the main Euro area companies. In this context, from the start of the year and up to June 30, the Technogym share registered growth of more than 50%.

Lastly, on the currency front, the Euro strengthened across the board against all the main currencies. Driven predominantly by the improvement in the economic growth prospects indicated above, the more recent data shows that, from the middle of April the Euro rose 7.1% against the dollar, 10.5% against the yen and 3.5% against pound sterling.

Currency market

In the whole of the first quarter, the Euro fell against the US dollar (1.9%) and against the Japanese yen (1.6%), while it continued to appreciate against pound sterling (2.1%).

From the end of the first quarter, reflecting some positive developments registered in the Euro area economy, the Euro appreciated against the US dollar (6.3%), against the Japanese yen (1.5%) and also rose against the currencies of the majority of the emerging economies.

Industry scenario

In the first half of 2017, technology was confirmed as the main industry trend: in particular, connectivity between personal devices and exercise machines, able to provide individual end-users with a unique and integrated fitness experience, was the element that combined product innovation, solutions and services throughout the industry. The other main industry trend relates to physical activity in preventing illness. In fact, the high level of political and institutional attention paid by governments throughout the world to the prevention of illness and recognition of physical activity as a necessary ingredient for achieving the correct lifestyle and staying healthy has continued into 2017.

Global business for all fitness equipment manufacturers is expected to grow by 3.9% in the year and this trend has presumably been confirmed in the first half of 2017. We are talking about an industry in which the bulk of business is concentrated in a few large industry operators, operating in both the B2B (business to business) and B2C (business to client) segments. In geographical terms, North America and Europe are confirmed as the primary markets; however, the other areas, albeit with a lower weight in absolute terms, show higher rates of growth.

Comments on the economic and financial results

The economic data recorded by the Group in the first half of 2017 are summarized below, and compared with the first half of the previous year:

(In thousands of Euro and ratios)	Half year ended June 30		Changes	
	2017	**2016**	**2017 vs 2016**	**%**
Revenues	266,448	249,954	16,494	6.6%
EBITDA *adjusted* (1)	42,202	35,175	7,028	20.0%
EBITDA *(1)*	42,375	30,183	12,192	40.4%
Adjusted EBITDA (1)	15.8%	14.1%	1.8%	12.6%
EBITDA *Margin* (1)	15.9%	12.1%	3.8%	31.7%
Net operating income	29,428	17,875	11,553	64.6%
Adjusted net operating income (2)	29,256	22,867	6,389	27.9%
Profit attributable to the owners of the partner	18,495	9,111	9,384	103.0%

(1) The Group defines:

- EBITDA as the net operating income, adjusted by the following income statement items: (i) net provisions; (ii) depreciation, amortization and impairment losses;

- The EBITDA margin as the ratio between EBITDA and total revenues.

- adjusted EBITDA as the net operating income, adjusted by the following income statement items: (i) net provisions; (ii) depreciation, amortization and impairment losses and (iii) non-recurring income/(expenses);

- The adjusted EBITDA margin as the ratio between adjusted EBITDA and total revenues.

(2) The Group defines the adjusted net operating income as the net operating income adjusted for non-recurring income/(expenses).

The following table summarizes the main economic indicators used by the Group:

(In ratios)	Half year ended June 30	
	2017	**2016**
ROS	11%	7%
ROS Adjusted	11%	9%

Total revenues came to Euro 266,448 thousand, up by Euro 16,494 thousand (+6.6%) compared to Euro 249,954 thousand in the first half of 2016. The increase is due to both the growth in sales volumes, and the net effect of the change in prices, also thanks to the sale of products with a higher value-added launched at the main industry trade fairs at the start of the year. MYCYCLING which combines a high-tech smart trainer, a dedicated app with customized programs and a network of professional coaches able to develop custom programs for each cyclist. SKILLROW, a rowing machine capable of improving anaerobic power, aerobic capacity and the neuromuscular abilities in a single solution.

In the assumption of constant exchange rates, total revenues would increase by Euro 264,991 thousand (+6.0% over the first half of 2016)

Adjusted EBITDA came to Euro 42,202 thousand, up by Euro 7,028 thousand (+20%) compared to Euro 35,175 thousand in the first half of 2016. Consistently with the change in revenues, this increase is primarily attributable: (i) to the increase in profit margins in relation to the rise in sales volumes; (ii) to the rationalization of industrial activities which had a positive impact on direct production costs; (iii) stable operating costs in spite of an increase in sales volumes.

In the half year ended June 30, 2017, no significant non-recurring expenses were recorded (a positive Euro 172 thousand), with respect to costs of Euro 4,992 thousand registered in the half year ended June 30, 2016, mainly due to the costs concerning the listing process, as well as to a prudential allocation for indirect taxes relating to previous years. On the whole, the incidence of adjusted EBITDA on Revenues (**adjusted EBITDA Margin**) rose from 14.1% as of June 30, 2016 to 15.8% as of June 30, 2017.

Net operating income came to Euro 29,428 thousand, up by Euro 11,553 thousand (+64.6%) compared to Euro 17,875 thousand in the first half of 2016. This increase is primarily attributable: (i) to the increase in profit margins in relation to the rise in sales volumes; (ii) to the rationalization of industrial activities which had a positive impact on direct production costs; (iii) stable operating costs in spite of an increase in sales volumes.

ROS for the half year ended June 30, 2017 was affected by the typical seasonal nature of the fitness equipment market. In this regard, it should be noted that the increase in revenues in the different quarters of the year is linked primarily to customers' tendency to make their purchases in the second half, following the most important industry trade fairs that are traditionally held in the first half.

Adjusted net operating income came to Euro 29,256 thousand, up by Euro 6,389 thousand (+27.9%) compared to Euro 22,867 thousand in the first half of 2016.

Profit attributable to the owners of the parent came to Euro 18,495 thousand, up by Euro 9,384 thousand (+103%) compared to Euro 9,111 thousand in the first half of 2016. This increase mainly relates: (i) to the above-mentioned increase in the Net operating income; (ii) the lower Group tax rate, also due to the decrease in Italian tax on company income (IRES down from 27.5% in the previous year to 24% in the current year).

The table below shows the consolidated statement of financial position in condensed and reclassified form, which reports the structure of invested capital and sources of financing as of June 30, 2017 and as of December 31, 2016:

(In thousands of Euro)	**As of June 30**	**As of December 31**
	2017	**2016**
Loans		
Net fixed capital [(4)]	198,907	193,470
Net operating capital [(5)]	3,307	(27,806)
Net invested capital	**202,214**	**165,664**
Sources		
Equity	92,614	87,640
Net financial indebtedness [(6)]	109,600	78,024
Total sources of financing	**202,214**	**165,664**

[(4)] Net fixed capital is composed of: *(i)* property, plant and equipment; *(ii)* Intangible assets; *(iii)* Investments in joint ventures and associates; *(iv)* Deferred tax assets, *(v)* Non-current financial assets, *(vi)* Other non-current assets, *(vii)* Deferred tax liabilities, *(viii)* Employee benefit obligations, *(ix)* Non-current provision for risks and charges and *(x)* Other non-current liabilities.

[(5)] Net operating capital is composed of: *(i)* Inventory; *(ii)* Trade Receivables; *(iii)* Other current assets; *(iv)* Trade payables; *(v)* Current tax liabilities; *(vi)* Current provisions for risks and charges and *(vii)* Other current liabilities.

[(6)] Net financial indebtedness is made up of: *(i)* Current financial assets, *(ii)* Assets for derivative financial instruments, *(iii)* Cash and cash equivalents, *(iv)* Non-current financial liabilities, *(v)* Current financial liabilities and *(vi)* Liabilities for Derivative financial instruments.

The following table summarizes the main financial indicators used by the Group:

(In ratios)	For the half year ended June 30	As of and for the year ended December 31
	2017	**2016**
ROE	56.7%	49.2%
ROI	39.5%	41.3%
ROI Adjusted	39.9%	44.8%
Net Financial Indebtedness /EBITDA ratio	(1.02)	(0.78)

Net fixed capital came to Euro 198,907 thousand, up by Euro 5,437 thousand compared to Euro 193,470 thousand in the year ended December 31, 2016. This increase is primarily due to the normal activities of investment in new product development and the launch of the project involving implementation of the new company management system (ERP). The year ended December 31, 2016 was characterized by an extraordinary increase in property, plant and equipment in the first half, due mainly (i) to the acquisition of 100% of the shares in TGB S.r.l., holder of the right of ownership of the property complex known as Technogym Village, valued at a total of Euro 85,000 thousand; (ii) to the purchase of a 50.01% stake in Exerp ApS, whose price paid at closing came to Euro 17,696 thousand, plus Euro 220 thousand in interest accrued from December 31, 2015 until the closing date.

Net operating capital came to Euro 3,307 thousand, up by Euro 31,114 thousand compared to a negative Euro 27,806 thousand in the year ended December 31, 2016, mainly due to the net effect of the increase in the balances of the items "Inventory" (+Euro 3,558 thousand), "Trade payables" (Euro 26,163 thousand) and decrease in "Trade receivables "(Euro -4,475 thousand). To this end, it should be noted that (i) the average days of inventories in stock rose from 62 for the year ended December 31, 2016 to 65 for the half year ended June 30, 2017, while the inventory turnover ratio fell from 5.9 to 5.6 (6.2 as at June 30, 2016); this increase was also recorded due to the implementation of core offering policies in overseas companies which allowed sustainable growth; (ii) the average days of collection of trade receivables fell from 52 for the year ended December 31, 2016 to 48 for the half year ended June 30, 2017; the trade receivables turnover ratio went from 7 to 7.6 (7.2 at June 30, 2016); (iii) the dpo went from 125 for the year ended December 31, 2016 to 99 for the half year ended June 30, 2017 (the trade payables turnover ratio went from 2.9 to 3.7 (3.5 at June 30, 2016).

Net Financial indebtedness came to Euro 109,600 thousand, up by Euro 31,576 thousand compared to Euro 78,024 thousand in the year ended December 31, 2016. This increase is mainly due to the seasonal nature of the business described above. Net financial indebtedness amounts to Euro 145,384 thousand as of June 30, 2016.

Equity totaled Euro 92,614 thousand, up by Euro 4,975 (+5.7%) thousand compared to Euro 87,640 thousand in the year ended December 31, 2016. This increase is primarily due to the recognition of profit for the period of Euro 18,495 thousand, reduced by the payment of dividends of Euro 13,000 thousand in May 2017 following the approval of the 2016 financial statements.

Segment information

The operating segment information was prepared in accordance with IFRS 8 'Operating Segments', which requires the information to be reported consistently with the method adopted by the management when making operational decisions.

The approach to the market is adopted through a unique business model that offers an integrated range of "Wellness solution", together with the pursuit of higher levels of operational efficiency achieved by the cross-production.

At an operational level, the Group's organization is based upon a matrix structure in relation to the different functions/activities of the value chain, alternatively by distribution channel and geographic area, an organization that also identifies a strategic vision of the business.

The type of organization described above reflects the way the Company management monitors and strategically directs the activities of the Group.

A breakdown of the Group’s revenues by geographic area and distribution channel is provided below:

(In thousands of Euro and percentage of total revenues)	Half year ended June 30			
	2017	**2016**	**2017 vs 2016**	**%**
Europe (without Italy)	136,084	130,098	5,986	4.6%
MEIA	22,490	24,014	(1,524)	6.3%
APAC	41,806	37,018	4,788	12.9%
Italy	23,331	23,047	284	1.2%
North America	29,307	25,296	4,011	15.9%
LATAM	13,430	10,481	2,949	28.1%
Total revenues	**266,448**	**249,954**	**16,494**	**6.6%**

The company continues to grow in accordance with the corporate plans in all the main markets of greatest interest: Europe, North America and APAC.
In the half just ended, the company surpassed Euro 266 million in sales, equal to growth of 6.6% (+6% ex Fx).
A growth performance we consider to be sound and sustainable:
- **sound** given higher than the market growth rate, particularly in areas in which company is aiming to acquire, and is acquiring, greater market shares
- **sustainable,** because the growth in sales brings with it the necessary profits for supporting additional investments, which the company has in mind to generate value not only for shareholders, and not so much in the short-term, but over time.
Technogym generates more than 90% of its sales outside Italy through a dedicated distribution network. A business model that allows the company to diversify its business risk, gives it the opportunity to take advantage of new market trends wherever they should arise, and also allows currency diversification.
As you can see from the table, in the half just ended, the company recorded double-digit growth in all the strategically most important and priority areas.
The APAC area (+12.9%) continued to grow thanks in particular to the strong performances of the Australian and Chinese branches.
In North America (+15.9%), growth continued in the two market segments the company focuses on: Club and Hospitality & Residential. In this area, Canada commenced an in-depth review of the sales organization. As a result of this activity, while sales in the United States have, for some time, continued to record high double-digit growth, Canada’s performance caps the growth rate of the entire North American area. The reorganization will be completed in the current year.
The LATAM area, as already outlined at the time of presentation of the data for the first quarter, amply recovered the gap, with an increase of 28.1%.
As already commented on at the time of presentation of the 2016 financial statements and then again in the first quarter of 2017, the sales generated in Italy recorded growth rates more in line with the local market conditions (+1.2%).
Despite the already high market share reached, Europe recorded 4.6% growth in sales. During the period under review, France (+17%) and Spain (+21%) stood out.
Albeit still negative, the sales performance in the MEIA area recovered, covered primarily by distributors. Based on the activities underway in the individual countries making up the area, it is confirmed that the negative gap may be recovered by the end of the year.

(In thousands of Euro and percentage of total revenues)	Half year ended June 30			
	2017	**2016**	**2017 vs 2016**	**%**
Field sales	184,473	171,827	12,646	7.4%
Wholesale	59,115	55,385	3,730	6.7%
Inside sales	20,170	19,858	312	1.6%
Retail(*)	2,690	2,884	(194)	(6.7%)
Total revenues	**266,448**	**249,954**	**16,494**	**6.6%**

(*) Restatement of 2016 revenues including only Revenues relating to owned stores in the Retail channel

With respect to revenues performance by sales channel: Field Sales continue to be the main channel with performance similar to the Wholesale channel (+7%). The Inside Sales channel (ecommerce and teleselling) is being developed in terms of technological platform, with performance expected to improve in upcoming months. The Retail channel has a marginal impact on the company business model, with its main purpose to act as show room support for the other main direct sales channels, from an omni-channel perspective.

Risk factors

Financial risks

Financial markets continued to be volatile during the first half of 2017. In this scenario, the Group implemented policies to monitor and mitigate potential risks, while avoiding the adoption of speculative financial positions.

Credit risk

The Group has an international customer base and a network of known and trusted distributors. The Group makes use of an internally developed Risk Score Rating system integrated with data from known external data banks and these help the Group manage requests for non-standard payment terms and take out credit insurance policies as necessary. Close credit control allowed the Group to record natural levels of past due amounts and a decrease in receivables compared to December 31, 2016.

Interest rate risks

Interest rate risk is related to the use of short and medium/long-term credit lines. Variable rate loans expose the Group to the risk of fluctuations of cash flows due to interest. In order to mitigate the exposure to said type of risk, during the first half, the Group negotiated an Interest Rate Swap (IRS) in order to convert part of its bank debt from variable rate to fixed rate.

Exchange rate risk

The Group operates internationally and is therefore exposed to exchange rate risk with regard to business and financial transactions entered into in USD, GBP, AUD, BRL, RBL and Yen.

The Group enters into exchange rate hedges based on constant evaluations of market conditions and the level of net exposure to the risk, by combining the use of:

- ‘natural hedge’, i.e. a risk management strategy that pursues the objective of combining both economic-financial flows (revenues-costs, collections-payments) and balance sheet assets and liabilities that are denominated in the same foreign currency and that have a consistent timeframe so to realize net exposures to exchange rate risk which may be hedged more effectively and efficiently;

- derivative financial instruments, to hedge net exposures in assets and liabilities denominated in foreign currency;

- derivative financial instruments, cash flow hedges relating to highly probable future transactions (Cash Flow Hedge Highly Probable Transaction).

Liquidity risk and change in cash flows
The liquidity risk of the Group is closely monitored by the parent company. In order to minimize the risk, the Group has implemented centralized treasury management with specific procedures that aim to optimize the management of financial resources and the needs of the companies of the Group.

Price risk
The Group purchases materials in international markets and is therefore exposed to the risk of movements in prices. Such risk is partially hedged by foreign currency forward purchase agreements with settlement dates consistent with the purchase obligations.

Non-financial risks
Internal risks - effectiveness of processes
The processes that characterize the different areas of Group business are accurately incorporated in a well-structured system of responsibilities and procedures.
The application of these procedures ensures the correct and homogeneous development of processes over time, irrespective of personal interpretations, also making provision for mechanisms of gradual improvement.
The collection of procedures for the regulation of company processes is incorporated in the Quality Assurance System and subject to certification by third parties (ISO 9001).
Within the system of processes, the procedures for the management of privileged information and for human resources selection and management are regulated.

External risks - markets, country risk
Market risk is mitigated by the Group's geographically diverse operations and product diversification across market segments.
As the Group operates at an international level, it is exposed to local economic and political conditions, potential restrictions on imports and/or exports and controls over cash flows and exchange rates.

Research, innovation and development

Product innovation has always been the Technogym Group's driver of growth. The capacity to innovate is based primarily on the expertise acquired over time by the division dedicated to product research and development, activities traditionally considered an essential tool for reaching and consolidating a leading position in the international fitness equipment market owing to the quality, innovation and design of its products.

The first half of 2017 saw the successful continuation of the circulation of **Technogym Ecosystem** on the market, the first and only cloud based platform in the wellness sector; it allows individual users to access their personal data and training programs and provides a complete range of (consumer and professional) apps to access their individual wellness programs, including via mobile devices. The platform makes it possible to connect final users, professional operators and Technogym products ("Wellness on the Go") in real-time and in any environment, by aiming to offer, on the one hand, greater personalization and general improvement in the wellness experience for users and, on the other, new opportunities for professional operators to widen their customer base and retain customers.

The first half of 2017 also saw the launch of **MYCYCLING**, the new indoor training product for cyclists which guarantees the same experience as road cycling. **MYCYCLING** combines a high-tech smart trainer, a dedicated app with customized programs and a network of professional coaches able to develop custom programs for each cyclist. MYCYCLING also includes a completely innovative specific training system for cyclists: **TNT - Technogym Neuromuscular Training,** created by Technogym scientific research in collaboration with the top athletes, coaches, physiologists and trainers in the world.

In line with the trends in the industry, in which athletic training and sports performance are key components, at the **IHRSA 2017** trade fair held in Los Angeles (California), Technogym launched the new product for athletic training: **SKILLROW**. It is a rowing machine capable of improving anaerobic power, aerobic capacity and the neuromuscular abilities in a single solution. SKILLROW was designed to perfectly simulate rowing in water. Thanks to SKILLROW APP, users can enjoy a more motivating digital experience, with a virtual coxswain always on hand. The application includes a broad selection of training programs and offers the possibility of monitoring and keeping tracking of your results, and obtaining bio-feedback in real time on training metrics.

At the European trade fair FIBO held in Cologne, the company also launched **TEAMBEATS**, the new solution which allows users to manage and monitor their heart rate during all group classes or circuits. Thanks to TECHNOGYM TEAMBEATS, participants in any Group class or circuit can monitor their performance or their heartbeat on a large screen while they train. This allows personal trainers to manage all aspects of their classes and circuits through the UNITY SELF interface, from which they can select the duration of the activity, control the music, view the performance of each participant and guide the group towards reaching a common goal.

There were two significant developments regarding technological innovation. In March, the company announced an initiative with **IBM** to implement a latest-generation coaching platform on **Mywellness Technogym** based on **Watson** artificial intelligence. The objective is to further enrich Technogym Ecosystem's offering. **Watson artificial intelligence** will offer customers even more customized, interactive and engaging training programs based on their objectives and context variables. Thanks to the new application based on artificial intelligence, Technogym products can provide customized programs and information based on information such as weather conditions, personal commitments, health conditions and diet, helping users to maintain a healthier lifestyle.

On June 5, 2017, during the keynote speech at the "Apple Worldwide Developers Conference", **Apple announced that Technogym cardiovascular training products will be compatible with Apple Watch.** Using their favorite Technogym cardio equipment, sports and fitness lovers will be able to simply tap their Apple Watch to pair to treadmills, ellipticals, indoor bikes or stair steppers. Thanks to this innovation, Apple Watch and Technogym products will sync seamlessly and exchange training data, including calories, distance, speed, incline and pace, resulting in the most accurate measurements possible. This innovation will be available from the Autumn of 2017.

Medical and scientific research

In terms of scientific research, Technogym is involved in numerous ongoing projects in collaboration with Italian and international universities and research centers. The relationship with the Universities of Coventry and Loughborough (UK) should be noted in particular, with which the company is conducting validation tests on products and solutions. In the domestic domain, structured collaborations are continuing with the University of Padua and the IUSM (University Institute of Motor Sciences) of Rome. Scientific activity is also continuing in the area, with the publications of scientific works in indexed scientific journals and the attendance of heads of the Scientific Department at National and International conventions as speakers.

Investments and acquisitions

During the first half of 2017, the Group made investments in property, plant and equipment and intangible assets totaling Euro 12,170 thousand. Management believes that such investment contributed positively to the growth in revenues and margins during the six-month period ended June 30, 2017 and, at the same time, strengthened the Group's market position both in Italy and overseas.

The amounts of investments made by the Group in the half year ended June 30, 2017 and in the year ended December 31, 2016 are shown below, broken down by type:

(In thousands of Euro)	**Half year ended June 30**	**Year ended December 31**
	2017	**2016**
Property, plant and equipment	4,544	108,986
Intangible assets	7,626	8,697
Total investments	**12,170**	**117,683**

It should be noted that the increase in property, plant and equipment and intangible assets in the half year ended at June 30, 2017 reflects an ordinary level of investments, while the year ended December 31, 2016 was characterized by an extraordinary increase in property, plant and equipment in the first half, due mainly (i) to the acquisition of 100% of the shares in TGB S.r.l., holder of the right of ownership of the property complex known as Technogym Village, valued at a total of Euro 85,000 thousand; (ii) to the purchase of a 50.01% stake in Exerp ApS, whose price paid at closing came to Euro 17,696 thousand, plus Euro 220 thousand in interest accrued from December 31, 2015 until the closing date.

The table below shows the amounts of investments made by the Group in the half year ended June 30, 2017 and in the year ended December 31, 2016, relating to the item "Property, plant and equipment", broken down by category:

(In thousands of Euro)	**Half year ended June 30**	**Year ended December 31**
	2017	**2016**
Land	-	7,949
Buildings and leasehold improvements	426	88,925
Plant and machinery	731	1,368
Production and commercial equipment	1,108	1,097
Other assets	651	2,769
Assets under construction and advances	1,628	6,878
Total investments in property, plant and equipment	**4,544**	**108,986**

The table below shows the amounts of investments made by the Group in the half year ended June 30, 2017 and in the year ended December 31, 2016, relating to the item "Intangible assets", broken down by category:

(In thousands of Euro)	**Half year ended June 30**	**Year ended December 31**
	2017	**2016**
Development costs	1,620	2,935
Patents and intellectual property rights	473	1,424
Concessions, licenses, trademarks and similar rights	834	133
Intangibles under development and advances	4,675	4,174
Other intangible assets	24	31
Total investments in intangible assets	**7,626**	**8,697**

Related party transactions

There were no other related party transactions that had a significant impact on the financial position or results of the Group as of and for the half year ended June 30, 2017, as such to require prior approval by the Board of Directors.

Related party transactions were settled on an arm’s length basis, and were valued and performed in respect of the appropriate internal procedure (which can be consulted on the website http://corporate.technogym.com/it, Governance section), which defines their terms and methods of verification and monitoring.

Information on relations with related parties, as required by Consob Communication no. DEM/6064293 of July 28, 2006, is presented in the financial statements and in the note “related party transactions” of the condensed interim consolidated financial statements as of June 30, 2017.

Information on shares

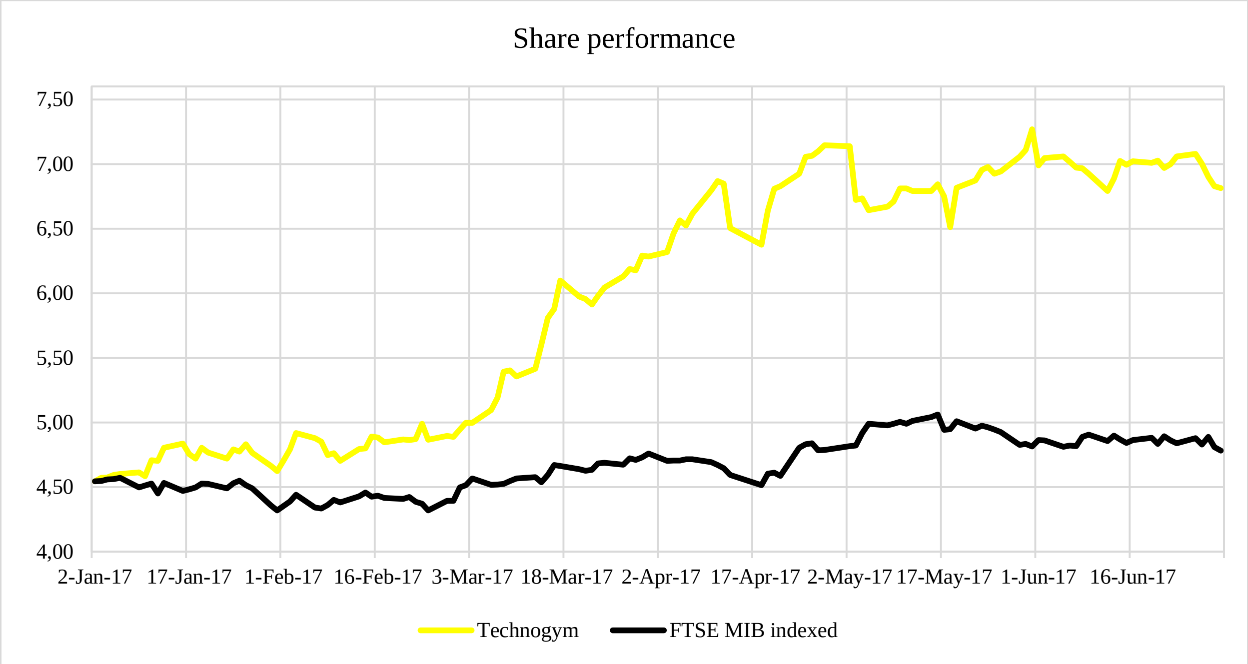
The company does not own nor did it hold, during the period, neither through third parties nor trust companies, treasury shares or shares or holdings in parent companies.

April 28, 2016 saw the successful completion of the Offer of the placement of the ordinary shares of Technogym S.p.A., targeted exclusively at institutional investors and aimed at establishing the free float required by the Stock Market Regulation for the admission of shares on the MTA (screen-based stock exchange). The start of trading on the MTA (screen-based stock exchange) was established by means of a Borsa Italiana provision for Tuesday, May 3, 2016.

Share performance

The diagram below summarizes the performance of the Technogym share:

Main stock market indicators (Euro)	
Shares listing	
Official price as of January 2, 2017	4.54
Official price as of June 30, 2017	6.81
Minimum closing price (January-June)	4.54
Minimum price in absolute terms	4.44
Maximum closing price (January-June)	7.27
Maximum price in absolute terms	7.39
Stock market capitalization	
Stock market capitalization as of January 2, 2017	908,820,000
Stock market capitalization as of June 30, 2017	1,362,780,000
Ordinary shares	
No. shares outstanding	200,000,000



Shareholding structure

Shown below are the shareholders who, pursuant to art. 120 of the T.U.F. (Consolidated Law on Finance), hold a significant shareholding as of June 30, 2017:

Main shareholders	Number of shares	Share
Wellness Holding S.r.l.	104,000,000	52%

Share capital is calculated at Euro 10,000,000 and is subdivided into 200,000,000 ordinary shares with no nominal value.

Significant events after the close of the period

There were no significant events after the close of the half year ended as at June 30, 2017.

Outlook

In 2017, the Technogym Group will continue to follow the growth strategy initiated during the 2016. “Wellness lifestyle” solutions aimed at improving the quality of life through education, physical exercise, a healthy diet and positive mental attitude will continue to be the basis for development of Technogym’s product and service offering.

Thanks to continuous researches and developments in products and services, Technogym is a trend setter and grant to the most advanced digital technologies on its products with the territory coverage allows to achieve top customers satisfaction.

For 2017, even if there is a risk of slowdown in major economies worldwide, the Technogym management expect a revenues growth scenario, profitability, continuing the expansion in key markets such as North America, Europe and Asia, through the development of all distribution channels (strategy "omnichannel"), and especially of Field Sales and Inside Sales Channels.

Other information

Events and references

Key events during the half

Technogym was a key player in numerous international events during the first half of the year, in all of the market segments in which it operates. The most significant of these include:

- The World Economic Forum (WEF) in Davos, one of the most important global institutional events. In the context of the event Technogym President Nerio Alessandri is a permanent member of the Health Community and the Consumer Innovation Community. For the first time in 2017, the World Economic Forum also hosted a session dedicated to sport entitled "The Transformative Power of Sport". Together with leading names from the world of sport, including the Japanese minister for sport, the host country of the Tokyo 2020 Olympics, Nerio Alessandri discussed the role of sport in promoting the development of more cohesive and inclusive societies and in providing new possibilities for disadvantaged communities.
- IHRSA - the most important global fitness and wellness event that was held in Los Angeles, California in 2017 – where Technogym presented Skillrow and a raft of applications and contents of the Technogym Ecosystem.
- FIBO – the most important European fitness and wellness event, held in Cologne in Germany.
- Milan Furniture Fair - the key reference event in the design world.
- On April 3, to coincide with the Milan Furniture Fair, the company unveiled its new flagship space on Via Durini, 1, Milan, in an area now acknowledged as a trendsetter for designers and architects. The new space, designed in collaboration with Studio Antonio Citterio Patricia Viel, covers an area of more than 750 square meters spread over 3 floors. It is the perfect place to experience the Wellness lifestyle in all its aspects: not only can visitors purchase the best products and services for physical exercise, athletic training and rehabilitation, but they can also undergo tests to assess their level of physical performance, obtain a personalized training program created by experienced personal trainers and participate in training sessions.
- Rimini Wellness – the reference industry trade fair for the Italian market.

References

Technogym products are present in the most prestigious hotels throughout the world and in 2017 too, the brand was a key reference for luxury hotels. Worthy of note in the half just ended is the supply of products and services to luxury hotels in all continents, such as Plaza Hotel in New York, the Viceroy The Palm in Dubai, the Waldorf Astoria in Beverly Hills, the cruise ship MSC Meraviglia, the Ritz Carlton in Berlin, both Four Seasons in London (Hampshire and Park Lane), the W Hotel in Shanghai, the Fairmont in Beijing and the Waldorf Astoria in Chengdu; in addition to existing prestigious corporate wellness-sector customers such as Facebook and Google in Silicon Valley, during 2017 Technogym installed numerous corporate wellness centers, including the Qantas head office in Australia, HSBC in London, the central offices of the Spanish Group INDITEX, which manages fashion brands like Zara, Massimo Dutti, Bershka, Pull and Bear (among others); the head office of Sky Media in the United Kingdom, CISCO in Boxborough in the United States and Campari in Italy.

In the medical sector, Technogym won the contract to supply the Hancock Regional Hospital in the United States (part of the Cleveland Clinic Group); the Medical Centre of the University of Pittsburg, Sapporo Sports and the Japanese Medical School. In the world of sport, in the first half of 2017, Technogym won the contract to supply the Suning Football Club in China and the Real Club di Tennis in Barcelona.

In the Club segment, thanks to the success of the ARTIS line, Technogym continued to gain the business of large international groups such as LifeTime Fitness, and continued to introduce Artis products within Virgin Active clubs, one of Technogym's global partners. In 2017, Technogym has also increased its presence in large international groups like the SmartFit chain, the most important Brazilian chain with fitness centers throughout South America. Also in Europe, it continues to penetrate large chains which are now undergoing significant expansion such as FITX in Germany, Fitness Park and Keep Cool in France.

Partnerships

For many years now, the world's most prestigious sports clubs have worked with Technogym on the physical training of their athletes. Technogym continues its football partnerships with Juventus, Inter, Milan, Real Madrid, Barcelona, Ajax as well as a number of national teams. In the season which finished in June 2017, Technogym announced two new partnerships with football clubs in key markets for the company, becoming the official supplier for athletic training equipment for Chelsea in the UK and Paris Saint Germain in France. In basketball, Technogym has extended its collaboration with EA7 Armani into 2017. Top sportsmen collaborating with Technogym include Rafael Nadal, Fernando Alonso, NBA star Marco Belinelli, US sprinter Sanya Richards Ross, athlete Ivana Spanovic, Olympic fencing champion Elisa di Francisca, world champion swimmer Gregorio Paltrinieri and a host of others.

After being the Official Supplier for six Olympic Games - Sydney 2000, Athens 2004, Turin 2006, Beijing 2008, London 2012 and Rio 2016 – Technogym was also chosen as the Official Supplier for the next Commonwealth Games which will be held on the Gold Coast in Australia in April 2018. In the first half of 2017, Technogym was also chosen as the Official Supplier for the World Athletics Championships and World Para Athletics Championships which are being held in London between the end of July and August 2017.

Human resources and Organization

The average number of employees on the Group's workforce for the half year ended June 30, 2017 was 1,893 units (1,886 for the year ended December 31, 2016), of which 657 blue-collar, 1,180 white-collar and 56 managers.

The following table details the average and exact number of employees, broken down by category for the half year ended June 30, 2017 and the year ended December 31, 2016:

	Half year ended June 30 2017		**Year ended December 31 2016**	
(In number)	**Average**	**End of the half**	**Average**	**Year-end**
Number of employees				
Managers	56	57	58	55
White-collar	1,180	1,197	1,124	1,150
Blue-collar	657	645	704	663
Total number of employees	**1,893**	**1,899**	**1,886**	**1,868**

More than 60% of the employees were located in the Group's international companies, confirming the Group's international outlook.

Technogym Vision 2018 was launched at the start of 2016, the strategic internal communication document that represents the compass for all Technogym employees, indicating the objectives for the next three years and the skills required to reach them. This document was delivered and shared during an ad hoc event, the Technogym Convention, in which all Technogym employees took part, both HQ and from our branches.

The development of a behavioral model and of distinctive values augments the skills model and together they combine to form a more modern company valuation system. As regards development and training, with a view to ensuring the simplification and effectiveness of processes and tools, training projects have been launched on Lean Six Sigma Green Belt methods and training workshops organized on Project Management.

Social responsibility, environment and safety

Technogym is known throughout the world as 'The Wellness Company' and in parallel with its business model (based on technology, software and services in support of physical activity, sports, health and prevention of illness) the Company has a strong sense of corporate social responsibility, centered on the idea of exercise as medicine and promotion of the Wellness lifestyle as an important concept and opportunity for all social actors (governments, businesses and individual citizens).

Exercise is Medicine

For the seventh year running, Technogym has been once again a global partner of 'Exercise is Medicine', an international initiative whose objectives include: the promotion of physical activity as a form of medicine (to be prescribed by doctors); the training of trainers to use exercise in a professional manner to treat those with chronic illnesses; and informing the public opinion as to the importance of physical exercise, both for individuals and for the community at large.

Technogym's involvement in the initiative included the publication of new documents, participation in the annual convention held in Denver in Colorado and the organization of events in Italy and other parts of the world to train doctors and trainers.

Let's move for a better world

Following the success of the previous editions, in the first half of 2017, Technogym organized the fourth edition of its social campaign "Let's move for a better world". The campaign, which leverages the functionality of Technogym's digital offering, Technogym Ecosystem, involves individuals throughout the world visiting fitness and wellness clubs where they can donate their physical movement to a good cause. Facilitated by UNITY, the Technogym console connected to the mywellness cloud, the first fitness cloud platform, participants can measure their MOVEs (Technogym's unit of measurement for movement) and share their workout with the rest of the community. The new edition in 2017 allowed a higher number of participants to win and donate a piece of Technogym equipment to an association of their choice, thanks to the new award system which allows all participating clubs to win by reaching predefined movement targets. The campaign is a genuine community management initiative that, on the one hand, promotes the values of health and preventative care among the population and, on the other hand, offers concrete assistance to non-profit organizations with a view to educating people regarding healthy lifestyles. More than 140,000 people in 782 fitness clubs in 26 countries in the world took part in the 2017 edition.

Wellness Valley

The 'Wellness Valley' project is promoted by the Wellness Foundation and supported by Technogym; the aim of the project is to transform the Romagna region into a center for wellness and healthy living and improve the quality of life of its citizens, building on the economic, intellectual and cultural capital already present in Romagna, an area well known for its love of living well. In support of the initiative, Technogym has granted access to its competencies and structures and organized concrete activities as well as meetings and thematic discussions to facilitate networking among all the stakeholders in the area. On February 27, 2017 - during the annual workshop with stakeholders in the area - the second edition of the Wellness Valley Report was presented, the study conducted in conjunction with the Emilia Romagna Region and the University of Bologna which highlights the social and economic benefits that the project brings to the area. In particular, the second report outlines that, thanks to the Wellness Valley project, Romagna is becoming a genuine hub for specialist expertise on the quality of life. The most significant results also include the insertion in Emilia Romagna's healthcare system, the best in Italy, of the prescribing of physical exercise in prescriptions for the prevention and treatment of chronic illnesses. The third edition of the Wellness Week was held from May 19 to 28, 2017, the Week of Movement and healthy lifestyles which offered more than 300 wellness, sports and health events dedicated to residents and tourists. In 2017, Technogym supported the "Muoviti che ti fa bene" (Move yourself, it's good for you) project promoted by the Wellness Foundation that saw 15,000 people participate in a free physical exercise program held from May to October in the parks of Cesena. Also in 2017, Technogym sponsored the “Gioca Wellness” (Play wellness) initiative in schools throughout the area, involving more than 16,000 primary and middle school students in play activities aimed at wellness education.

Environment and safety

Technogym is known throughout the world as “The Wellness Company” and without doubt environmental considerations are key to the wellness lifestyle and the Company’s philosophy of promoting sustainable socio-economic development; environmental themes and ecological sustainability have always been central to the Company’s strategy and processes.

The Company continued to follow “Technogym Green” and UNI ISO 14001 certified practices throughout the year just ended, in order to achieve products and processes that are environmentally compatible in terms of renewable resources, product longevity and durability, energy efficiency and recovery and reusable packaging.

Consistent with the above, “Technogym Village”, the Company’s new headquarters and production site was constructed according to bio-architecture principles and criteria, which aim to protect the environment and save energy, and as a result was awarded “Titoli di Efficienza Energetica” (Italian energy efficiency certificates). The Company also holds the OHSAS 18001 Occupational Health and Safety standard certification.

5. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of financial position

(In thousands of Euro)	Notes	As of June 30		As of December 31	
		2017	***of which from related parties***	**2016**	***of which from related parties***
ASSETS					
Non-current assets					
Property, plant and equipment	5.1	141,510		143,863	
Intangible assets	5.2	27,131		24,041	
Deferred tax assets		15,924		14,255	
Investments in joint ventures and associates	5.3	20,546		21,340	
Non-current financial assets		2,675		2,653	
Other non-current assets		21,494		18,389	
TOTAL NON-CURRENT ASSETS		**229,280**		**224,541**	
Current assets					
Inventory		75,733		72,175	
Trade receivables		89,600	*1,315*	94,075	*466*
Current financial assets		306	*300*	403	*402*
Assets for derivative financial instruments		337		340	
Other current assets		12,472	*23*	12,875	*393*
Cash and cash equivalents		38,970		53,146	
TOTAL CURRENT TAXES		**217,418**		**233,014**	
TOTAL ASSETS		**446,698**		**457,555**	
EQUITY AND LIABILITIES					
Equity					
Share capital		10,000		10,000	
Share premium reserve		-		-	
Other reserves		29,663		26,136	
Retained earnings		33,705		7,709	
Profit (loss) attributable to owners of the parent		18,495		43,085	
Equity attributable to owners of the parent		**91,863**		**86,930**	
Capital and reserves attributable to non-controlling interests		687		576	
Profit (loss) attributable to non-controlling interests		65		134	
Equity attributable to non-controlling interests		**752**		**710**	
TOTAL EQUITY	5.4	**92,614**		**87,639**	
Non-current liabilities					
Non-current financial liabilities	5.5	76,194		83,619	
Deferred tax liabilities		716		749	
Employee benefit obligations		3,199		3,194	
Non-current provisions	5.6	16,895		17,637	
Other non-current liabilities		9,563		9,490	
TOTAL NON-CURRENT LIABILITIES		**106,567**		**114,689**	
Current liabilities					
Trade payables		99,431	*529*	125,594	*469*
Current tax liabilities		4,585		3,682	
Current financial liabilities	5.5	72,727		48,247	
Liabilities for derivative financial instruments		292		47	
Current provisions	5.6	12,740		17,214	
Other current liabilities		57,742		60,442	
TOTAL CURRENT LIABILITIES		**247,517**		**255,226**	
TOTAL EQUITY AND LIABILITIES		**446,698**		**457,555**	

Consolidated income statement

(In thousands of Euro)	Notes	Half year ended June 30			
		2017	***of which from related parties***	**2016**	***of which from related parties***
REVENUES					
Revenues		266,224	*3,970*	249,761	*5,261*
Other operating income		224	*6*	194	-
Total revenues		**266,448**		**249,954**	
OPERATING COSTS					
Raw materials, work in progress and finished goods		(90,925)	*(19)*	(88,633)	*(9)*
Cost of services		(68,109)	*(727)*	(67,898)	*(563)*
of which non-recurring income/(expenses)		*(0.4)*		*(2,208.5)*	
Personnel expenses		(61,957)	*(18)*	(58,073)	*(45)*
of which non-recurring income/(expenses)		*(0.0)*		*(119.0)*	
Other operating costs		(2,528)	*(67)*	(5,302)	*(1)*
of which non-recurring income/(expenses)		*172.7*		*(2,664.3)*	
Share of net result from joint ventures		(556)		134	
Depreciation, amortization and impairment losses		(11,433)		(10,728)	
Provisions		(1,514)		(1,580)	
NET OPERATING INCOME		**29,428**		**17,875**	
Financial income		3,793		7,137	
Financial expenses		(6,375)		(8,332)	
Net financial expenses		**(2,582)**		**(1,194)**	
Income/(expenses) from investments		(246)		110	
PROFIT BEFORE TAX		**26,601**		**16,791**	
Income tax expenses		(8,041)		(7,593)	
PROFIT/(LOSS) FOR THE PERIOD		**18,559**		**9,198**	
Profit/(loss) attributable to non-controlling interests		(65)		(87)	
Profit (loss) attributable to owners of the parent		**18,495**		**9,111**	
EARNINGS PER SHARE (in Euro)		**0.09**		**0.05**	

Consolidated statement of comprehensive income

(In thousands of Euro)	Notes	Half year ended June 30	
		2017	**2016**
Profit (loss) for the period (A)		**18,559**	**9,198**
Actuarial income/(loss) of post-employment benefit obligations and Non-Competition Agreements		-	-
Tax effect on actual income/loss of post-employment benefit obligations and Non-Competition Agreements		-	-
Total items that will not be reclassified to profit or loss (B1)		**-**	**-**
Exchange rate differences on translation of foreign operations		(829)	527
Exchange rate differences for the evaluation of entities accounted for using the equity method		(284)	(73)
Gains (losses) on cash flow hedges		20	0
Total items that may be reclassified to profit or loss (B2)		**(1,093)**	**454**
Total Other comprehensive income, net of tax (B)=(B1)+(B2)		**(1,093)**	**454**
Total comprehensive income for the period (A)+(B)		**17,466**	**9,652**
of which attributable to Owners of the parent		17,424	9,545
of which attributable to Non-controlling interests		42	107

Consolidated statement of cash flow

(In thousands of Euro)	Notes	Half year ended June 30	
		2017	2016
Cash flows from operating activities			
Profit for the period		18,559	9,198
Adjustments for:			
Income tax expenses	5.11	8,041	7,593
Income/(expenses) from investments		246	(110)
Financial income/(expenses)		2,582	1,194
Depreciation, amortization and impairment losses		11,433	10,728
Provisions		1,514	1,580
Use of provisions		-	-
Use of personnel provision		-	-
Share of net result from joint ventures		556	(134)
Cash flows from operating activities before changes in working capital		**42,930**	**30,049**
Change in inventory		(3,714)	(7,769)
Change in trade receivables		2,503	(1,314)
Change in trade payables		(26,841)	7,650
Change in other operating assets and liabilities		(11,380)	(9,524)
Non-recurring fiscal collection/(payment)		-	(12,000)
Income taxes paid		(6,355)	(17,118)
Net cash inflow from operating activities (A)		**(2,857)**	**(10,025)**
Cash flows from investing activities			
Investments in property, plant and equipment	5.1	(4,544)	(24,941)
Disposals of property, plant and equipment		-	-
Investments in intangible assets	5.2	(7,626)	(4,143)
Disposals of intangible assets		-	-
Dividends attributable to non-controlling interests		-	-
Dividends received from other entities		138	110
Dividends from investments in Joint Ventures		-	663
Minority Interests		(23)	18
Investments in subsidiaries, associates and other entities	5.3	(326)	(19,032)
Disposal of subsidiaries, associates and other entities		-	-
Net cash inflow (outflow) from investing activities (B)		**(12,381)**	**(47,324)**
Cash flows from financing activities			
Proceeds from new borrowings		-	97,850
Repayment of borrowings		(10,882)	(9,225)
Net increase (decrease) of current financial assets		26,973	(43,917)
Dividends paid to shareholders		(13,000)	-
Payments of net financial expenses		(1,467)	(3,164)
Net cash inflow (outflow) from financing activities (C)		**1,623**	**41,544**

Net increase (decrease) in cash and cash equivalents (D)=(A)+(B)+(C)	**(13,614)**	**(15,805)**
Cash and cash equivalents at the beginning of the year	**53,146**	**68,026**
Net increase (decrease) in cash and cash equivalents from January 1 to June 30	(13,614)	(15,805)
Effects of exchange rate differences on cash and cash equivalents	(562)	838
Cash and cash equivalents at the end of the period	**38,970**	**53,059**

Consolidated statement of change in equity

(In thousands of Euro)	**Share capital**	**Share premium reserve**	**Other reserves**	**Retained earnings**	**Profit (loss) attributable to owners of the parent**	**Equity attributable to owners of the parent**	**Capital and reserves attributable to non-controlling interests**	**Profit (loss) attributable to non-controlling interests**	**Total equity**
As of December 31, 2015	**10,000**	**-**	**(8,226)**	**13,025**	**28,168**	**42,967**	**247**	**186**	**43,400**
Profit for the previous year	-	-	33,402	(5,234)	(28,168)	-	186	(186)	**-**
Total comprehensive income for the period	-	-	434	-	9,111	**9,545**	20	87	**9,652**
Other movements	-	-	(17)	(53)	-	**(70)**	-	-	**(70)**
Transactions with owners of the parent:									
Stock option plan	-	-	473	-	-	**473**	-	-	**473**
Total transactions with owners of the parent	***-***	***-***	***473***	***-***	***-***	***473***	***-***	***-***	***473***
As of June 30, 2016	**10,000**	**-**	**26,066**	**7,738**	**9,111**	**52,915**	**453**	**87**	**53,455**

At December 31, 2016	**10,000**	**-**	**26,136**	**7,709**	**43,085**	**86,930**	**576**	**134**	**87,640**
Profit for the previous year	-	-	4,063	39,022	(43,085)	**(0)**	134	(134)	**(0)**
Total comprehensive income for the year	-	-	(1,070)	-	18,495	**17,424**	(23)	65	**17,466**
Dividends paid	-	-	-	(13,000)	-	**(13,000)**	-	-	**(13,000)**
Other movements	-	-	(16)	(26)	(0)	**(42)**	(0)	-	**(42)**
Mergers	-	-	-	-	-	**-**	-	-	**-**
Capital transactions with non-controlling interests	-	-	-	-	-	**-**	-	-	**-**
Stock option plan	-	-	550	-	-	**550**	-	-	**550**
Total transactions with owners of the parent									
As of June 30, 2017	**10,000**	**-**	**29,663**	**33,705**	**18,495**	**91,862**	**687**	**65**	**92,614**

Notes to the Condensed interim consolidated financial statements

General information

Technogym S.p.A. (hereinafter, "**Technogym**" or the "**Company**" or the "**Parent company**" and, jointly with its subsidiaries, the "**Group**" or the "**Technogym Group**") is a legal entity established in Italy, and it is organized and governed under the Italian Law.

The Technogym Group is one of the leaders in the international fitness equipment market in terms of sales volumes and market shares. In addition, the Company management believes that the Technogym Group may be considered the key total wellness solution provider in the industry, owing to the quality and completeness of the offer of integrated solutions for personal wellness (composed mainly of equipment, services, digital content and solutions).

The Technogym Group offers a wide range of wellness, physical exercise and rehabilitation solutions to the major segments of fitness equipment market and to the overall wellness industry, and is characterized by technological innovations and attention to design and finishes. These solutions can be personalized and adapted to the specific needs of end users and professional operators. The Technogym Group's offer includes equipment that has been highly regarded by end users and professional operators and has contributed, over time, to the positioning of the Technogym brand in the high-end bracket of the international market.

Basis of preparation

The condensed interim consolidated financial statements as of June 30, 2017 of the Technogym Group (the "**Condensed Interim Consolidated Financial Statements**") were drafted on the basis of the going concern assumption and in compliance with the "International Financial Reporting Standards" (IFRS) issued by the "International Accounting Standards Board" (IASB) and approved by the European Union, as well as the legislative and regulatory provisions in force in Italy.

The Condensed Interim Consolidated Financial Statements were prepared in compliance with the provisions of IAS 34 "Interim Financial Reporting". As permitted by said standard, the Condensed Interim Consolidated Financial Statements do not include all the information requested by IFRS for the drafting of the annual consolidated financial statements and, therefore, must be read together with the consolidated financial statements of the Technogym Group as of and for the year ended December 31, 2016 (the "**Consolidated financial statements**").

The Condensed Interim Consolidated Financial Statements are composed of the statement of financial position, the income statement and statement of comprehensive income, the statement of cash flow, the statement of change in equity and related notes. In presenting these statements, the comparative data required by IAS 34 were reported (December 31, 2016 for the statement of financial position, June 30, 2016 for the change in equity, income statement, statement of comprehensive income and statement of cash flow). The notes reported hereunder are shown in summary form and, therefore, do not include all the information requested for annual financial statements.

The Condensed Interim Consolidated Financial Statements are presented in Euro, which is the currency of the primary economic environment in which the Group operates. The amounts reported in the current document are presented in thousands, unless otherwise stated.

Accounting standards

The accounting standards and criteria adopted to prepare the half-yearly financial report as at June 30, 2017 conform to those used to draft the financial report as at December 31, 2016, to which reference should be made for more information.

The amendments and interpretations in force from January 1, 2017 govern the events and cases not present or irrelevant for the consolidated financial statements.

It should be noted that, during the first half of 2017, as already occurred in the year ended as at December 31, 2016, certain cost items were reclassified for a better representation of the profit and loss statement.

Main effects on future years of the accounting standards still not applied

In relation to the effects on future years of the entry into force of IFRS 15 and IFRS 16, an update of the analysis conducted internally is provided below, while the entry into force of IFRS 9, effective from January 1, 2018, is not expected to have any impact on the financial statements.

IFRS 15 (Revenues from Contracts with Customers)

The IFRS was issued in May 2014 and introduces a new 5-step model which will apply to revenues deriving from contracts with customers, and replaces the current requirements of IFRS regarding the recognition of revenues (IAS 18, IAS 11, IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31). IFRS 15 requires revenues to be recognized for a amount that reflects the consideration to which the entity expects to be entitled in exchange for the transfer of goods or services to the customer. The standard is effective for years starting on or after January 1, 2018, with full or modified retrospective application permitted. Early application is permitted.

The Group expects to apply the new standard from the date of mandatory effectiveness, and is still assessing whether to apply the full or modified retrospective application method. The Group conducted a preliminary assessment of the impact of IFRS 15, by simulating the application of the standard to commercial activities and contracts belonging to the main revenues stream identified at Group level. This assessment, which is still in progress, may be subject to changes as a result of a more detailed analysis which may be completed in the second half of 2017.

In applying IFRS 15, the Group is considering the following points:

(a) Sale with Buy-Back clauses

At the current state of play, based on the analyses performed up until today, the Group expects that the application of IFRS 15 to contracts with customers in which buy-back clauses are also associated to the sale of goods may have certain impacts which may be summarized in a reclassification between the item revenues and the cost of good sold with no effect on the Group's result.

b) Allocation of fair value to the individual performance obligations

At the current state of play, based on the analyses performed up until today, the Group does not expect the application of IFRS 15 to contracts with customers in which the sale of goods is associated to the sale of services to have an impact on revenues.

c) Presentation and disclosure requirements

The provisions of IFRS 15 regarding the Presentation and disclosure requirements, which are fundamentally new, are more detailed than those of the current standards. The Group is still analyzing the impacts on the information requested and therefore on the systems, internal control, policies and procedures needed for the collection and presentation of said information. However, the Group does not foresee any significant implementation problems in meeting the need for inserting additional information.

IFRS 16 Leases

IFRS 16 was published in January 2016 and replaces IAS 17 Leasing, IFRIC 4 Determining whether an arrangement contains a lease, SIC-15 Operating leases - Incentives and SIC-27 Evaluating the substance of transactions involving the legal form of a lease. IFRS 16 defines the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases in the financial statements on the basis of a single model similar to the one used to account for finance leases in accordance with IAS 17. IFRS 16 will come into force for years starting on or after January 1, 2019. Early application is permitted, but not before the entity has adopted IFRS 15. A lessee may choose to apply the principle by using a fully retrospective approach or a modified retrospective approach.

The Group is analyzing the impacts the application of this standard may have on its financial statements.

Scope and basis of consolidation

A list of the companies included in the scope of consolidation is provided below, including information about the method of consolidation, as of June 30, 2017:

Entity name	Registered office	% of control Jun-2017	% of control Dec-2016	Currency	Share capital
Subsidiaries - consolidated using the line-by-line method					
Technogym SpA	Italy	Parent company	Parent company	EUR	10,000,000
Technogym E.E. SRO	Slovakia	100%	100%	EUR	15,033,195
Technogym International BV	Holland	100%	100%	EUR	113,445
Technogym Germany Gmbh	Germany	100%	100%	EUR	1,559,440
Technogym France Sas	France	100%	100%	EUR	500,000
Technogym UK Ltd	United Kingdom	100%	100%	GBP	100,000
Technogym Trading SA	Spain	100%	100%	EUR	2,499,130
Technogym Usa Corp.	United States	100%	100%	USD	3,500,000
Technogym Benelux BV	Holland	100%	100%	EUR	2,455,512
Technogym Japan Ltd	Japan	100%	100%	JPY	320,000,000
Technogym Shanghai Int. Trading Co. Ltd.	China	100%	100%	CNY	132,107,600
Technogym Asia Ltd	Hong Kong	100%	100%	HKD	16,701,750
Technogym Australia Pty Ltd	Australia	100%	100%	AUD	11,350,000
Technogym Portugal Unipessoal Lda	Portugal	100%	100%	EUR	5,000
Technogym Equipamentos de Ginastica e Solucao para Bem-Estar LTDA	Brazil	100%	100%	BRL	80,268,457
Sidea S.r.l	Italy	70%	70%	EUR	150,000
Technogym ZAO	Russia	90%	90%	RUB	10,800,000
TG Holding BV	Holland	90%	90%	EUR	300,000
Technogym South Africa Ltd	South Africa	0%	100%	ZAR	120
Wellness Partners Ltd	United Kingdom	80%	100%	GBP	290,000
TGB Srl	Italy	100%	100%	EUR	96,900
La Mariana Srl	Italy	100%	100%	EUR	76,500
Core Athletic Srl	Italy	0%	100%	EUR	10,000
Core Atletich LLC	United States	0%	100%	USD	25,100
Amleto Aps	Denmark	100%	100%	DNK	60,000
Associates - Jointly controlled entities, consolidated using the equity method					
Fitstaduim Srl	Italy	45%	45%	EUR	13,506
Wellink Srl	Italy	40%	40%	EUR	60,000
Movimento per la Salute Srl	Italy	50%	50%	EUR	10,000
Technogym Emirates LLC	United Arab Emirates	49%	49%	AED	300,000
T4ME Limited	United Kingdom	20%	20%	GBP	100
Exerp Aps	Denmark	50%	50%	DNK	186,966
Exerp America Inc	USA	50%	50%	USD	1,000
Quainted Pty Ltd	South Africa	28%	0%	ZAR	4,440,937

In relation to the scope of consolidation, the following changes occurred in the first half of 2017 with respect to December 31, 2016:

- On January 11, 2017, a 28% share was acquired in the company Quainted Pty Ltd for Euro 326 thousand.
- On June 17, 2017, Technogym South Africa was definitively wind up.
- June 29, 2017, saw the transfer of the entire share capital of Core Athletic Srl, which wholly-owned Core Athletic LLC.

The basis of consolidation adopted for drafting the Condensed Interim Consolidated Financial Statements conform to those used to prepare the Consolidated Financial Statements. The exchange rates used in the translation of the financial statements of subsidiaries are as follows:

Currency	**As of June 30**		**As of December 31**
	2017	**2016**	**2016**
USD	1.141	1.110	1.054
GBP	0.879	0.827	0.856
JPY	127.750	114.050	123.400
CHF	1.093	1.087	1.074
AUD	1.485	1.493	1.460
AED	4.189	4.076	3.870
CNY	7.739	7.376	7.320
RUB	67.545	71.520	64.300
HKD	8.907	8.614	8.175
BRL	3.760	3.590	3.431
ZAR	14.920	16.446	14.457
DKK	7.437	7.439	7.434

Currency	**Average of the six month period ended June 30**		**Average for the year ended December 31**
	2017	**2016**	**2016**
USD	1.083	1.116	1.107
GBP	0.861	0.779	0.819
JPY	121.780	124.414	120.197
CHF	1.077	1.096	1.090
AUD	1.436	1.522	1.488
AED	3.976	4.097	4.063
CNY	7.445	7.296	7.352
RUB	62.806	78.297	74.145
HKD	8.420	8.668	8.592
BRL	3.443	4.130	3.856
ZAR	14.306	17.198	16.265
DKK	7.437	7.450	7.445

Accounting policies

The accounting policies adopted for drafting the Condensed Interim Consolidated Financial Statements conform to those used to prepare the Consolidated Financial Statements, with the exception of the international accounting standards that came into force on January 1, 2017, outlined in the Consolidated Financial Statements.

The amendments made concern situations that do not have a significant impact on the Condensed Interim Consolidated Financial Statements.

At the time of preparation of the Condensed Interim Consolidated Financial Statements, current income taxes in the half year were calculated on the basis of the existing taxable income on the date of the close of the period. Income tax receivables and payables for current income taxes are recognized at the value that is expected to be paid to/recovered from the tax authorities, in application of the tax regulations in force or essentially approved on the date of the close of the period and the rates estimated on an annual basis.

Use of estimates

With reference to the description of the use of accounting estimates, please refer to the Consolidated Financial Statements. It should be noted that certain valuation processes, especially the more complex ones such as the calculation of any impairment of non-current assets, are generally only carried out at the time of drafting of the annual financial statements, when all the necessary information is available, except for cases where there are indicators of impairment that call for an immediate valuation of any losses in value.

Segment information

The operating segment information was prepared in accordance with IFRS 8 'Operating Segments', which requires the information to be reported consistently with the method adopted by the management when making operational decisions.

The approach to the market is adopted through a unique business model that offers an integrated range of "Wellness solution", together with the pursuit of higher levels of operational efficiency achieved by the cross-production.

At an operational level, the Group's organization is based upon a matrix structure in relation to the different functions/activities of the value chain, alternatively by distribution channel and geographic area, an organization that also identifies a strategic vision of the business.

The type of organization described above reflects the way the Company management monitors and strategically directs the activities of the Group.

A breakdown of the Group's revenues by geographic area and distribution channel is provided below:

(In thousands of Euro and percentage of total revenues)	**Half year ended June 30**			
	2017	**2016**	**2017 vs 2016**	**%**
Europe (without Italy)	136,084	130,098	5,986	4.6%
MEIA	22,490	24,014	(1,524)	6.3%
APAC	41,806	37,018	4,788	12.9%
Italy	23,331	23,047	284	1.2%
North America	29,307	25,296	4,011	15.9%
LATAM	13,430	10,481	2,949	28.1%
Total revenues	**266,448**	**249,954**	**16,494**	**6.6%**

The company continues to grow in accordance with the corporate plans in all the main markets of greatest interest: Europa, North America and APAC.
In the half year just ended, the company surpassed Euro 266 million in sales, equal to growth of 6.6% (+6% ex Fx).
A growth performance we consider to be sound and sustainable:
- **sound,** given higher than the market growth rate, particularly in areas in which company is aiming to acquire, and is acquiring, greater market shares
- **sustainable,** because the growth in sales brings with it the necessary profits for supporting additional investments, which the company has in mind to generate value not only for shareholders, and not so much in the short-term, but over time.

Technogym generates more than 90% of its sales outside Italy through a dedicated distribution network. A business model that allows the company to diversify its business risk, gives it the opportunity to take advantage of new market trends wherever they should arise, and also allows currency diversification.
As you can see from the table, in the half year just ended, the company recorded double-digit growth in all the strategically most important and priority areas.
The APAC area (+12.9%) continued to grow thanks in particular to the strong performances of the Australian and Chinese branches.
In North America (+15.9%), growth continued in the two market segments the company focuses on: Club and Hospitality & Residential. In this area, Canada commenced an in-depth review of the sales organization. As a result of this activity, while sales in the United States have, for some time, continued to record high double-digit growth, Canada's performance caps the growth rate of the entire North American area. The reorganization will be completed in the current year.
The LATAM area, as already outlined at the time of presentation of the data for the first quarter, amply recovered the gap, with an increase of 28.1%.
As already commented on at the time of presentation of the 2016 financial statements and then again in the first quarter of 2017, the sales generated in Italy recorded growth rates more in line with the local market conditions (+1.2%).
Despite the already high market share reached, Europe recorded 4.6% growth in sales. During the period under review, France (+17%) and Spain (+21%) stood out.
Albeit still negative, the sales performance in the MEIA area recovered, covered primarily by distributors. Based on the activities underway in the individual countries making up the area, it is confirmed that the negative gap may be recovered by the end of the year.

(In thousands of Euro and percentage of total revenues)	**Half year ended June 30**			
	2017	**2016**	**2017 vs 2016**	**%**
Field sales	184,473	171,827	12,646	7.4%
Wholesale	59,115	55,385	3,730	6.7%
Inside sales	20,170	19,858	312	1.6%
Retail	2,690	2,884	(194)	(6.7%)
Total revenues	**266,448**	**249,954**	**16,494**	**6.6%**

With respect to revenues performance by sales channel: Field Sales continue to be the main channel with performance similar to the Wholesale channel (+7%). The Inside Sales channel (ecommerce and teleselling) is being developed in terms of technological platform, with performance expected to improve in upcoming months. The Retail channel has a marginal impact on the company business model, with its main purpose to act as show room support for the other main direct sales channels, from an omni-channel perspective.

In accordance with IFRS 8, paragraph 34, for the half year ended June 30, 2017 and the half year ended June 30, 2016, the Group does not have any clients that generate revenues more than 10% of the total revenues of the Group.

Season-related aspects

The Group's results are impacted by the typical seasonal nature of the fitness equipment market, while there were no specific season-related aspects concerning Group operations.

The trend in revenues in the different quarters of the year is linked primarily to customers' tendency to make their purchases in the second half, following the most important industry trade fairs that are traditionally held in the first half (including CES in Las Vegas (United States) in January, IHRSA also in the United States in March, FIBO in Europe in April and Rimini Wellness in Italy in June). Traditionally, many important key account customers also tend to concentrate their purchases in the second half of the year in particular, also in view of new openings in January in the following year.

The revenues achieved by the Group for the half year ended June 30, 2017 and the year ended December 31, 2016 are presented below by quarter:

(In thousands of Euro and percentage of total revenues)	**Half year ended June 30**	**Year ended December 31**		**Changes**	
	2017	**2016**	**%**	**2016 vs 2015**	**%**
First quarter revenues	124,102	115,637	20.8%	8,464	7%
Second quarter revenues	142,346	134,318	24.2%	8,030	6%
Third quarter revenues	n.a.	135,039	24.3%	n.a.	n.a.
Fourth quarter revenues	n.a.	170,348	30.7%	n.a.	n.a.
Total revenues		**555,341**	**100.0%**	**n.a.**	**n.a.**

Unlike revenues, Group operating costs are uniformly distributed over the year. Therefore, the incidence of costs on revenues varies considerably over the quarters and, consequently, the operating profit margin changes, generally higher in the second half of the year. Consequently, the interim results do not make a uniform contribution to the results for the year and only partially represent the trend in Group activities. These aspects also determine an imbalance in terms of net financial indebtedness, which is lower at the end of the year compared to the interim figure, also based on the different requirements.

Notes to the statement of financial position

5.1 PROPERTY, PLANT AND EQUIPMENT

The item “Property, plant and equipment” amounts to Euro 141,510 thousand as of June 30, 2017 (Euro 143,863 thousand as of December 31, 2016).

The following table reports the details of property, plant and equipment as of June 30, 2017 and December 31, 2016:

(In thousands of Euro)	**As of June 30**	**As of December 31**
	2017	**2016**
Property, plant and equipment		
Land	12,133	12,133
Buildings and leasehold improvements	101,684	103,836
Plant and machinery	8,190	7,739
Production and commercial equipment	11,437	9,278
Other assets	5,567	5,763
Assets under construction and advances	2,499	5,114
Total property, plant and equipment	**141,510**	**143,863**

The table below shows the amounts of investments made by the Group in the half year ended June 30, 2017 and in the year ended December 31, 2016, relating to the item “Property, plant and equipment”, broken down by category:

(In thousands of Euro)	**Half year ended June 30**	**Year ended December 31**
	2017	**2016**
Land	-	7,949
Buildings and leasehold improvements	426	88,925
Plant and machinery	731	1,368
Production and commercial equipment	1,108	1,097
Other assets	651	2,769
Assets under construction and advances	1,628	6,878
Total investments in property, plant and equipment	**4,544**	**108,986**

5.2 INTANGIBLE ASSETS

The item “Intangible assets” amounts to Euro 27,131 thousand as of June 30, 2017 (Euro 24,041 thousand as of December 31, 2016).

The following table reports the details of intangible assets as of June 30, 2017 and December 31, 2016:

(In thousands of Euro)	As of June 30	As of December 31
	2017	2016
Intangible assets		
Development costs	11,955	11,648
Patents and intellectual property rights	3,530	3,992
Concessions, licenses, trademarks and similar rights	1,150	456
Intangibles under development and advances	10,233	7,612
Other intangible assets	263	333
Total property, plant and equipment	**27,131**	**24,041**

The table below shows the amounts of investments made by the Group in the half year ended June 30, 2017 and in the year ended December 31, 2016, relating to the item "Intangible assets", broken down by category:

(In thousands of Euro)	Half year ended June 30	Year ended December 31
	2017	2016
Development costs	1,620	2,935
Patents and intellectual property rights	473	1,424
Concessions, licenses, trademarks and similar rights	834	133
Intangibles under development and advances	4,675	4,174
Other intangible assets	23	31
Total investments in intangible assets	**7,626**	**8,697**

5.3 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

The item "Investments in joint ventures and associates" amounts to Euro 20,546 thousand as of June 30, 2017 (Euro 21,340 thousand as of December 31, 2016).

The following table details the composition and changes in investments in joint ventures and associates for the half year ended June 30, 2017:

(In thousands of Euro)	Ownership	Value	Investments	Disinvestments	Revaluations/(Impairment losses)	Net result	Exchange Gains/(Losses)	Value
		31-Dec-16						30-Jun-17
Exerp Aps	50.01%	17,845	-	-	-	(356)	(5)	17,484
Exerp America LLC	50.01%	0	-	-	-	6	0	6
T4ME Limited	20.00%	-	-	-	12	(12)	-	-
Movimento per la Salute Srl	50.00%	-	2	(2)	-	-	-	-
Quainted consulting Ltd	28.00%	-	326	-	(293)	(33)	-	(0)
Fistadium Srl	45.00%	-	100	(100)	-	-	-	-
Wellink Srl	40.00%	107	-	-	-	43	-	149
Technogym Emirates LLC	49.00%	3,388	-	-	-	(204)	(279)	2,906
Total		**21,340**	**427**	**(102)**	**(281)**	**(556)**	**(284)**	**20,546**

5.4 EQUITY

The item "Equity" amounts to Euro 92,614 thousand as of June 30, 2017 (Euro 87,640 thousand as of December 31, 2016).

The following table reports the details of equity as of June 30, 2017 and December 31, 2016:

(In thousands of Euro)	**As of June 30**	**As of December 31**
	2017	**2016**
Equity		
Share capital	10,000	10,000
Share premium reserve	-	-
Other reserves	29,663	26,136
Retained earnings	33,705	7,709
Profit (loss) attributable to owners of the parent	18,495	43,085
Equity attributable to owners of the parent	**91,863**	**86,930**
Capital and reserves attributable to non-controlling interests	687	576
Profit (loss) attributable to non-controlling interests	65	134
Equity attributable to non-controlling interests	**752**	**710**
Total equity	**92,614**	**87,640**

Based on the resolution of the shareholders' meeting of March 16, 2017, the profit for the year 2016 reported in the financial statements of the Parent company Technogym S.p.A. was allocated as follows:

- Euro 790 thousand to the reserve for the adoption of IAS/IFRS;
- Euro 13,000 thousand to payables due to shareholders - profits to be paid;
- Euro 3,273 thousand for the establishment of the reserve for exchange gains;
- Euro 28,462 thousand to the profits of previous years.

5.5 FINANCIAL LIABILITIES

The items "Non-current financial liabilities" and "Current financial liabilities" amounted to Euro 76,194 and Euro 72,727 as of June 30, 2017 and Euro 83,619 thousand and Euro 48,247 thousand as of December 31, 2016 respectively.

The following table reports the financial liabilities, current and non-current, as of June 30, 2017 and December 31, 2016.

(In thousands of Euro)	**As of June 30**	**As of December 31**
	2017	**2016**
Non-current financial liabilities		
Bank loans due after 12 months - non-current portion	63,923	73,600
Non-current liabilities due to other lenders	12,271	10,018
Other non-current liabilities	0	0
Total non-current financial liabilities	**76,194**	**83,619**
Current financial liabilities		
Bank loans due after 12 months - current portion	19,604	20,808
Other short-term borrowings	46,590	20,004
Current liabilities due to other lenders	6,438	7,140
Other current liabilities	95	295
Total current financial liabilities	**72,727**	**48,247**

Medium/long-term bank loans

The following table reports the movements of bank loans for the half year ended June 30, 2017.

(In thousands of Euro)	Bank loans due after 12 months - non-current portion	Bank loans due after 12 months - current portion	**Total bank loans**
Values as of January 1, 2017	**73,600**	**20,808**	**94,408**
Proceeds	-	-	-
Repayments	-	(10,942)	(10,942)
Reclassification from long-term to short-term	(9,678)	9,738	60
Values as of June 30, 2017	**63,923**	**19,604**	**83,526**

The following table reports the details of medium/long-term bank loans as of June 30, 2017:

(In thousands of Euro)	**Due date**	**Interest rate**	**As of June 30**		**As of December 31**	
			2017	**of which current**	**2016**	**of which current**
Bank loans						
Unicredit S.p.A.	2023	Variable	34,397	5,826	58,302	11,873
Unicredit S.p.A.	2020	Variable	18,030	6,030		
Cassa di Risparmio di Parma e Piacenza S.p.A.	2020	Variable	9,087	3,087	10,531	3,031
Banca Popolare dell'Emilia Romagna S.p.A.*	2021	Variable	260	70	294	69
Banca Agricola Commerciale S.p.A.(**)	2017	Fixed			1,266	1,266
Banca Popolare di Sondrio S.p.A.	2023	Variable	12,985	2,112	14,015	2,099
Banco Popolare	2020	Fixed	8,767	2,480	10,000	2,470
Total bank loans			**83,526**	**19,604**	**94,408**	**20,808**

(*) Sidea loan

(**) Extinguished in February 2017

The following table reports the details of medium/long-term bank loans as of June 30, 2017 by maturity date:

(In thousands of Euro)	**Residual debt**	**Current portion**	**H1-2018**	**H1-2019**	**H1-2020**	**H1-2021**	**H1-2022**	**H1-2023**
Unicredit S.p.A.	34,397	5,826	2,857	5,714	5,714	5,714	5,714	2,857
Unicredit S.p.A.	18,030	6,030	3,000	6,000	3,000			
Cassa di Risparmio di Parma e Piacenza S.p.A.	9,087	3,087	1,500	3,000	1,500			
Banca Popolare dell'Emilia Romagna S.p.A.(*)	260	70	35	71	72	12		
Banca Popolare di Sondrio S.p.A.	12,985	2,112	1,052	2,125	2,158	2,191	2,223	1,124
Banco Popolare	8,767	2,480	1,240	2,500	2,547			
Total	**83,526**	**19,604**	**9,685**	**19,410**	**14,991**	**7,917**	**7,937**	**3,981**

(*) Sidea loan

For the above loans, no guarantees have been given.

As of June 30, 2017, all financial covenants relating to the loans in place, where applicable, were respected. As of the date of this document, it is not believed that there are any factors that could have had negative repercussions on the parameters in question.

Other short-term borrowings

The following table reports the details of other short-term borrowings as of June 30, 2017 and December 31, 2016:

(In thousands of Euro)	**Currency**	**As of June 30**	**As of December 31**
		2017	**2016**
Other short-term borrowings			
Unicredit S.p.A.	EUR	5,000	-
Cassa di Risparmio di Parma e Piacenza	EUR	10,000	10,000
Cassa dei Risparmi di Forlì e della Romagna	EUR	12,000	-
Banca Popolare di Vicenza	EUR	4,500	-
Banca Monte dei Paschi di Siena S.p.A.	EUR	15,000	10,000
Other minor banks	EUR	90	4
Total other short-term borrowings		**46,590**	**20,004**

Short-term bank borrowings mainly include stand-by credit lines, short-term loans (generally called “hot money”) and bank overdrafts. It should be noted that current debt includes a committed credit line whose framework agreement has a duration exceeding 12 months, amounting to Euro 15,000 thousand.

Liabilities due to other lenders

Current and non-current liabilities from other lenders refers to financing transactions guaranteed by the transfer of receivables arising from the sale of goods that, although they are transferred to third financial institutions, they are retained in the financial statements as they do not meet all the conditions required by IAS 39 for their derecognition from assets.

5.6 PROVISIONS

The items “Provisions” as of June 30, 2017 amounts to Euro 16,895 thousand for non-current financial liabilities and Euro 12,740 thousand for current financial liabilities (respectively, Euro 17,637 thousand and Euro 17,214 thousand as of December 31, 2016).

The following table reports the details of provisions, current and non-current, as of June 30, 2017 and December 31, 2016:

(In thousands of Euro)	**As of June 30**	**As of December 31**
	2017	**2016**
Non-current provisions		
Warranties provision	4,480	4,491
Agents provision	1,079	1,028
Non-Competition Agreement provision	1,384	1,157
Rebates provision	1,946	3,500
Other provisions for risks and charges	6,417	5,797
Ongoing lawsuits provision	262	150
Long-term FOC provision	1,328	1,515
Total non-current provisions	**16,895**	**17,637**
Current provisions		
Warranties provision	5,780	5,439
Free Product Fund provision	972	1,400
Other provisions for risks and charges	5,917	10,130
Short-term FOC provision	71	245
Total current provisions	**12,740**	**17,214**

The following table details the composition and changes in provisions, current and non-current, for the half year ended June 30, 2017:

(In thousands of Euro)	Warranties provision	Agents provision	Non-Competition Agreement provision	Rebates provision	Other provisions for risks and charges	Ongoing lawsuits provision	Short-term FOC provision	**Non-current provisions**
Values as of January 1, 2017	**4,491**	**1,028**	**1,157**	**3,500**	**5,797**	**150**	**1,515**	**17,637**
Provisions	237	57	272	-	1,275	195	42	2,079
Reclassifications	-	-	-	-	-	-	-	-
Exchange rate differences	(30)	-	-	(60)	(564)	-	(5)	(659)
Utilizations	(218)	(6)	(45)	(1,494)	(92)	(83)	(225)	(2,163)
Values as of June 30, 2017	**4,480**	**1,079**	**1,384**	**1,946**	**6,417**	**262**	**1,328**	**16,895**

Allocations to other non-current provisions for the half year ended June 30, 2017 refer primarily to the IPI provision (Euro 1,270 thousand).

(In thousands of Euro)	Warranties provision	Free Product Fund provision	Other provisions for risks and charges	Long-term FOC provision	**Current provisions**
Values as of January 1, 2017	**5,439**	**1,400**	**10,130**	**245**	**17,214**
Provisions	590	318	2,952	41	3,902
Reclassifications	-	-	-	-	-
Exchange rate differences	(57)	(17)	(106)	(5)	(186)
Utilizations	(191)	(729)	(7,058)	(210)	(8,190)
Values as of June 30, 2017	**5,780**	**972**	**5,917**	**71**	**12,740**

The main releases of other current provisions refer primarily to: i) payment of MBOs by Technogym S.p.A. (Euro 4.1 million), ii) payment of the VAT fine by the subsidiary Technogym East Europe SRO –Slovakia (Euro 1.4 million), events detailed in full in the 2016 financial statements; iii) release of provisions for pending legal proceedings relating to the company Technogym Equipamentos de Ginastica e Solucao para bem estar ltda, settled favorably for the latter in the initial first instance proceedings (Euro 1 million).

Notes to the income statement

5.7 REVENUES

In the half year ended June 30, 2017, the item “Revenues” totaled Euro 266,224 thousand (Euro 249,761 thousand in the half year ended June 30, 2016).

The following table reports the amounts of revenues for the half year ended June 30, 2017 and the half year ended June 30, 2016:

(In thousands of Euro)	**Half year ended June 30**	
	2017	**2016**
Revenues		
Revenues from the sale of products, spare parts, hardware and software	235,306	221,489
Revenues from transport and installation, after-sale and rental assistance	30,918	28,272
Total revenues	**266,224**	**249,761**

For further information on the identification of the operating segments and the allocation of revenues by distribution channel and geographic area, see the section “Operating performance and comments on the economic and financial results” in the Interim Board of Directors’ Report.

5.8 RAW MATERIALS, WORK IN PROGRESS AND FINISHED GOODS

In the half year ended June 30, 2017, the item “Raw materials, work in progress and finished goods” totaled Euro 90,925 thousand (Euro 88,633 thousand in the half year ended June 30, 2016).

The following table provides details of the amounts of raw materials, work in progress and finished goods for the half year ended June 30, 2017 and the half year ended June 30, 2016:

(In thousands of Euro)	**Half year ended June 30**	
	2017	**2016**
Raw materials, work in progress and finished goods		
Purchase and change in inventory of raw material	58,364	56,036
Purchase and change in inventory of finished goods	27,058	28,492
Purchase of packaging and cost for custom duties	5,242	4,188
Change in inventory of work in progress	261	(84)
Total raw material, consumables and goods	**90,925**	**88,633**

The decrease in the purchase and consumption of finished products is due primarily to production efficiencies and the effects of the product/price mix described previously.

5.9 COST OF SERVICES

In the half year ended June 30, 2017, the item “Cost of services” totaled Euro 68,109 thousand (Euro 67,898 thousand in the half year ended June 30, 2016).

The following table reports the amounts of costs of services for the half year ended June 30, 2017 and the half year ended June 30, 2016:

(In thousands of Euro)	**Half year ended June 30**	
	2017	**2016**
Cost of services		
Transport of sales, customs duties and installation	20,365	19,615
Technical assistance	10,395	10,280
Advertising	10,313	10,625
Rentals	2,898	2,729
Agents	4,054	4,431
Consulting services	3,549	5,115
Transport of purchases	3,449	3,264
Travel and representative expenses	1,144	596
Outsourcing costs	1,743	1,862
Utilities	1,364	1,414
Maintenance costs	1,638	1,311
Other services	7,196	6,657
Total cost of services	**68,109**	**67,898**

5.10 PERSONNEL EXPENSES

In the half year ended June 30, 2017, the item “Personnel expenses” totaled Euro 61,957 thousand (Euro 58,073 thousand in the half year ended June 30, 2016).

The following table reports the amounts of personnel expenses for the half year ended June 30, 2017 and the half year ended June 30, 2016:

(In thousands of Euro)	**Half year ended June 30**	
	2017	**2016**
Personnel expenses		
Wages and salaries	40,932	37,236
Social security contributions	11,263	11,669
Provisions for employee benefit obligations	1,027	1,001
Other costs	8,734	8,168
Total personnel expenses	**61,957**	**58,073**

The following table reports the average and exact number of employees, broken down by category for the half year ended June 30, 2017 and the half year ended June 30, 2016:

	Half year ended June 30 2017		Year ended December 31 2016	
(In number)	**Average**	**Year-end**	**Average**	**Year-end**
Number of employees				
Managers	56	57	58	55
White-collar	1,180	1,197	1,124	1,150
Blue-collar	657	645	704	663
Total number of employees	**1,893**	**1,899**	**1,886**	**1,868**

5.11 INCOME TAX EXPENSES

In the half year ended June 30, 2017, the item "Income tax expenses" totaled Euro 8,041 thousand (Euro 7,593 thousand in the half year ended June 30, 2016).

The following table reports the amounts of Income tax expenses for the half year ended June 30, 2017 and the half year ended June 30, 2016:

(In thousands of Euro)	Half year ended June 30 2017	2016
Income tax expenses		
Current taxes	10,639	8,997
Deferred taxes	(2,068)	410
Total income tax expenses for the year	**8,572**	**9,407**
Income taxes relating to prior years	(530)	1,814
Total income tax expenses	**8,041**	**7,593**

Current income taxes in the half are calculated on the basis of the existing taxable income on the date of the close of the period, in application of the tax regulations in force or essentially approved on the date of the close of the period itself.

The application of the new tax rates to the Parent company's financial statements (IRES at 24% for the first half of 2017 compared to 27.5% in the first half of 2016) made a significant contribution, augmented by the two aspects below:

(i) greater uniformity in the distribution of income between the different legal entities;

(ii) release, in the first half of 2016, of deferred taxes to take account of the already approved reduction in the IRES tax rate from 27.5% to 24%.

5.12 EARNINGS PER SHARE

The following table reports the calculation of basic earnings per share for the half year ended June 30, 2017 and the half year ended June 30, 2016:

(In thousands of Euro)	**Half year ended June 30**	
	2017	**2016**
Earnings per share		
Profit for the period	18,495	9,111
Number of shares	200,000	200,000
Total earnings per share (in Euro)	**0.09**	**0.05**

The basic earnings per share coincide with diluted earnings per share.

5.13 NET INDEBTEDNESS

The following table reports the details of net indebtedness of the Group as of June 30, 2017 and December 31, 2016, determined in accordance with Consob communication of July 28, 2006 and in conformity with the recommendations contained in document no. 319 drafted by ESMA in 2013.

(In thousands of Euro)	**As of June 30**	**As of December 31**
	2017	**2016**
Net Indebtedness		
A. Cash	38,970	53,146
B. Cash equivalents	-	-
C. Trading securities	-	-
D. Liquidity (A) + (B) + (C)	**38,970**	**53,146**
E. Current Financial Receivables	**643**	**743**
F. Current Bank debt	(46,590)	(20,000)
G. Current portion of non-current debt	(19,603)	(20,807)
H. Other current financial debt	(6,826)	(7,488)
I. Current Financial Debt (F) + (G) + (H)	**(73,019)**	**(48,294)**
J. Net Current Financial Indebtedness (I) + (E) + (D)	**(33,406)**	**5,594**
K. Non-current Bank loans	(63,923)	(73,600)
L. Bonds Issued	-	-
M. Other non-current loans	(12,271)	(10,018)
N. Non-current Financial Indebtedness (K) + (L) + (M)	**(76,194)**	**(83,619)**
O. Net Financial Indebtedness (J) + (N)	**(109,600)**	**(78,024)**

The main trends are outlined in the section “Operating performance and comments on the economic and financial results” in the Interim Board of Directors' Report.

Short-term bank borrowings mainly include stand-by credit lines, short-term loans (generally called “hot money”) and bank overdrafts. It should be noted that current debt includes a committed credit line whose framework agreement has a duration exceeding 12 months, amounting to Euro 15,000 thousand.

As of June 30, 2017 there are no restrictions or limitations to the use of the cash of the Group, except for not relevant amounts relating to specific circumstances closely linked to commercial operations of some entities of the Group.

5.14 FAIR VALUE DISCLOSURE

As of June 30, 2017 and December 31, 2016, the book value of financial assets and liabilities is the same as their fair value.

IFRS 7 outlines three levels of fair value for the measurement of financial instruments recognized in the statement of financial position: (i) Level 1: quoted prices in an active market; (ii) Level 2: inputs other than quoted prices included within Level 1 that are observable directly (prices) or indirectly (derived from prices) in the market; (iii) Level 3: inputs not based on observable market data.

During the period, there were no transfers between the three levels of fair value indicated in IFRS 7.

5.15 RISK DISCLOSURE

The main financial risks to which the Group is subject to are:

- Credit risk, arising from commercial transactions or financing activities;
- Liquidity risk, related to the availability of financial resources and access to the credit market;
- Market risk, in particular:
    a) currency risk, related to operations in areas using currencies other than the functional currency;
    b) interest rate risk, related to the Group's exposure to financial instruments that accrue interests;
    c) price risk, associated with changes in the prices of commodities.

For more information on the policies and processes for risk management, please refer to the section "Risk factors" in the Interim Board of Directors' Report.

5.16 RELATED PARTY TRANSACTIONS

The Group’s transactions with related parties, (hereinafter also “**Related party transactions**”) identified based on criteria defined by IAS 24 – Related party disclosures, are primarily of a commercial nature and connected with transactions carried out on an arm’s length basis.

The table below details the equity balances of Related Party Transactions as of June 30, 2017 and December 31, 2016.

(In thousands of Euro)	**Trade receivables**		**Current financial assets**		**Other current assets**		**Trade payables**		**Other current liabilities**	
	2016	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**
	Dec	**Jun**	**Dec**	**Jun**	**Dec**	**Jun**	**Dec**	**Jun**	**Dec**	**Jun**
Technogym Emirates LLC	131	1,294	-	-	340	-	275	337	-	-
PUBBLISOLE SPA	-	-	-	-	-	-	12	-	-	-
CONSORZIO ROMAGNA INIZIATIVE	-	-	-	-	- 23	-	0	-	-	-
Asso.Milano Durini Design	-	-	-	-	-	-	-	-	-	-
MPS MOVIMENTO PER LA SALUTE	-	-	2	-	-	-	-	-	-	-
FUNKY BOTS LLC	-	-	300	300	8	8	-	-	-	-
FITSTADIUM SRL	-	-	100	-	-	-	-	-	-	-
WELLINK SRL	-	2	-	-	-	-	86	125	-	-
WELLNESS HOLDING SRL	5	1	-	-	-	-	-	-	-	-
VIA DURINI 1 SRL	-	-	-	-	67	15	60	35	-	-
SALHOUSE HOLDING SARL	325	12	-	-	-	-	-	-	-	-
AREA SRL	-	-	-	-	- 0	- 0	-	-	-	-
STARPOOL SRL	5	4	-	-	-	-	1	- 1	-	-
ONE ON ONE SRL	0	2	-	-	-	-	34	32	-	-
Total	**466**	**1,315**	**402**	**300**	**393**	**23**	**469**	**529**	**-**	**-**
% on financial statements item	**0.5%**	**1.5%**	**99.6%**	**98.1%**	**3.1%**	**0.2%**	**0.4%**	**0.5%**	**0.0%**	**0.0%**

Trade receivables and other current assets due to joint ventures refer entirely to commercial relations in place with Technogym Emirates LLC, a joint venture established by the Group with a company in the UAE in order to facilitate the distribution and sale of products and services of the Group in UAE.

The table below details the income statement balances of Related Party Transactions as of June 30, 2017 and June 30, 2016:

(In thousands of Euro)	**Revenues**		**Other operating income**		**Raw materials and work in progress**		**Cost of services**		**Personnel expenses**		**Other operating costs**	
	2016	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**
	Jun	**Jun**	**Jun**	**Jun**	**Jun**	**Jun**	**Jun**	**Jun**	**Jun**	**Jun**	**Jun**	**Jun**
Technogym Emirates LLC	5,207	3,957	-	-	- 9	- 19	- 26	- 24	- 45	-	- 1	- 67
PUBBLISOLE SPA	-	-	-	-	-	-	-	-	-	-	-	-
CONSORZIO ROMAGNA INIZIATIVE	-	-	-	-	-	-	- 4	-	-	- 13	-	-
Asso.Milano Durini Design	-	-	-	-	-	-	- 347	-	-	-	-	-
MPS MOVIMENTO PER LA SALUTE	-	-	-	-	-	-	- 6	-	-	-	-	-
FUNKY BOTS LLC	-	-	-	-	-	-	-	-	-	-	-	-
FITSTADIUM SRL	-	-	-	-	-	-	-	- 1	-	-	-	-
WELLINK SRL	-	-	-	5	-	-	- 122	- 227	-	-	-	-
WELLNESS HOLDING SRL	-	-	-	-	-	-	-	-	-	-	-	- 0
VIA DURINI 1 SRL	-	-	-	-	-	-	-	- 415	-	- 5	-	-
SALHOUSE HOLDING SARL	-	-	-	-	-	-	-	-	-	-	-	-
AREA SRL	-	-	-	-	-	-	-	-	-	-	-	-
STARPOOL SRL	9	7	-	0	-	-	- 1	- 3	-	-	-	-
ONE ON ONE SRL	45	6	-	-	-	-	- 57	- 57	-	-	-	-
Total	**5,261**	**3,970**	**-**	**6**	**(9)**	**(19)**	**(563)**	**(727)**	**(45)**	**(18)**	**(1)**	**(67)**
% on financial statements item	**2.1%**	**1.5%**	**0.0%**	**2.5%**	**0.0%**	**0.0%**	**0.7%**	**1.1%**	**0.1%**	**0.7%**	**0.0%**	**0.1%**

Remuneration of directors and key management

The total amount of compensation of the Board of Directors of the Company amounted to Euro 1,138 thousand for the half year ended June 30, 2017 (Euro 1,204 thousand for the half year ended June 30, 2016). The total amount of compensation of the key management amounted to Euro 1,778 thousand for the half year ended June 30, 2017 (Euro 1,563 thousand for the half year ended June 30, 2016).

5.17 CONTINGENT LIABILITIES

As of June 30, 2017 there are no ongoing legal or tax proceedings against any Group companies and therefore, no particular provisions have been recognized, with the exception of the following described. It should be noted that an assessment notice for an amount of around Euro 10 million was received in the first half of 2017 relating to the company Technogym Equipamentos de Ginastica e Solucao para bem estar ltda for alleged formal irregularities in the import customs declarations relating to years prior to 2015, also in the name of Technogym Fabricacao de Equipamento de Ginastica ltda, now incorporated in Technogym Equipamentos de Ginastica e Solucao para bem estar ltda. The company, supported by its local tax advisors and lawyers, opposed the presumptions of the local administration is it believes that it has always operated in full compliance with local tax and customs provisions. Consequently, it did not consider it appropriate to allocate any provision, as the risk of being the losing party is not deemed to be likely.

5.18 COMMITMENTS AND GUARANTEES

As of June 30, 2017 the Company issued guarantees to credit institutions on behalf of subsidiaries for Euro 4,540 thousand (Euro 4,525 thousand as of December 31, 2016), and on behalf of related parties for Euro 3,591 thousand (Euro 3,764 thousand as of December 31, 2016). The guarantees issued by the Group in favor of public institutions and other third parties amount to Euro 2,556 thousand (Euro 2,661 thousand as of December 31, 2016).

As of June 30, 2017, the commitments assumed by the Group refer mainly to future payments deriving from lease agreements in place for the activities carried out.

5.19 NON-RECURRING EVENTS AND TRANSACTIONS

The Group did not complete any significant non-recurring transactions or atypical or unusual transactions pursuant to Consob Communication no. DEM/6064293 of July 28, 2006.

5.20 SIGNIFICANT EVENTS AFTER THE CLOSE OF THE PERIOD

There were no significant events after the close of the half year ended as at June 30, 2017.

Attestation of the half-year condensed consolidated financial statements pursuant to article 81-ter of the Consob regulation 11971 of May 14, 1999 as amended

1. The undersigned, Nerio Alessandri, in his capacity as the Chief Executive Officer of Technogym S.p.A. and Stefano Zanelli as Chief Financial Officer and executive responsible for the preparation of Technogym S.p.A.'s financial statements, pursuant to Article 154-bis, paragraphs 3 and 4, of the Italian Legislative Decree 58 of February 24, 1998, hereby certify:

   - the adequacy in relation to the characteristics of the company and
   - the effective implementation of the administrative and accounting procedures for the preparation of half-year condensed consolidated financial statements, during the first half of 2017.

2. With regard to the above, there are no remarks.

3. It is also certified that:

   3.1 the Half-year Condensed Consolidated Financial Statements:

   a) have been drawn up in accordance with the international accounting standards recognized in the European Union under the EC regulation 1606/2002 of the European Parliament and of the Council of July 19, 2002;
   b) are consistent with the entries in the accounting books and records;
   c) provide an accurate and fair view of the assets and liabilities, profits and losses and financial position of the issuer and the group of companies included in the consolidation.

   3.2 The half-year directors' report includes a reliable analysis of the significant events that took place in the first six months of the financial year and their impact on the half-year condensed consolidated financial statements, along with a description of the main risks and uncertainties for the Group.

The half-year directors' report also includes a reliable analysis of the significant transactions with related parties.

Cesena, August 4, 2017

CHAIRMAN
OF THE BOARD OF DIRECTORS
AND CHIEF EXECUTIVE OFFICER
Nerio Alessandri

OFFICER IN CHARGE OF PREPARATION
OF THE COMPANY'S FINANCIAL STATEMENTS
Stefano Zanelli

Independent Auditors' Report on the Condensed Interim Consolidated Financial Statements

pwc

REVIEW REPORT ON CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the shareholders of
Technogym SpA

Foreword

We have reviewed the accompanying consolidated condensed interim financial statements of Technogym SpA and its subsidiaries (Technogym Group) as of 30 June 2017, comprising the statement of financial position, income statement, statement of comprehensive income, statement of changes in shareholders' equity, statement of cash flow and related notes. The directors of Technogym SpA are responsible for the preparation of the consolidated condensed interim financial statements in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution No. 10867 of 31 July 1997. A review of consolidated condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial statements of Technogym Group as of 30

June 2017 are not prepared, in all material respects, in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Bologna, 4 August 2017

PricewaterhouseCoopers SpA

Edoardo Orlandoni
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers

The Wellness Company

TECHNOGYM S.p.A.
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