



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, 2018 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, 2017 closed with a net profit of Euro 52,112,568.08.

The Board of Directors proposes to resolve upon the distribution of a dividend of Euro 0.09 per ordinary share, before the law-mandated withholding tax, out of the net profit for the 2017 financial year. 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 18,090,450.00. Considering the 2018 calendar approved by Borsa Italiana S.p.A., we recommend that you set the payment of the dividend for May 23, 2018, the dividend record date and the ex-dividend date being May 22, 2018 and May 21, 2018 respectively.

Following the appropriation of profit towards dividends, we recommend that the remainder of the net profit for the 2017 financial year be allocated as follows:

- (i) Euro 10,050.00 to legal reserve;
- (ii) Euro 34,012,068.08 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, we recommend, lastly, to allocate:

- (i) the Extraordinary reserve of Euro 661,982.29;
- (ii) the reserve for the adoption of IAS/IFRS of Euro 1,414,172.99;
- (iii) the exchange rate reserve of Euro 3,250,161.21

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, 2017, approved by the Board of Directors on March 26, 2018, 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, 2017, set out in the draft document presented by the Board of Directors, that closed with a net profit of Euro 52,112,568.08;*
- *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 52,112,568.08 as follows:*
 - (i) *to the shareholders, as dividend, Euro 0.09 per ordinary share entitled to a dividend for a total of Euro 18,090,450.00;*
 - (ii) *Euro 10,050.00 to legal reserve;*
 - (iii) *Euro 34,012,068.08 to Retained earnings;*
- *that the dividend be paid on May 23, 2018, with dividend record date and ex-dividend date on May 22, 2018 and May 21, 2018 respectively”;*
- *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 661,982.29;*
 - (ii) *the reserve for the adoption of LAS of Euro 1,414,172.99;*
 - (iii) *the exchange rate reserve of Euro 3,250,161.21**to Retained earnings.”*

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on behalf of the Board of Directors
The Chairman
Nerio Alessandri