



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 MAY 8, 2019 IN SINGLE CALL**

## 2. Allocation of the profit for the year and dividend distribution proposal. Related resolutions.

Dear Shareholders,

the Separate Financial Statements at December 31, 2018 closed with a net profit of Euro 92,641,582.44.

The Board of Directors proposes to resolve, out of the net profit for the 2018 financial year, upon the distribution of a dividend of Euro 0.18 per ordinary share, before the law-mandated withholding tax. Considering that, at present, the outstanding shares of the Company are 201,005,000, the total amount of the distribution would be equal to Euro 36,180,900.00. Considering the 2019 calendar approved by Borsa Italiana S.p.A., we recommend that you set the payment of the dividend on May 22 2019, with dividend record date on May 21, 2019 and coupon no. 3 detachment date on May 20, 2019.

Therefore, as first point, we recommend that the remainder of the net profit for the 2018 financial year be allocated as follows:

- (i) Euro 56,460,682.44 to Retained earnings;
- (ii) Euro 36,180,900.00 to dividend.

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 recommend to allocate:

- (i) the Extraordinary reserve of Euro 3,619,056.28;
- (ii) the exchange rate reserve of Euro 116,733.24;
- (iii) the other reserves of Euro 820,423.13.

Moreover, as third point, we recommend to allocate a portion of the reserve for the adoption of IAS equal to Euro 14,697.48 to Retained earnings.

For all additional information, please refer to the Annual Financial Report, comprising the draft Financial Statements and the Consolidated Financial Statements at December 31, 2018, approved by the Board of Directors on March 27, 2019, 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 recommend 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, 2018, set out in the draft document presented by the Board of Directors, that closed with a net profit of Euro 92,641,582.44;*

- *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 92,641,582.44 as follows:*
  - (i) *to the shareholders, as dividend, Euro 0.18 per ordinary share entitled to a dividend for a total of Euro 36,180,900.00;*
  - (ii) *Euro 56.460.682,44 to Retained earnings;*
- *moreover, 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, to allocate:*
  - (i) *the Extraordinary reserve of Euro 3,619,056.28;*
  - (ii) *the exchange rate reserve of Euro 116,733.24;*
  - (iii) *the other reserves of Euro 820,423.13.*
- *moreover to allocate a portion of the reserve for the adoption of IAS equal to Euro 14,697.48 to Retained earnings;*
- *that the dividend shall be paid on May 22, 2019, with dividend record date on May 21, 2019 and coupon no. 3 detachment date on May 20, 2019."*

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on behalf of the Board of Directors  
The Chairman  
Nerio Alessandri