



TECHNOGYM S.P.A.
REGISTERED OFFICE IN CESENA, VIA CALCINARO, 2861
SHARE CAPITAL EURO 10,050,250.00 FULLY SUBSCRIBED AND PAID IN
REGISTRATION WITH THE FORLÌ-CESENA COMPANIES' REGISTER NO. 315187 - TAX CODE
06250230965

**EXPLANATORY REPORT BY THE BOARD OF DIRECTORS ON THE PROPOSAL SET OUT IN POINT
2 OF THE ORDINARY SECTION OF THE AGENDA OF THE SHAREHOLDERS' MEETING OF
TECHNOGYM S.P.A. CALLED FOR APRIL 23, 2020 IN SINGLE CALL**

2. Allocation of the profit for the year. Related resolutions.

Dear Shareholders,

the Separate Financial Statements at December 31, 2019 closed with a net profit of Euro 72,332,474.53.

Therefore, as first point, we propose that the remainder of the net profit for the 2019 financial year be allocated as follows:

- (i) Euro 72,332,474.53 to retained earnings reserve.

Moreover, as second point, in view of the accounting effects that occurred during the year, and to maintain a precise relationship between shareholders' equity item and the specific destination of the reserve, we propose to allocate a portion equal to Euro 4,474,833.06 of the retained earnings as follows:

- (i) to extraordinary reserve for Euro 4,614,133.29;
- (ii) the profits on exchange rate reserve of Euro 139,300.23, which has been released with the cancellation of the net positive differences on exchange rates at the end of the year, to Retained earnings reserve.

Moreover, as third point, we propose to allocate a portion of the reserve for the adoption of IAS equal to Euro 12,256.61 to retained earnings reserve.

In addition, we inform that it is necessary to allocate a portion of the profit of the year to "legal reserve" because the amount of this reserve is already equal to one fifth of the share capital, as per article 2430 of the Italian civil code.

For all additional information, please refer to the Annual Financial Report, comprising the draft Financial Statements and the Consolidated Financial Statements at December 31, 2019, approved by the Board of Directors on March 17, 2020, the Directors' Report on Operations, and the certification per art. 154-bis, paragraph 5, of Legislative Decree no. 58 of February 24, 1998, which will be filed and made available with the procedures and in accordance with the law, together with the Board of Statutory Auditors' Report and to the Independent Auditors' Report.

Therefore, by virtue of the above, we propose that you pass the following resolution:

'The Shareholders' Meeting of Technogym S.p.A.,

- *having examined the Directors' Report on Operations;*
- *having acknowledged the Reports of the Board of Statutory Auditors and of the Independent Auditors PricewaterhouseCoopers S.p.A.;*
- *having examined the Separate Financial Statements at December 31, 2019, set out in the draft document presented by the Board of Directors, that closed with a net profit of Euro 72,332,474.53;*
- *having examined the Explanatory Report of the Board of Directors,*

resolves

- *to allocate the net profit for the year of Technogym S.p.A. of Euro 72,332,474.53 as follows:*

- (i) Euro 72,332,474.53 to retained earnings reserve;
- Moreover, as second point, in view of the accounting effects that occurred during the year, and to maintain a precise relationship between shareholders' equity item and the specific destination of the reserve, we propose to allocate a portion equal to Euro 4,474,833.06 of the retained earnings as follows:
- (i) to extraordinary reserve for Euro 4,614,133.29;
- (ii) the profits on exchange rate reserve of Euro 139,300.23, which has been released with the cancellation of the net positive differences on exchange rates at the end of the year, to retained earnings reserve.
- Moreover, as third point, we propose to allocate a portion of the reserve for the adoption of LAS equal to Euro 12.256,61 to Retained earnings”.

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on behalf of the Board of Directors
The Chairman
Nerio Alessandri