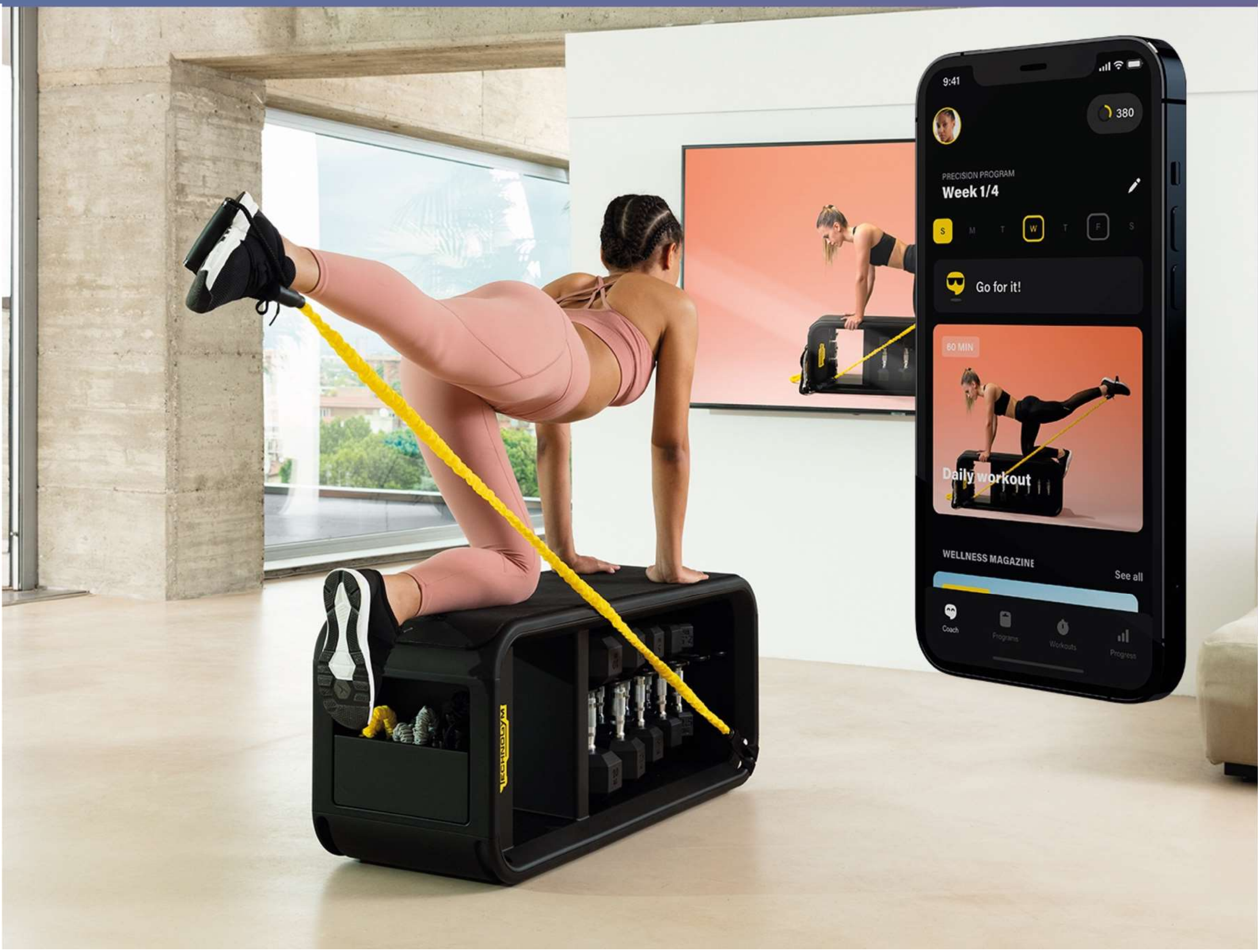
HALF-YEARLY FINANCIAL REPORT

2021



TECHNOGYM GROUP

HALF-YEARLY FINANCIAL REPORT AS OF 30 June 2021

The Wellness Company

CONTENTS

1. CORPORATE DATA

Registered office

Technogym S.p.A.

Via Calcinaro, 2861

47521 Cesena (FC) – Italy

Legal details

Authorised and subscribed share capital Euro 10,066,375

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

Forlì Cesena R.E.A. registration no. 315187

Technogym stores

Cesena, Via Calcinaro 2861

Milan, Via Durini 1

New York, Greene Street, 70

Los Angeles, 131 N Robertson Blvd, Los Angeles, CA 90048, United States.

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

Moscow, Vremena Goda, Kutuzovsky Ave, 48

Saint Petersburg, Bolshoy prospekt P.S. 49/18

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

Marbella, Bulevard Principe Alfonso de Hohenlohe, Centro Comercial La Poveda locale

Madrid, Calle de Claudio Coello, 77

www.technogym.com

Investor relations
investor.relations@technogym.com

Press Office
pressoffice@technogym.com

2. CORPORATE BODIES

Board of Directors	
President and Chief Executive Officer	Nerio Alessandri
Deputy Chairman	Pierluigi Alessandri
Directors	Erica Alessandri
	Francesca Bellettini [(6)]
	Carlo Capelli [(4)]
	Maurizio Cereda [(1)]
	Chiara Dorigotti [(1) (3) (6)]
	Melissa Ferretti Peretti [(2) (6)]
	Vincenzo Giannelli [(2) (6)]
	Maria Cecilia La Manna [(1) (3) (5) (6)]
	Luca Martines [(2) (3) (6)]

Board of Statutory Auditors	
Chairman	Francesca Di Donato
Standing Auditors	Claudia Costanza
	Ciro Pietro Cornelli
Alternate Auditors	Laura Acquadro
	Stefano Sarubbi

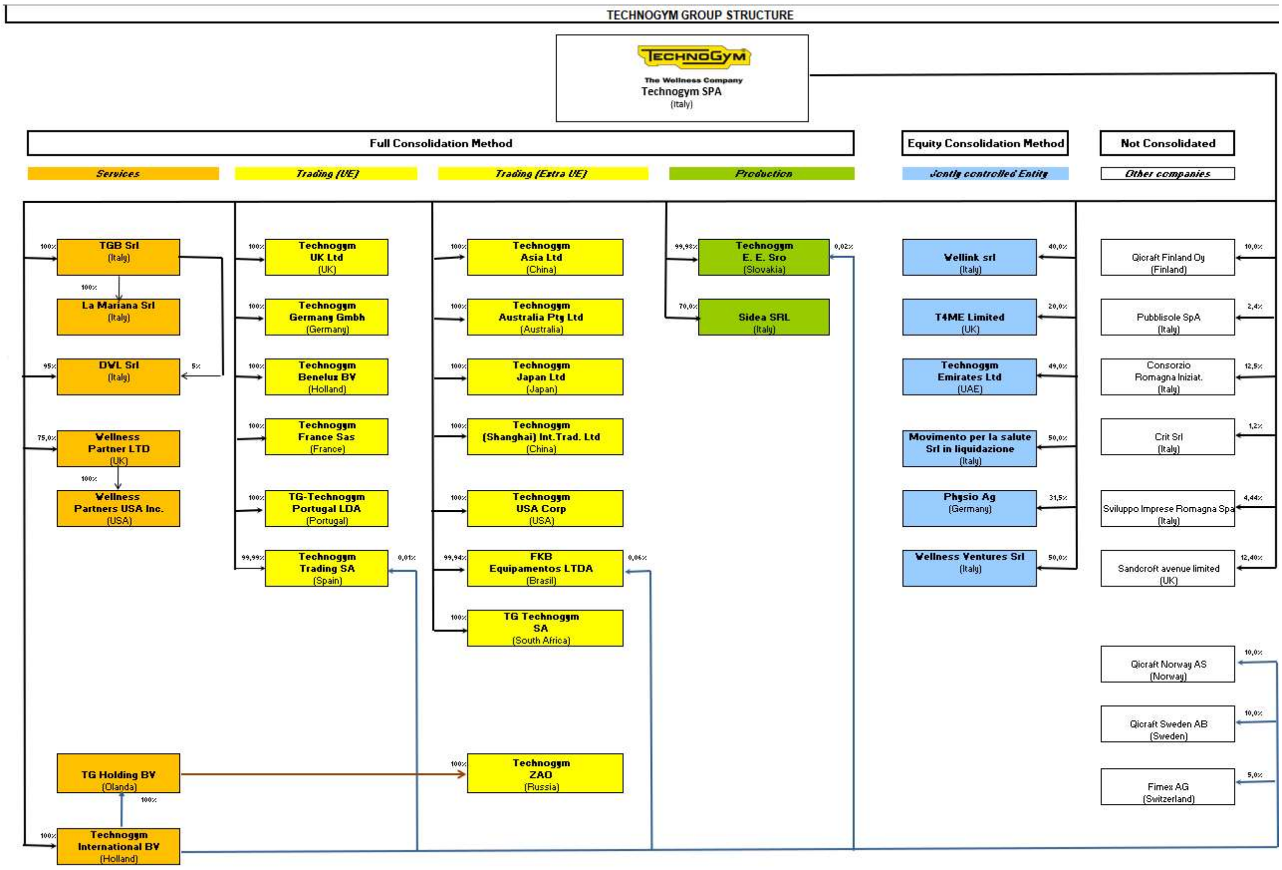
Supervisory Body	
Chairman	Andrea Ciani
	Giuliano Boccanegra
	Riccardo Pinza

Officer in charge	Massimiliano Moi

Independent Auditors	PricewaterhouseCoopers S.p.A.

[(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
[(5)] Lead Independent
[(6)] Independent Director

3. GROUP ORGANISATIONAL CHART AS OF 30 JUNE 2021



4. INTERIM BOARD OF DIRECTORS' REPORT

Covid-19 update

The Group has continued to implement a number of actions to limit the negative effects of the pandemic, in addition to the measures taken by many governments worldwide to mitigate its negative economic and financial effects. The main actions taken are summarised below.

Home-Consumers. During the first half of 2021, the Group saw a further increase in demand from end consumers for training solutions that could also be used in their homes. These results also stem from the company's unwavering focus on the complementary nature of training in different places, with wellness-on-the-go and technological solutions developed over the years to achieve this objective. The home and digital training experience is increasingly more complementary to the experience in clubs, so much so that it has become a driver for growth and new enrolments in gyms.

Digitalisation. In addition to the Mywellness Cloud platform, which has been central for all operators to stay in contact with their customers and continue to develop activities, Technogym has released the Technogym App, a smartphone application that makes it possible to access personalised training with on-demand videos to work out in the gym or from the comfort of your own home, in the office, while travelling and outdoors by relying on a "smart coach", a trainer based on artificial intelligence, and a wide variety of content. Therefore, today, the digital ecosystem is enhanced with further elements for acquiring new customers and offering solutions in an innovative manner.

Sales network. When permitted by local regulations, the sales network resumed ordinary activities in the market with all professional operators and proactively continued to support particularly significant growth in the Home & Consumer segment, also thanks to the new digital tools made available, which provide increasing proximity to customers.

Personnel. Technogym has always placed at the heart of its activities the well-being and growth of its personnel, who have monitored and directed the changes taking place in the market. Technogym has enacted procedures and protocols aligned with the legal provisions of the various countries, used to minimise risks and at the same time move forward with all of its initiatives during the intense period taking place in the first half of 2021.

Production and distribution. Factories remained active throughout the first half of 2021 and there were no particularly critical issues such as line shutdowns or product shortfalls, and Technogym was able to confirm deliveries and meet all commitments to its customers.

Operating costs. Also in the first half of 2021, the activities already in place for simplification continued, and there was a strong drive towards strategic activities focusing on growth.

Investments. Technogym confirmed its strategic investments in technology, product innovation and digital solutions.

Cash management. Credit collection activities and keeping stock levels in check have continued, while the committed credit lines taken out in 2020, the majority of which are still undrawn in any event, remain available.

This document contains the estimates and forecasts relative to future events that will affect the Group's operating, economic and financial results. These forecasts are based on current expectations and forecasts of the Group, however actual results could differ even significantly from statements made in this document, due to a number of variables, including the volatility of capital and financial markets, changes in the prices of raw materials, changes in macro-economic conditions and economic growth and other changes in business conditions, in the legal and institutional context (both in Italy and abroad), and many other factors, the majority of which are beyond the Group's control.

Operating performance and comments on the economic and financial results

Macroeconomic scenario

The latest Economic Bulletin published in July by the Bank of Italy immediately noted that 2021 will also be affected by the Covid-19 pandemic and the extraordinary consequences of what was witnessed in the course of 2020.

“With the progress of vaccination campaigns, global GDP growth has strengthened; outlooks have improved further, but unevenly across the various areas. A significant increase in inflation in the United States reflected delays in adapting supply to the strong recovery in demand, but it has not yet significantly extended to medium-term expectations. Monetary policies remain expansionary in all of the main countries”.

The continuation of vaccinations, which began towards the end of 2020, represented the main international economic driver in the course of the first half of the year, triggering a considerable decline in Covid-19 contagion and thus allowing for a gradual attenuation of the social distancing measures adopted in the course of previous months. What is described above took place first of all in the United States, Europe and the United Kingdom, countries that began their vaccination campaigns at a faster pace and which at the date of this report account for a significant portion of the population that has already been immunised. The emergence of a new more contagious variant in June is not currently entailing a significant increase in deaths and hospitalisations in countries with the greatest vaccine coverage and therefore is not putting the path of recovery that has just recently started at risk. The emerging economies and Japan are a different story: due to their slow vaccination campaigns, the spread of the new variant is leading to an increase in cases and a resulting return of restrictive measures.

In the first quarter of 2021, GDP recorded a significant acceleration in the US (+6.4% on an annual basis) and in China (+18.3%). In the two main economies, the elimination of restrictive measures along with monetary and governmental stimulus policies resulted in a strong acceleration of economic activity, which made it possible to quickly return to a level of Gross Domestic Product comparable with that of 2019 (-0.9% compared to 2019 in the United States). Other countries like the United Kingdom and Japan instead recorded a considerable dip, of 6.2% and 3.9%, respectively, which still places them far from pre-COVID GDP levels (an 8.8% gap remains in Japan, for example). This first quarter performance was sustained by an increasingly strong recovery in global trade, which should make it possible for 2021 to close, according to Bank of Italy estimates, with growth exceeding 11% on an annual basis and therefore surpassing pre-pandemic levels. Supporting these positive expectations for the rest of the year, the purchasing managers’ index (PMI) for manufacturing companies performed well, confirming the US economic recovery and an initial recovery in the United Kingdom, also extended to the services sector, while in Japan growth is expected to be slower and limited to the manufacturing sector. Also in China, where, please recall, economic activity has already reached the level seen prior to the health crisis, PMI indexes remain above the expansion threshold in the second quarter.

Looking at general outlooks for the upcoming years, with a particular focus on the geographical areas in which the Technogym Group operates, it is worth mentioning the recent (May 2021) revisions made by the OECD to the previous global GDP growth estimates, now at +5.8% and +4.4% in 2021 and 2022, respectively, marking an improvement of 0.2% and 0.4% compared to previous estimates. Going into detail in the most significant geographical areas for Technogym’s business, the Eurozone is expected to record GDP growth of 4.3% (+4.4% in 2022) following an upward revision of estimates (+0.4% and +0.6%, respectively), while the United Kingdom, also thanks to the recent generalised reopenings, is expected to mark growth of 7.2% in 2021 (+2.1% compared to previous estimates) followed by a just as vigorous +5.5% in 2022. Lastly, in the United States, against an upwards revision in estimates for 2021 (+6.9%, an improvement of 0.4% compared to the previous estimate), there has been a 0.4% reduction in estimates for 2022, which is now expected to mark growth of 3.6%.

In the United States, the Federal Government has delegated states to manage the pandemic and this has led to a varied recovery in GDP, considering the restrictions applied locally. In general, important signs of a recovery are being seen against the rapid progress being made in the vaccination campaign - more than 50% of the population immunised in mid-July - and the resulting return to normal. The unemployment rate is stably below 6% (compared to 10.2% in July 2020) and is expected to decline further in the course of the coming months when there should also be a recovery in activities linked to intercontinental travel for tourism or work, at the moment still muted by the measures imposed to limit the spread of COVID. In this context of economic recovery, also demonstrated by the +6.4% increase in GDP in the first quarter, we are witnessing a significant recovery in inflation: +0.9% in June, the highest monthly increase since June 2008, which brought inflation to +5.4% on an annual basis. This considerable movement is primarily ascribable to temporary supply side constraints, such as the reduction in the manufacture of new vehicles due to shortages in certain components, which has as a result made used parts more expensive, and the increase in demand in sectors particularly struck by the pandemic, such as that of transport services. The increase in prices and hourly salaries - USD 30.40 on average in June compared to 29.35 last year - did not however result in a significant revision in inflationary expectations - in mid-July those on the five-year horizon deriving from the financial markets were stable at around 2.5% - or a more rapid change in the still expansionary monetary policies of the Federal Reserve which, please recall, as of August 2020 has set an average inflation target of 2%.

Thanks to the implementation of the most rapid vaccination campaign in Europe, the United Kingdom has seen significant improvement in business confidence in the course of the first half of 2021, despite the finalisation of Brexit. The PMI recorded values consistently above 60 in the second quarter of the year for both the manufacturing and services sectors, with the latter characterised by a significant recovery compared to the level of 40 reached in the initial months of the year. After a 6.2% contraction in GDP in the first quarter, driven by the drop in consumption linked to containment measures due to the so-called UK variant of COVID, the acceleration of the vaccination campaign and the ensuing reopenings led to a significant upwards revision of GDP estimates for all of 2021, today estimated by the OECD at +7.2%, the highest level amongst the developed countries. Despite the strong recovery in inflation, which reached 2.4% in June, the Bank of England is maintaining its expansionary monetary policies - at its June meeting the Court of Directors confirmed the extraordinary low level of interest rates at 0.1% and the amount of the bond buying programme at USD 1,240 billion - in order to continue to support the economic recovery.

Amongst the emerging countries, there is a strong recovery under way in China (+18.3% in the first quarter) despite the fact that 2020 closed with GDP growth of 2.3%. This trend can be ascribed to the strong recovery in global trade, particularly with reference to the various types of assets, basic commodities or industrial, following the elimination of restrictions across nearly all Western countries. Despite the unknowns concerning the possible resumption of trade tensions with the United States, outlooks for 2021 are pointing to GDP growth of 8.5%. Amongst the emerging countries, only India is expected to perform better (+9.9% in 2021), but against a decline of 7.7% in 2020: this performance was revised considerably downwards by the OECD in May (2.7 percentage points less growth) in light of the low level of success of local authorities in combatting the spread of the COVID pandemic. Coming lastly to Russia and Brazil, a moderate recovery is expected (+3.5% and +3.7% respectively in 2021), thus projecting a return to pre-pandemic levels only in 2022 for these countries.

Moving on to the Euro area, which accounts for roughly 57% of the Technogym Group's overall turnover during the half-year period, GDP recovered in the second quarter and expectations for possible significant growth remain for the second half of the year, compatible with the uncertainty linked to the future evolution of the pandemic. On the basis of preliminary data, inflation is expected to reach 1.9% in June, continuing to be impacted primarily by a temporary trend linked mainly to the energy component (+0.9% excluding energy and food). Against this gradually improving general framework, the Governing Council of the ECB reaffirmed that it would maintain its current extremely expansionary monetary conditions; these remain essential to strengthen the confidence of households and businesses, support the economy and guarantee price stability in the medium term. The Council decided to maintain a high pace of monthly bond purchases as part of the Pandemic Emergency Purchase Programme (PEPP) for the current quarter as well. The Eurosystem's net purchases of public and private bonds reached a book value of Euro 3,017 billion at the end of June, and the refinancing transactions aiming to guarantee high liquidity to the financial system continued (110 billion assigned by the eighth auction of the Targeted Longer-Term Refinancing Operations, TLTRO3, in June). Lastly, it should be recalled that to date the European Council has approved the national investment and reform plans as part of the Recovery and Resilience Facility, the main programme of the Next Generation EU plan, of 12 of the 25 countries that have already presented their initiatives.

Thanks to the support of the central bank and the economic recovery, lending to businesses and households in the first half of the year continued to rise. In May, lending to non-financial companies in the Eurozone expanded by 1%, primarily in Germany and Italy (+3.5% and +3.3%, respectively), while France and Spain decreased (-4.5% and -4.0%, respectively). The expansion of lending to households remained robust throughout the Eurozone (+4%), while the low rates applied were confirmed, from 1.5% for companies to 1.3% for home purchases.

In Italy, where the Parent Company Technogym is based and which alone accounts for 10% of turnover in the half year, the change in GDP was slightly positive in the first quarter, unlike in the other main countries of the Eurozone, where there was a decline in GDP. On the basis of available indicators, in the second quarter growth accentuated, favoured by the acceleration of the vaccination campaign and the gradual relaxation of restrictions, and would be higher than 1% over the previous period. In addition to a new expansion in industry, the initiation of a recovery in the services sector, the greater propensity of companies to make investments and the general recovery in consumption in the second quarter also contributed, although the propensity to save remains prudentially high. For the current year, the Prometeia research institution expects GDP growth of +5.3%, significantly higher than the Eurozone, such so as to return to the pre-pandemic GDP level already in mid-2022.

Turning our gaze to the international financial markets, it is possible to observe that they continued with their upward trend started in the second half of 2020, supported by the initial signs of a recovery in the global economy following the expansion of vaccination campaigns, despite increasing concerns linked to the possible elimination of the expansionary monetary policies enacted throughout 2020, especially with regard to the United States. The improved macroeconomic scenario in the US, accompanied by the recovery of inflation and the first concerns regarding a future increase in rates, led to an increase in returns on the US 10-year bond, which surpassed 1.7% - from roughly 0.9% at the start of the year - to then reach around 1.5% at the end of June. This movement mainly influenced the returns of other non-core countries like Italy (0.82% return for the ten-year BTP at the end of June compared to 0.55% at the beginning of the year) and Spain (0.41% from nearly zero at the beginning of the year), while the Bund continued to record negative returns during the period. The ten-year BTP-Bund yield spread remained between 90 and 120 basis points during the period. Moving on to the stock market, the first half of 2021 saw a general and significant increase in stock prices, with the main US indexes continuously setting new records and generally double-digit performance by all of the main global stock indexes, which are benefitting from an extraordinarily low level of volatility. The VIX, the index that measures the volatility of the S&P 500, the main US and global stock index, recorded an average level of 20 during the period and starting from the month of March has been trending almost always below that level, demonstrating the general tranquillity of investors.

The current generally positive market scenario could however be considerably influenced by future decisions concerning monetary policy by the Fed. Indeed, the June meeting recorded an internal division in the governing body for US monetary policy, between those in favour of and against a relaxation of economic stimulus measures. At the moment, the Fed is expressing confidence that the level reached by inflation is only temporary and, if it is right, this could allow the financial markets to reach new highs in the coming years when better economic conditions will allow companies to record a significant increase in earnings. If, on the other hand, the level of inflation is not temporary, there would be several increases in rates - presumably in 2023 - with the risk of triggering a considerable correction in the stock markets, first of all in the US.

Moving on to Italy, the share market (FTSE All Shares) recorded a performance of +13% from the start of the year to 30 June, in line with the performance recorded by the Stoxx 600, the index representing main European companies by capitalisation. In this context of general weakness, the Technogym share registered performance of +16.5% from the start of the year up to 30 June.

Currency market

During the period, movements in the currency market continued to be influenced by pandemic trends, central bank monetary policies and macroeconomic data that point to various economic activity recovery trends when restrictions to prevent the spread of COVID-19 contagion are relaxed, albeit gradually. Moving on to the main currencies to which the Group is exposed, please note that in the first half of the year, the average exchange rate of the euro went down by 4.1% against the GBP, while it fell 2.9% against the USD. The trend went in the opposite direction against the Japanese yen (+4.4% during the period).

Industry scenario

As has happened in other industries, the COVID-19 pandemic has accelerated technological developments and the adoption of new ways of exercising to cope with the changing conditions of our daily lives. The topic of connectivity between devices and machines for physical exercise, aimed at giving the end user a unique and integrated fitness experience, which has been at the heart of developments in the industry and Technogym in particular for some time, has become of primary importance for end users and BtoB operators (i.e. clubs), together with the availability of engaging training content.

The industry has therefore accelerated its development towards a hybrid training approach, where the end user can train anywhere, including at home, further validating the so-called Wellness on the Go strategy launched by Technogym in 2012. This context has seen significant growth not only in the importance of companies focused on the supply of home fitness products and content, but has also accelerated the interest of traditional operators in solutions able to guarantee a point of contact with members during periods of closure (i.e. training content available via streaming).

The pandemic has also further increased the important of health on the consumer value scale, thus supporting the subject of prevention and physical exercise as an essential element of a healthy lifestyle and the ability to live better and longer, while also increasing the awareness of governments, institutions and companies.

The recovery in economic activity launched in the first half of the year based on vaccination campaign trends in the various countries all over the world is leading to a gradual recovery in activity by the various BtoB operators, which in any event are maintaining a primary focus on technological solutions supporting the training experience, in order to be able to meet the different requirements of new customers, many of whom are beginning to enter professional centres after engaging in physical exercise at home during the pandemic.

Comments on the economic and financial results

The economic data recorded by the Group in the first half of 2021 are summarised below, and compared with the first half of the previous year:

(In thousands of Euro and ratios)	**Half year ended 30 June**		**Changes**	
	2021	**2020**	**2021 vs 2020**	**%**
Revenues	276,255	222,448	53,807	24.2%
Adjusted EBITDA (1)	47,972	37,268	10,703	28.7%
Adjusted EBITDA Margin (1)	17.4%	16.8%	0.6%	3.6%
Adjusted net operating income (2)	27,747	17,850	9,896	55.4%
Adjusted group profit for the period (3)	20,041	11,400	8,641	75.8%

(1) The Group defines:

- adjusted EBITDA as the net operating income, adjusted by the following income statement items: (i) net provisions; (ii) depreciation, amortisation 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 adjusted net operating income as the net operating income adjusted for non-recurring income/(expenses).

(3) The Group defines adjusted group profit as group profit adjusted for non-recurring income/(expenses) and non-recurring taxes.

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

(In ratios)	**Half year ended 30 June**	
	2021	**2020**
Adjusted ROS	10.0%	8.0%

Total revenues came to Euro 276,255 thousand, up by Euro 53,807 thousand (+24.2%) compared to Euro 222,448 thousand in the first half of 2020. Technogym ended the first half improving its performance considerably over the previous year (+24.2%), confirming strong growth in the Private customer segment and the recovery in the Commercial business across all geographical areas.

With constant exchange rates, total revenues as of 30 June 2021 would have been equal to Euro 282,109 thousand (+26.8% compared to the first half of 2020).

Adjusted EBITDA came to Euro 47,972 thousand, up by Euro 10,703 thousand (+28.7%) compared to Euro 37,268 thousand in the first half of 2020, positively impacted by the increase in sales volumes which offset the increase in certain costs linked to raw materials and logistics recorded throughout the first half of 2021.

The Group recorded an increase in adjusted EBITDA over revenues (Adjusted EBITDA margin) with respect to the previous half year. The adjusted EBITDA margin as of 30 June 2021 was equal to 17.4%, (16.8% as of 30 June 2020).

In the half-year period ending on 30 June 2021, non-recurring income of Euro 10,316 thousand was recognised, linked for Euro 11,128 thousand to the capital gain recorded following the sale of the Exerp Group, net of accessory costs incurred for the transaction. The Exerp Group includes the holding company Amleto APS, a Danish company which is a wholly owned subsidiary of Technogym SpA, Exerp APS, Exerp America LLC and Exerp Asia Pacific Pty. The transaction took place on 13 May 2021 with a closing date of 25 May 2021, as described in the section "Investments in joint ventures and associates".
During the half-year period, non-recurring expenses of Euro 812 thousand were recorded, linked primarily to costs of Euro 464 thousand for the early retirement of personnel. As of 30 June 2020, non-recurring expenses amounted to Euro 5,332 thousand.

The **Adjusted ROS** for the half-year closed at 30 June 2021 was positively influenced by the increase in turnover. At the same time, higher depreciation and amortisation in absolute terms were recorded compared to the previous year, following greater investments made to boost the digitalisation process and due to new technologies used to develop content.

In this regard, it should be noted that the trend of revenues in the different quarters of the year is linked primarily to customers' tendency to make their purchases in the second half of the year.

Adjusted net operating income came to Euro 27,747 thousand, up by Euro 9,896 thousand (+55.4%) compared to Euro 17,850 thousand in the first half of 2020, positively influenced by the increase in turnover. Net operating income in the first half of 2021 was also affected by higher amortisation and depreciation compared to the first half of 2020, equal to Euro 619 thousand, relating to investments made to digitalise the offer, both with reference to new technologies used and with regard to the development of content and higher provisions for risks, amounting to Euro 188 thousand.

The **Group's Adjusted profit** came to Euro 20,041 thousand, up by Euro 8,641 thousand (+75.8%) compared to Euro 11,400 thousand in 2020. This performance relates mainly to the evolution of Operating Income mentioned above.

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 30 June 2021 and as of 31 December 2020.

(In thousands of Euro)	**As of 30 June**	**As of 31 December Restated**
	2021	**2020**
Loans		
Net Fixed Capital (4)	228,521	248,900
Net Operating Capital (5)	(21,918)	(17,798)
Net Invested Capital	**206,603**	**231,102**
Sources		
Equity	276,974	290,546
Net financial position (6)	(70,371)	(59,443)
Total sources of financing	**206,603**	**231,102**

[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 provisionsfor risks and charges; and *(x)* Other non-current liabilities (excluding trade payables maturing in more than 12 months).

[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] The net financial position consists of:*(i)* Current financial assets; *(ii)* Financial derivative assets; *(iii)* Cash and cash equivalents; *(iv)* Non-current financial liabilities (including trade payables maturing in more than 12 months); *(v)* Current financial liabilities; and *(vi)* Financial derivative liabilities.

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

(In ratios)	**As of and for the half year ended 30 June**	**As of and for the year ended 31 December**
	2021	**2020**
ROE	21.8%	27.8%
ROI	38.5%	35.1%
Adjusted ROI	33.3%	37.3%
Net Financial Indebtedness /EBITDA ratio	0.45	0.12

Net fixed capital came to Euro 228,521 thousand, down by Euro 20,379 thousand compared to Euro 248,900 thousand for the year ended 31 December 2020. This reduction can mainly be attributed to the disposal of the equity investment in the Exerp group in May 2021. Please refer to the section "Investments in joint ventures and associates" for additional details on the transaction.

Net operating capital came to Euro -21,918 thousand, down by Euro -4,120 thousand compared to Euro -17,798 thousand as of 31 December 2020, mainly due to the increase in the item income tax liabilities, linked to the higher taxable profits recorded in the first half of 2021.

The item "trade payables" was up by Euro 16,443 thousand, while the balances of the items "Inventories" increased by Euro 19,694 thousand, mainly due to the transition of customers from BtoB to BtoC, which entailed a higher production of "Home" products to handle demand, increasing the relative inventories, while in any event maintaining constant production of professional products as well. To this end, it should be noted that: *(i)* the average days of inventories in stock rose from 89 for the year ended 31 December 2020 to 94 for the half year ended 30 June 2021, while the inventory turnover ratio fell from 4.1 for the year ending on 31 December 2020 to 3.9 for the half-year ending on 30 June 2021; this effect is due to normal seasonal trends of the business; *(ii)* the average days of collection of trade receivables fell from 46 for the year ended 31 December 2020 to 43 for the half hear ended 30 June 2021, with the trade receivables turnover ratio went up from 7.9 to 8.5, further reflecting the excellent credit management performance of the first half of 2021 and the affirmation of the BtoB business; *(iii)* the average days of payment of trade payables went from 130 for the year ended 31 December 2020 to 134 for the half year ended 30 June 2021, with the trade payables turnover ratio going from 2.8 to 2.7.

The **Net financial position** was positive by Euro 70,371 thousand, up by 10,928 thousand compared to 59,443 thousand for the year ended 31 December 2020. Despite the negative seasonal adjustment and the payment of dividends of Euro 44,292 thousand, this improvement is linked to the group's cash generation of Euro 34,372 thousand and the collection deriving from the sale of Amleto, which entailed the corresponding deconsolidation of Exerp Aps, Exerp America LLC and Exerp Asia Pacific Pty.

The net financial position amounted to a positive Euro 14,101 thousand as of 30 June 2020.

Moreover, the group took out some committed credit lines, to support investments and cover any cash needs, which are mainly undrawn at present, as detailed below:

(in thousands of Euro)	**Cash credit lines**	**Self-liquidating credit lines**	**Financial credit lines**	**Total**
As of 30 June 2021				
Credit lines	7,382	17,641	260,597	**285,620**
Utilisations	-	-	(75,000)	**(75,000)**
Credit lines available at 30 June 2021	**7,382**	**17,641**	**185,597**	**210,620**

Moreover, the group did not benefit from any loans which were part of the measures to support businesses approved by the Italian government or provided by the banking system with state guarantees, in the reporting period.

Group equity totalled Euro 276,974 thousand, down by Euro 13,571 thousand (-4.67%) compared to Euro 290,546 thousand in the year ended 31 December 2020. This decrease is primarily due to the recognition of profit for the period of Euro 30,357 thousand, reduced by the payment of dividends of Euro 44,292 thousand in May 2021 following the approval of the 2020 financial statements.

Segment reporting

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 management when making operational decisions. The Group's approach to the market follows a unique business model that offers an integrated range of 'Wellness solutions' and also pursues higher levels of operational efficiency through cross-production.

However, for the purposes of operational and sales analysis, company management considers the customer base, geographical area and distribution channels to be important aspects.

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

Technogym ended the first half considerably improving its performance over the previous year (+24.2%).

A breakdown of the Group's revenues by customer segment, geographical area and distribution channel is provided below:

(in thousands of Euro)	**Half year ended 30 June**			
	2021	**2020**	**21 vs 20**	**%**
BtoC	97,216	62,100	35,116	56.5%
BtoB	179,038	160,348	18,690	11.7%
Total revenues	**276,255**	**222,448**	**53,807**	**24.2%**

Revenues as of 30 June confirm the strong growth of the Private customer segment compared to the previous financial year (+56.5% Y/Y) due to the broad range of Technogym products and services in line with the increasing demand for at-home training. At the same time, an initial recovery is seen in the Commercial business, with differing trends between the various segments and geographical areas, and with general signs of improvement in areas where the pandemic has decreased. It is worth noting the performance of the Health segment, which was the best of the BtoB segment, taking advantage of the increasing requests for training solutions related to health.

A breakdown of revenues by geographical area is provided below:

(In thousands of Euro and percentage of total revenues)	**Half year ended 30 June**			
	2021	**2020**	**2021 vs 2020**	**%**
Europe (without Italy)	127,848	105,956	21,892	20.7%

APAC	53,200	39,163	14,037	35.8%
Italy	31,535	25,740	5,795	22.5%
North America	29,692	28,329	1,363	4.8%
MEIA	28,044	17,641	10,403	59.0%
LATAM	5,936	5,619	317	5.6%
Total revenues	**276,255**	**222,448**	**53,807**	**24.2%**

The breakdown by geographical area is influenced by the various stages of development of the pandemic as well as by the contribution, in certain cases significant, provided by Home sales, which, please recall, are concentrated primarily in the European area. In this improving scenario, Technogym recorded growth across all geographical areas during the half. It is particularly important to note the second quarter acceleration in Europe where, in addition to the continuous drive of BtoC, BtoB also resumed in the various countries, to such an extent so as to achieve quite considerable performance in certain countries like the UK and France; performance in Italy remained significant (+22.5%). Growth has resumed in North America as well, where in the last few quarters it was particularly impacted by the pandemic due to the decision made by certain Key Accounts in the Club sector and Hospitality segment operators to postpone investments. Excellent performance was also recorded in APAC, which is confirmed as the region recording the most advanced recovery, with turnover for the period higher than that recorded in the first half of 2019 and where China has particularly achieved excellent performance. The MEIA area continues to grow as well, considerably surpassing turnover in the first half of 2019, while in LATAM the initial signs of a recovery continue to be seen.

A breakdown of revenues by sales channel is provided below:

(In thousands of Euro and percentage of total revenues)	**Half year ended 30 June**			
	2021	**2020**	**2021 vs 2020**	**%**
Field sales	159,216	143,174	16,042	11.2%
Wholesale	68,612	46,045	22,567	49.0%
Inside sales	42,336	28,355	13,981	49.3%
Retail	6,091	4,874	1,217	25.0%
Total revenues	**276,255**	**222,448**	**53,807**	**24.2%**

With respect to revenues performance by sales channel, the excellent performance generated by the channels most relevant to home fitness are worth noting. Retail, or in other words the Group's 10 flagship stores, registered a 25.0% growth in revenues, while Inside Sales, which includes the teleselling and e-commerce channels, recorded a +49.3% growth. The Wholesale channel confirms excellent first quarter performance, supported mainly by business growth in the emerging APAC and MEIA regions, aside from the contribution of many European distributors. Lastly, although Field Sales continues to be the channel most impacted by the lock-down, it marked solid double-digit performance on the second quarter, benefitting from the relaxation of COVID containment measures in various geographical areas and the resumption of BtoB.

Risk factors

Risks related to the Covid-19 pandemic
In the initial months of the year 2020, we saw the spread of Covid-19 (so-called coronavirus) with significant global impacts on a health, social, political, economic and geopolitical level, and with repercussions in the first half of 2021 as well. The Group implemented a series of actions aimed at containing the negative effects of the pandemic in addition to the measures adopted by various governments, and Technogym initiated all practical measures to minimise the health risks to its employees as well as economic and financial risks. Technogym confirmed its commitment to product innovation with a specific focus on improving the equipment user experience through digital services supported by the MyWellness open platform and thanks to the launch of Technogym Live on the machines installed with smart equipment. This will allow end users to access new training content wherever they are, thus achieving another step in the Wellness on the Go strategy that has always been endorsed by company. This is a central strategy for Technogym and for all its stakeholders given the current situation. To date, despite the progress of the vaccination campaign, which should result

in an improvement in the health and economic situation over the next half-year period, there is still uncertainty with respect to the duration of the epidemic, so it is not possible to make forward-looking estimates of the possible impacts on future financial years.

Financial risks
Financial markets continued to be volatile in 2021.
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 to manage requests for non-standard payment terms and take out credit insurance policies as necessary. Tight credit control allowed the Group to record contained levels of past due amounts.
Also in the first half of 2021, due to the continuation of the pandemic, the group conducted a sensitivity test on the recoverability of the value of receivables on which there is a buyback obligation. Various sensitivity scenarios already analysed in December 2020, which entailed an increased allocation to the bad debt provision, were confirmed. Despite the significant improvement in the portfolio and the reduction in overdue items, the company has confirmed the scenario selected during 2020, leaving the provision unchanged for the first half of 2021.

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. The Company does not use derivative instruments to hedge interest rate risks.

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 puts in place exchange rate risk hedges based on the ongoing assessment of market conditions and the level of net exposure to the risk, combining the use of:
› "Natural hedging", 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 time frame so to realise net exposures to
exchange rate risk which, as such, 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 used as cash flow hedges relating to highly probable future transactions (Cash Flow Hedge Highly Probable Transaction).

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

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

Risks related to supplier relations
The Group has always been committed to developing innovative, high-performance quality solutions. To continue this commitment, a close collaboration needs to be maintained with suppliers, particularly those who produce materials and technologies suitable for use in the fitness industry, even if they primarily operate in other sectors.
Technogym's supply chain is divided into suppliers who provide "bill of materials" supplies, some of which are particularly strategic to Technogym's success, including those that contribute directly to product creation, and "indirect" suppliers who provide other services or materials, as well as the equipment used in production.
The Group works closely with those suppliers considered key to the success of its products, establishing long-term relationships in order to minimise the risks related to the potential unavailability of raw materials within the required timescales.

Periodic performance checks are made, and controls carried out regarding compliance with current environmental and social regulations aimed at guaranteeing a stable supply chain. Technogym has also adopted a structured supply chain assessment process involving on-site audits and checks, which ensures continuous monitoring, and requires its suppliers to comply with the REACH and RoHS directives.

Non-financial risks

Internal risks - effectiveness of processes
The processes that characterise the different areas of the Group business are carefully positioned 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 set of procedures for the regulation of company processes is incorporated in the Quality Assurance System and subject to third-party certification (ISO 9001).
Within the system of processes, the procedures for the management of insider 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 on 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.

Risks related to cyber attacks
The technological acceleration of digital transformation internally and in relation to the market, driven by the health emergency, exposes the Group to the potential risk of cyber attacks (cyber risks). In this regard, the Group has adopted a governance structure and cyber risk management model based on international standards in order to put in place the best technological solutions and choose the best partners to defend corporate assets as well as take out appropriate insurance cover.

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 2021 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 personalisation 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.

Within the Technogym Ecosystem, in the first half of 2021 TECHNOGYM launched Mywellness 6.0, the new suite of functions for Mywellness, the open CRM software platform which enables fitness clubs to manage the entire customer journey inside and outside the club. Mywellness enables operators to personalise the experience of every individual customer and offer training content generated by the club to customers, even at home in video on-demand format. The new Mywellness app 6.0 adds the possibility for the club to leverage the hybrid model, or to continue to manage from training to billing in the gym, and to sell services (personal training sessions, classes and routines) to members, even at home in pay-per-use or subscription mode.
Thanks to Mywellness 6.0, the operator can set up its services and content using Mywellness, or the CRM platform for the management of club customers: from attraction to retention and secondary spending through assessments, programming, tracking, rewarding, analytics, etc.

The operator also sets up the customer journey to be offered to every different customer type on the basis of their passions and aspirations: programmes, services, methods for staff to interact with customers and automatic app notifications.
When customers enrol in the club, they are invited to download the mywellness app, which becomes the point of reference for all wellness services offered in the centre. On the mywellness app, customers can find personalised training programme, the results of their progress, the classes to be booked, the challenges offered by the centre, their personal trainer, and many other services.
With Mywellness 6.0, customers can also access services that can be used anywhere and any time. Live classes, on-demand training and individual personal training sessions offered in streaming mode are just a few examples of the services that can be booked, used and/or purchased directly from the Mywellness App.

In the home segment, in the first 6 months of 2021 Technogym continued with the launch of TECHNOGYM BIKE in many markets following the launch of the product in Europe in the previous year, and launched a new version of TECHNOGYM MYRUN, the compact and silent home fitness treadmill that connects to a tablet and offers a broad range of on-demand training for running and walking: sessions guided by a trainer, targeted routines and virtual classes. Technogym MyRun is designed to meet the needs of the entire family and offer personalised on-demand programmes suited for users at any level: from beginners, to fitness fans to athletes.

In June, the company announced the launch of TECHNOGYM APP, which guides users in obtaining the best results in the shortest period of time with personalised training programmes and libraries of on-demand content.
Whether the goal is to improve the fitness level or increase sports performance, Technogym Coach, based on artificial intelligence, adapts the workout to user needs, wherever they are and whenever they prefer to work out. Every day, the app proposes the most suitable training for each individual combining scientific research, artificial intelligence and engaging and challenging video content.

Medical and scientific research

A scientific approach is an integral part of TECHNOGYM's product development, and the company works with many experts in the field as well as with numerous Italian and international universities. These partnerships focus on the biomechanical and physiological analysis of products being developed, in order to certify their security and effectiveness and study the benefits for sport and health.

Recently, Technogym has a set up a new lab, called a "motion room" within the Technogym Lab, dedicated to analysing movement. The motion room is equipped with the latest technologies and is used both to test elite athletes and analyse Technogym products in the development process. During the Olympic games, a number of athletes were tested at the Technogym Lab to evaluate their performance.

During the first half of 2021, two important scientific collaborations were developed in Italy: with the Oncology Institute of Romagna and the University Institute of Motor Sciences in Rome for research and study projects on the effects of exercise on cancer and diabetes, respectively.

The collaboration with the 'Exercise is Medicine' initiative of the American College of Sports Medicine is continuing in an increasingly structured manner - virtual seminars for training sector specialists have been organised with this association. It is also worth mentioning the relationship with Edith Cowan University in Perth (Australia), where studies are continuing on the effects of strength training in patients with prostate cancer.

Scientific research in the area continues, with publications of scientific studies in indexed journals and the participation of Scientific Department managers at national and international conferences as speakers.

Investments and acquisitions

During the first half of 2021, the Group made investments in property, plant and equipment and intangible assets totalling Euro 11,544 thousand, up on the figure for the first half of 2020; these strategic investments are designed to develop the business, deferring investments not considered urgent.

The data in this section do not include the recognition of the right of use arising from the adoption of IFRS 16.

The amounts of investments made by the Group in the half year ended 30 June 2021 and in the year ended 31 December 2020 are shown below, broken down by type:

(In thousands of Euro)	**Half year ended 30 June**	**Year ended 31 December**
	2021	**2020**
Property, plant and equipment	4,280	9,111
Intangible assets	7,265	15,289
Total investments	**11,544**	**24,399**

The table below shows the amounts of investments made by the Group in the half year ended 30 June 2021 and in the year ended 31 December 2020, relating to the item "Property, plant and equipment", broken down by category:

(In thousands of Euro)	**Half year ended 30 June**	**Year ended 31 December**
	2021	**2020**
Land	-	-
Buildings and leasehold improvements	289	978
Plant and machinery	227	775
Production and commercial equipment	1,602	5,242
Other assets	975	1,516
Assets under construction and advances	1,187	600
Total investments in property, plant and equipment	**4,280**	**9,111**

The table below shows the amounts of investments made by the Group in the half year ended 30 June 2021 and in the year ended 31 December 2020, relating to the item "Intangible assets", broken down by category:

(In thousands of Euro)	**Half year ended 30 June**	**Year ended 31 December**
	2021	**2020**
Development costs	2,503	6,530
Patents and intellectual property rights	2,085	4,844
Concessions, licences, trademarks and similar rights	105	259
Intangibles under development and advances	2,537	3,443
Other intangible assets	34	212
Total investments in intangible assets	**7,265**	**15,289**

Investments in property, plant and equipment include the purchase of new dies and equipment for production sites.

Investments in intangible fixed assets include costs for the development of new projects and restyling of existing projects, as well as purchases of software.

Related party transactions

There were no 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 30 June 2021, 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 28 July 2006, is presented in the financial statements and in the note "related party transactions" of the condensed half-yearly consolidated financial statements as of 30 June 2021.

Possibility to not disclose information in the case of non-material transactions

Pursuant to Article 70, paragraph 8, and Article 71, paragraph 1-bis of the Issuers Regulation, the Issuer opted to defer the obligation to disclose information in cases indicated in Articles 70, paragraph 6, and 71, paragraph 1 of the Issuers Regulation.

Information on shares

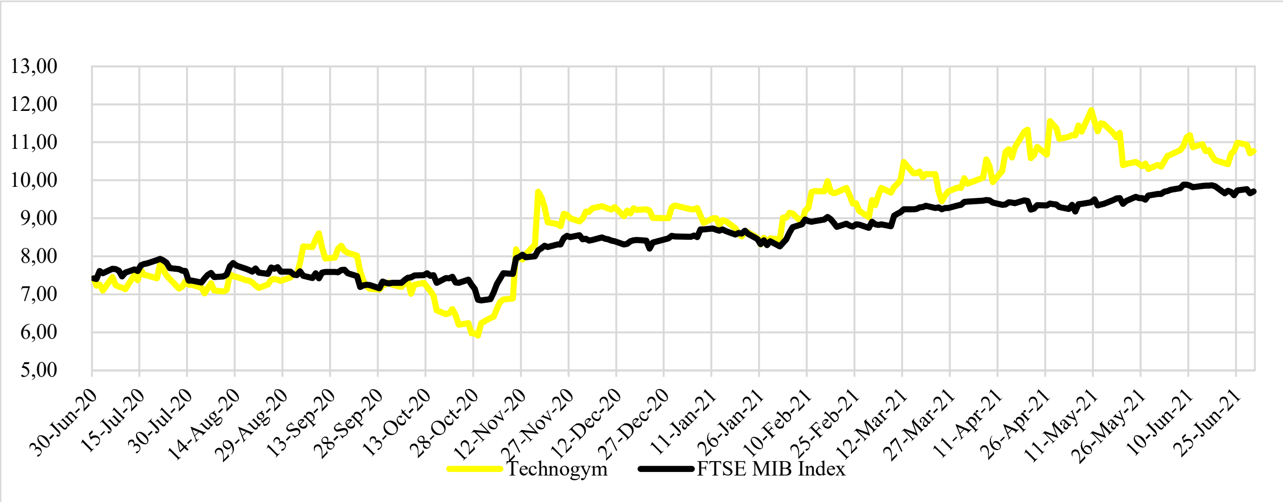
In this market scenario, Technogym shares recorded performance of +16.5% in the first half of the year.

The company does not own nor did it hold, during the period, either through third parties or trust companies, treasury shares or shares or holdings in parent companies.

Share performance

The diagram below summarises the performance of the Technogym share price:

Main stock market indicators (Euro)	
Shares listing	
Official price as of 4 January 2021	9.24
Official price as of 30 June 2021	10.77
Minimum closing price (January-June)	8.31
Minimum price in absolute terms	8.08
Maximum closing price (January-June)	11.85
Maximum price in absolute terms	12.09
Stock market capitalisation	
Stock market capitalisation as of 4 January 2021	1,860,266,100
Stock market capitalisation as of 30 June 2021	2,168,297,175
Ordinary shares	
No. outstanding shares	201,327,500



Shareholding structure

Shown below are the shareholders who, pursuant to art. 120 of the Italian Consolidated Law on Finance (T.U.F.), hold a significant shareholding as of 30 June 2021:

Main shareholders	Number of shares	Share	Voting rights
TGH S.r.l.*	68,000,000	33.78%	50.49%

*company set up following the partial, proportional demerger of Wellness Holding S.r.l., which became effective on 14 May 2020.

Share capital as of 30 June 2021 amounted to Euro 10,066,375, divided into 201,327,500 ordinary shares with no par value.

On 19 May 2021, an Accelerated Bookbuilding procedure by TGH S.r.l. concluded with the disposal of 12,000,000 Issuer shares at a price of Euro 10.81 per share, for a total value of Euro 129.7 million.

The operation took place by relying on qualified investors in Italy and foreign institutional investors. Following the completion of the transaction, TGH S.r.l. holds a total of 68,000,000 shares in the Company, equal to 33.78% of the share capital (corresponding to 136,000,000 voting rights and equal to 50.5% of the total voting rights). The remaining 66.22% of the Issuer's share capital was free float on Borsa Italiana's MTA (screen-based stock exchange).

Therefore, at the date of publication of this Financial Report, TGH S.r.l. held 33.78% of the Issuer's share capital (representing 50.49% of total voting rights), while the remaining 66.22% of the Issuer's share capital is free float on the MTA market managed by Borsa Italiana S.p.A.

Significant events after the reporting period

In line with its positioning as a reference brand of the Olympics movement, Technogym is an official supplier of the Tokyo 2020 Olympic Games taking place in Japan from 23 July 2021 to 8 August 2021; this is therefore now the eighth time that the Olympic Games have seen the participation of Technogym in support of the training of roughly 11 thousand athletes from 206 nations.

In June, the Technogym App was launched, which will enable the group to expand the Technogym community of connected users, to promote the wellness lifestyle at home, at the gym, in hotels, offices and outdoors, for the benefit of both operators and consumers.

Outlook

In the first half of the year, thanks to the progress being made in vaccination campaigns in many countries, there has been a gradual relaxation of restrictions and a resulting recovery in economic activity. This general framework has supported the uptick of orders and turnover by all BtoB segments in which the company operates with a Premium positioning, supported by the general desire to recover by meeting increasing demand for Wellness.

In the second half of the year, Technogym will continue to pursue its traditional growth strategy, intended to place the end user training experience at the heart of its business, by exploiting as much as possible its traditional skills in innovation and product design, in services and in the digital realm, along with the provision of proprietary and other training content to users. For many years now, Technogym has been promoting Mywellness, the professional BtoB CRM platform, which has now surpassed 20 million users. The launch of Technogym App (BtoC) in June will make it possible to expand the Technogym community of connected users, to promote the wellness lifestyle at home,

at the gym, in hotels, offices and outdoors, for the benefit of both operators and consumers.

Lastly, the objective of pursuing growth in line with the first half of the year in the second half of the year as well is confirmed.

Other information

Events and references

Key events during the half year

In the first half of the year, Technogym organised a number of digital events to keep in contact with its customers and stakeholders, also during the period of restrictions caused by COVID-19, in the absence of traditional sector trade shows.

Events covered the most important topics of the fitness and wellness sector, in 4 macro-categories:

- **Education**: events dedicated to training for Technogym products;
- **Digital Solutions**: training on digital solutions for the sector;
- **Technogym Experts**: a selection of speeches by international experts on health, fitness and sports.
- **Virtual products presentations**: sessions dedicated to the launch and further development of new Technogym solutions.

In the TECHNOGYM stores in Madrid and New York, the company hosted 3 talks with famous architects and designers, dedicated to discovering wellness trends in the world of design and architecture. The Design Talks were also made accessible via webinar and will continue to take place in other cities like Milan and London in the second half of the year.

References

Fitness and Wellness Clubs

Fitness and Wellness Clubs continue to represent the most significant market segment in terms of sales volumes. Technogym is the trusted supplier for the most important chains of clubs in the world, such as Virgin Active in Europe, Asia and South Africa and Life Time Fitness in the United States.

The growing use of digital instruments has been a significant market trend, partially accelerated by the pandemic, enabling operators to remain connected with their customer base, even remotely, with the aim of keeping customer loyalty levels high, and in some cases of monetising these solutions with pay-for-training sessions. This scenario was boosted considerably during lockdown, but is still growing, with the increasing use of apps featuring live and on-demand content. In this area, Technogym has been at the forefront in giving operators practical support with dedicated apps and digital solutions.

In the course of 2021, Technogym entered into an important agreement with Anytime Fitness - the only franchise fitness club group present on all seven continents with more than 4 million members and over 4,700 existing clubs - in Italy and South Africa.

The successful collaboration also continued with the Fitness Time chain, the largest fitness club chain in Saudi Arabia. The agreement involves the exclusive supply of Technogym products and digital solutions for a value of more than $ 50 million in five years starting from 2020 for their 138 existing clubs and 70 new clubs opening in the Middle East.

Another strategic partnership was entered into with UFC GYM Middle East, a global leader in the Fitness & Mixed Martial Arts sector, which has chosen Technogym for its 30 new centres to be opened over the next 5 years throughout the Middle East region. In Europe, Technogym was selected as a supplier of the Club One Fitness chain, which is in rapid expansion in the French market, and VIVA Leisure in Australia, which has more than 314 clubs with another 30 to be opened soon.

HCP (Health, Corporate & Performance)

As regards the HCP segment, more and more companies all over the world are launching their own internal Corporate Wellness programmes. Worldwide, over 10,000 companies have already chosen Technogym as their partner for the creation of projects aimed at improving the health of their employees.

In the corporate wellness sector, Technogym is a partner of prestigious companies including Facebook, Google and Apple in the Silicon Valley, with a facility recently renovated at the Culver City campus. In the first half of 2021, the company set up a number of corporate wellness centres including at the Banco Santander headquarters in Spain, the new Amazon headquarters and the Danone headquarters in France, the Hong Kong airport, the SKY television channel offices, the offices of Adidas and VISA in the UK, the new Lavazza offices in Italy and the Procter & Gamble headquarters in Japan.

In the Education sector, the best universities and business schools relied on Technogym for the promotion of the right lifestyles to young talent. In the early months of 2021, projects were created for the UK universities Malvern College, Newcastle and Liverpool John Moore, the Canadian University of Saskatchewan and the University of Florida in the United States.

As regards the world of Sport Performance, in the initial months of the year Technogym set up the brand new headquarters of the Olympics Committee organising the 2024 Olympics in Paris (COJO), Haik Football Base in China, the State Netball and Hockey Center in Australia and the “All-in” tennis academy of the celebrated French tennis player Tsonga in the French Riviera.

In the medical sector, Technogym was selected by the centres of the Salisbury District Hospital in the UK, the Italian Institute for Auxology, Premium Fitness Allied Health in Australia and MEDIFITLABO in Japan.

Hospitality & Residential

Technogym products are already present in the most prestigious hotels throughout the world, and in 2021 the brand remained a key reference for luxury hotels. In the Hospitality & Residential channel, TECHNOGYM is a partner of the most prestigious global groups, including Mandarin Oriental, Four Seasons, Marriott / Starwood, Hilton, Accor Hyatt and many more.

Technogym supplied numerous hotels worldwide in the first half of the year, including the AMAN hotel in New York, the Fairmont Windsor in London, the Waldorf Astoria Doha and W Hotel Xiamen in China.

The Kempinski hotel chain has entered into an agreement Technogym to offer a new type of room, the Kempinski Fit Room, which the traditional luxury hotel group is gradually introducing at global level. Kempinski guests can book a Fit Room with Technogym equipment directly from the hotel’s website, to enjoy innovative in-room training solutions and on-demand fitness services for an exclusive wellness experience, moving beyond the wellness centre.

Some of the most prestigious residential projects inaugurated in 2021 like the Shark Towerdi Cancun, The Estates Acqualina in Miami, Apogee and Patrimar Essence towers in Belo Horizonte partnered up with Technogym to create created Wellness areas for their residents.

The most prestigious cruise ships chose Technogym as partner for their on-board gyms; in the first few months of 2021, Technogym was awarded the contract as Supplier of the ships Virgin Voyages Resiliant Lady and Costa Toscana.

Home

TECHNOGYM is present in more than 400,000 private homes.

Also during the first half of 2021, demand for Technogym products and services for the home increased considerably.

In terms of products, the company consolidated its strategy of creating bespoke solutions for the home based on the space and service level requested by the customer, including the professional Artis and Skill ranges for customers with more space who can set up their own home gym, the Personal design range for users who want to add one or two products that blend in perfectly with their home furnishings, as well as compact products such as MyRun for customers with less space.

Technogym also recently announced the opening of its new store in **Los Angeles, California**. **Two floors entirely dedicated to Home Wellness** in the heart of the West Hollywood Design District - *131 North Robertson Boulevard* – over 300 square metres designed to offer a true Wellness Experience and allow visitors and customers to discover the best products and the most innovative home fitness technologies. Personal trainers and expert interior designers will always be present in the store to design custom-made home gyms and to offer personalised training advice.

Partnerships

For many years now, the world’s most prestigious sports clubs have worked with TECHNOGYM on the physical training of their athletes. In the first half of 2021, Technogym, as Official Supplier of the Tokyo Olympics, set up 15 athletic training centres dedicated to 12 thousand athletes all over the world, who will participate in the Olympic Games starting on 23 July.

In Italy, TECHNOGYM continues its football partnerships with Juventus, Inter, Milan and the Italian National Team. With the goal of expanding its partnerships abroad, especially in key markets, in 2021 the company confirmed its collaboration with top international clubs and the Russian and Brazilian national teams. In basketball, TECHNOGYM continued its collaboration with Olimpia Milano in 2021 and also began to partner with the Bologna team Virtus. Thanks to its wide range of products, which are perfect for athletic training in all sports disciplines, top sports champions collaborating with TECHNOGYM include tennis star Rafael Nadal, the young champion Jannik Sinner, NBA star Marco Belinelli, the racer Andrea Dovizioso, fencing champion Bebe Vio and highly successful teams such as Ferrari and McLaren in Formula 1. In sailing, Technogym was chosen by Luna Rossa, while in golf it is an Official Partner of the PGA (Professional Golfers Association), the organisation that manages the main professional golf tours in the United States, and it was also selected by the prestigious Italian Golf Clubs, Royal Park and Marco Simone, where the next Ryder Cup will take place in 2023.

Human Resources and Organisation

TECHNOGYM recognises the fundamental importance of human resources, their health, training, motivation and incentives. Development of their qualities and skills is considered essential for the implementation of the corporate strategy. In the first half of 2021, Technogym employed on average 2,046 staff, of whom 66 managers, 1,341 office staff and 639 blue-collar workers.

	Half year ended 30 June 2021		**Year ended 31 December 2020**	
(In number)	**Average**	**Year-end**	**Average**	**Year-end**
Number of employees				
Managers	66	68	61	60
White-collar	1,341	1,345	1,353	1,325
Blue-collar	639	654	664	635
Total number of employees	**2,046**	**2,067**	**2,077**	**2,020**

During the first half of 2021, in continuity with the “My Responsibility” project launched in 2020, activities continued to disseminate the Technogym Leadership Model. Aside from the company management, all Leaders at every level of the business were involved in training and thematic workshops as well as team and individual coaching.

With a view to developing strategic company expertise, an international training plan has been devised, with a focus on e-learning and remote training.

Specifically, training activities were focused on professional development plans to support talent growth.

The ‘W4W’ project (Working 4 Wellness) continued. This complete programme of activities and services for employees puts health and well-being centre stage through Corporate Wellness, and the company restaurant, also making available a wide range of special offers and rates to Technogym staff and their families for healthcare, cultural and leisure services at external facilities.

In this regard, the services offered were expanded and confirmed, including a summer centre for the children of staff and other children, managed by operators, with recreational activities overseen by specialised educators, for which Technogym made available facilities and a bonus for its employees equal to half of the weekly attendance fee.

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, centred 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). In particular, please recall that Technogym has defined its sustainability policy by setting out its main priorities.

Sustainability objectives and commitments

Technogym's approach to sustainability has strong synergies with its corporate mission. Our aim is to disseminate the Wellness Lifestyle globally with a view to promoting regular physical exercise and healthy lifestyles and improving people's quality of life. Wellness, the corporate philosophy of Technogym, is key to defining our strategic objectives. It reflects our commitment to building shared value with all stakeholders.

The close correlation between business strategy and sustainability is what guides the Group in its decisions and in its actions, which are designed to meet the health needs and demands of ordinary people. The wellbeing of end users and, therefore, of the community as a whole, is central to our corporate objectives, and it starts at the product design phase. We maintain this focus throughout the production process, through to the after sales and marketing stages.

This combination of factors makes our business model unique, and fosters our strategic alignment with the United Nations Sustainable Development Goals (SDGs). Technogym unquestionably contributes to achieving Goal 3 "Health and Wellbeing", with specific reference to Target 3.4. "By 2030, reduce by one-third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and wellbeing".

On the strength of the Group's commitment to ESG (Environment, Social, and Governance) issues and with a view to strengthening the alignment between the SGDs and its corporate strategy, Technogym undertakes to outline clear sustainability objectives and commitments.

Specifically, in 2020, Technogym defined its Sustainability Policy, setting out its main sustainability priorities and laying the foundations for a path of continuous improvement in ESG performance[1].

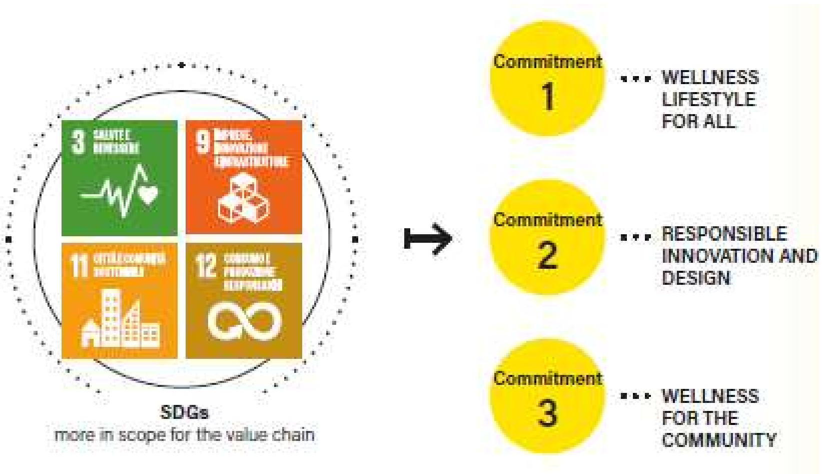
Technogym's Sustainability Policy is based on three key Commitments, by 2025, which include:

› Wellness Lifestyle for All (Commitment no. 1), which underlines the opportunity to create value starting from the Group's core business

› Responsible Innovation and Design (Commitment no. 2), with a strong focus on sustainable innovation to increasingly guide choices towards the responsible management of climate change risks[2];

› Wellness for the Community (Commitment no. 3), focused on the wellbeing of the community in which it operates and of the stakeholders that Technogym works and communicates with.

Technogym's 2025 ESG commitments



1. Due to the Covid-19 pandemic, the approval process has been postponed until the start of 2021. The Policy was approved by the Board of Directors during publication of this document. .

2. A point of reference is the European guidelines linked to the recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD).

WELLNESS LIFESTYLE FOR ALL

For over 20 years, Technogym has been promoting wellness as a social opportunity for all stakeholders: citizens, businesses and governments. Using this history of culture and innovation, and in compliance with the United Nations' "Good Health and Well-being" goal, the company is determined to keep helping its stakeholders to achieve wellness by promoting sustainable lifestyles and behaviours for the wellbeing of the community through a range of products and services that use the latest technology, meet the needs of private and professional users, and reach an ever larger number of people.

RESPONSIBLE INNOVATION AND DESIGN

Our mission to help build a better world based on the health of its people must be accompanied by considerable care and attention for the environment in which we live. That is why, in pursuing the UN's "Responsible consumption and production" and "Industry, innovation and infrastructure" goals, we work to create products and environments in which functionality and aesthetics can co-exist and where seeking out new green solutions, from the planning stage onwards, enables us to act responsibly while not neglecting excellence in design.

WELLNESS FOR THE COMMUNITY

Commitment 3

Through several concrete projects, such as the Wellness Valley set up in 2003 and the Let's Move for a Better World campaign, which is now on to its seventh edition, we wish to promote the full expression and realisation of wellness as a concept, using our technologies and communication initiatives to help improve the quality of life and wellbeing of the community and the planet. We believe these factors are crucial in order to achieve the UN's goal of "Sustainable cities and communities". Starting from 2017, Technogym has prepared a Non-Financial Statement (NFS) in accordance with the legal requirements set out in Italian Legislative Decree 254/2016. For details on its non-financial performance, refer to the Non-Financial Statement prepared in line with the Global Reporting Initiative Standards (GRI Standards). This was subjected to a limited examination by PricewaterhouseCoopers S.p.A., and is available on the Group's corporate website.

Exercise is Medicine

For the eleventh year running, Technogym was 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.

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 centre 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 organised concrete activities as well as meetings and thematic discussions to facilitate networking among all the stakeholders in the area.

In the first half of 2021, as part of social projects throughout the country, Technogym donated a gym to the PRIME Center at the Oncology Institute of Romagna. Exercise is a great tool to prevent multiple illnesses, including neoplasms, and combined with cancer fighting treatments, it is capable of reducing their side effects and improving patient quality of life. This project works alongside the multiple Technogym partnerships with institutes of excellence in the world of health, such as the Memorial Sloan Kettering Cancer Center in New York.

Thanks to Technogym's partnership with the Italian National Olympic Committee (CONI), the "Cesena Sport City" project was born, a centre to introduce very young people to sports, located at Parco Ippodromo. This is a long-term project carried out in collaboration with the Municipal Administration which undertakes to promote good and healthy sports practices at every age.

Environment and safety

The environment is a fundamental element of the Wellness lifestyle, the Company's philosophy aimed at promoting sustainable socio-economic development. Environmental and ecological sustainability themes have always been central to Technogym's strategy and processes. UNI ISO 14001 and UNI EN ISO 50001 certified activities also continued in the financial 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 packaging reuse.

In line with these parameters, Technogym Village was built according to bio-architecture principles and criteria aimed at protecting the environment and saving energy, which has earned the company white certificates. The company also holds certification for the ISO 45001 occupational health and safety system, for the UNI EN ISO 9001 management system for Wellness equipment design, production, installation and assistance, and UNI EN ISO 14385 certification for functional rehabilitation equipment design, production, installation and assistance.

5. CONDENSED HALF-YEARLY CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position

(In thousands of Euro)	**Notes**	**As of 30 June**		**As of 31 December**	
		2021	***of which from related parties***	**2020**	***of which from related parties***
ASSETS					
Non-current assets					
Property, plant and equipment	5.1	155,199	*9,300*	159,243	*9,982*
Intangible assets	5.2	48,484		47,365	
Deferred tax assets		19,171		18,532	
Investments in joint ventures and associates	5.3	3,920		18,736	
Non-current financial assets		204		2,992	
Other non-current assets		45,541		52,616	
TOTAL NON-CURRENT ASSETS		**272,520**		**299,484**	
Current assets					
Inventories		102,308		82,614	
Trade receivables	5.4	83,307	*1,573*	81,060	*1,174*
Current financial assets		23,026		39	
Assets for derivative financial instruments	5.5	15		1,525	
Other current assets		24,583	*258*	17,202	*466*
Cash and cash equivalents		180,468		202,065	
TOTAL CURRENT ASSETS		**413,708**		**384,505**	
TOTAL ASSETS		**686,228**		**683,989**	
EQUITY AND LIABILITIES					
Equity					
Share capital		10,066		10,066	
Share premium reserve		7,132		4,990	
Other reserves		29,544		25,541	
Retained earnings		198,226		211,567	
Profit (loss) attributable to owners of the parent		30,357		36,004	
Equity attributable to owners of the parent		**275,325**		**288,167**	
Capital and reserves attributable to non-controlling interests		1,519		1,934	
Profit (loss) attributable to non-controlling interests		130		444	
Equity attributable to non-controlling interests		**1,649**		**2,379**	
TOTAL EQUITY	5.6	**276,974**		**290,546**	
Non-current liabilities					
Non-current financial liabilities	5.7	58,868	*8,395*	97,677	*9,411*
Deferred tax liabilities		247		343	
Employee benefit obligations		3,420		2,955	
Non-current provisions for risks and charges	5.8	8,503		9,662	
Other non-current liabilities		31,839		37,665	
TOTAL NON-CURRENT LIABILITIES		**102,878**		**148,302**	
Current liabilities					
Trade payables	5.9	130,449	*523*	114,006	*316*
Current tax liabilities		8,184		2,465	
Current financial liabilities	5.7	73,763	*2,774*	46,409	*2,061*
Liabilities for derivative financial instruments	5.7	497		58	
Current provisions for risks and charges	5.8	10,252		8,621	
Other current liabilities		83,231		73,582	
TOTAL CURRENT LIABILITIES		**306,376**		**245,141**	
TOTAL EQUITY AND LIABILITIES		**686,228**		**683,989**	

Consolidated income statement

(In thousands of Euro)	Notes	Half year ended 30 June			
		2021	***of which from related parties***	**2020**	***of which from related parties***
REVENUES					
Revenues	5.10	275,879	*5,436*	222,044	*4,177*
Other revenues and income		376	*83*	404	*104*
Total revenues		**276,255**		**222,448**	
OPERATING COSTS					
Purchases and use of raw materials, work in progress and finished goods	5.11	(91,026)	*(34)*	(69,015)	*(36)*
of which non-recurring income/(expenses)		*(13)*		*(323)*	
Cost of services	5.12	(69,937)	*(458)*	(60,306)	*(358)*
of which non-recurring income/(expenses)		*(215)*		*(719)*	
Personnel expenses	5.13	(64,825)	*0*	(54,843)	*6*
of which non-recurring income/(expenses)		*(464)*		*(435)*	
Other operating costs		(4,060)	*(9)*	(3,916)	*(7)*
of which non-recurring income/(expenses)		*(120)*		*(1,091)*	
Share of net result from joint ventures		11,880		(2,137)	
of which non-recurring income/(expenses)		*11,128*		*(2,468)*	
Depreciation, amortisation and impairment losses / (revaluations)		(17,841)	*(769)*	(17,222)	*(782)*
Net provisions		(2,384)		(2,196)	
NET OPERATING INCOME		**38,063**		**12,813**	
Financial income		5,574	*7*	5,390	*0*
Financial expenses		(6,057)	*(78)*	(6,945)	*(74)*
Net financial expenses		**(483)**		**(1,555)**	
Income/(expenses) from investments		426		261	
PROFIT BEFORE TAX		**38,006**		**11,520**	
Income taxes	5.14	(7,519)		(5,288)	
of which non-recurrent income taxes		*0*		*(295)*	
PROFIT/(LOSS) FOR THE PERIOD		**30,487**		**6,232**	
Profit/(loss) attributable to non-controlling interests		(130)		(164)	
Profit (loss) attributable to owners of the parent		**30,357**		**6,068**	
EARNINGS PER SHARE	5.15	**0.15**		**0.03**	

Consolidated statement of comprehensive income

(In thousands of Euro)	Notes	Half year ended 30 June	
		2021	**2020**
Profit (loss) for the period (A)		**30,487**	**6,232**
Actuarial gains/(losses) on post-employment benefit obligations and Non-Compete Agreements		-	-
Tax effect on actuarial gains/(losses) on post-employment benefit obligations and Non-Compete Agreements		-	-
Total items that will not be reclassified to profit or loss (B1)		**-**	**-**
Exchange rate differences on the translation of foreign operations		790	(726)
Exchange rate differences for valuation of entities accounted for using the equity method		178	44
Gains (losses) on cash flow hedges (hedge accounting)		0	0
Total items that will be reclassified to profit or loss (B2)		**968**	**(682)**
Total Other comprehensive income, net of tax (B)=(B1)+(B2)		**968**	**(682)**
Total comprehensive income for the period (A)+(B)		**31,455**	**5,550**
of which attributable to owners of the parent		31,324	5,464
of which attributable to non-controlling interests		131	86

Consolidated Statement of Cash Flows

(In thousands of Euro)	**Notes**	**Half year ended 30 June**	
		2021	**2020**
Cash flows from operating activities			
Consolidated Profit (loss) for the period		30,487	6,232
Adjustments for:			
Income taxes	5.14	7,519	5,288
(Income)/expenses from investments		(426)	(261)
Financial (income)/expenses		483	1,555
Depreciation, amortisation and impairment		17,841	17,222
Net provisions		2,384	2,196
Share of net result from joint ventures	5.3	(11,880)	2,137
Cash flows from operations before changes in working capital		**46,407**	**34,368**
Change in inventories		(19,509)	(15,615)
Change in trade receivables	5.4	(3,989)	55,234
Change in trade payables	5.9	15,507	(39,458)
Change in other assets and liabilities		4,338	(3,992)
Income taxes paid		(3,552)	(5,467)
Net cash inflow / (outflow) from operating activities (A)		**39,202**	**25,072**
of which from related parties		*5,358*	*3,311*
Cash flows from investing activities			
Investments in property, plant and equipment	5.1	(4,280)	(2,650)
Disposals of property, plant and equipment		374	472
Investments in intangible assets	5.2	(7,265)	(5,985)
Disposals of intangible assets		0	56
Sale/(Purchase) of subsidiaries, associates and other entities	5.3	29,484	-
Net cash inflow (outflow) from investing activities (B)		**18,314**	**(8,106)**
of which from related parties		-	-
Cash flows from financing activities			
Reimbursement of leasing costs (IFRS 16)		(3,487)	(3,392)
Non-current financial liabilities (including the current portion)	5.7	-	-
Repayment of borrowings (including the current portion)	5.7	(12,500)	(6,194)
Net increase (decrease) in current financial liabilities		(21,844)	(496)
Dividends paid to shareholders	5.6	(44,292)	-
Payments of net financial expenses		2,661	45
Net cash inflow (outflow) from financing activities (C)		**(79,462)**	**(10,037)**
of which from related parties		*(847)*	*(856)*
Net increase (decrease) in cash and cash equivalents (D)=(A)+(B)+(C)		**(21,946)**	**6,929**
Cash and cash equivalents at the beginning of the year		**202,065**	**114,413**
Net increase (decrease) in cash and cash equivalents from 1 January to 30 June		(21,946)	6,929
Effects of exchange rate differences on cash and cash equivalents		348	(760)
Cash and cash equivalents at the end of the period		**180,468**	**120,582**

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 01 January 2020	**10,050**	**4,990**	**26,925**	**132,827**	**83,203**	**257,995**	**1,554**	**540**	**260,089**
Profit for the previous year	-	-	4,463	78,741	(83,204)	**(0)**	541	(541)	**(0)**
Total comprehensive income for the year	-	-	(604)	-	6,068	**5,464**	(78)	164	**5,550**
Dividends paid	-	-	-	0	-	**0**	-	-	**0**
Increase in capital	16	-	-	-	-	**16**	-	-	**16**
Other movements	-	-	(0)	0	(0)	**(0)**	-	-	**(0)**
Option for the purchase of non-controlling interests	-	-	-	-	-	**-**	-	-	**-**
Incentive plan (LTIP)	-	-	(274)	-		**(274)**	-	-	**(274)**
As of 30 June 2020	**10,066**	**4,990**	**30,510**	**211,568**	**6,067**	**263,201**	**2017**	**164**	**265,381**

As of 01 January 2021	**10,066**	**4,990**	**25,542**	**211,566**	**36,002**	**288,167**	**1,935**	**444**	**290,546**
Profit for the previous year	-	-	5,023	30,981	(36,004)	**0**	444	(444)	**0**
Total comprehensive income for the year	-	-	967	-	30,357	**31,324**	1	130	**31,455**
Dividends paid	-	-	-	(44,322)	-	**(44,322)**	0	-	**(44,322)**
Increase in capital	-	-	0	-	-	**0**	-	-	**0**
Acquisition of minority interests	-	-	155	-	-	**155**	(861)	-	**(706)**
Other movements	-	-	-	-	(0)	**0**	0	(0)	**0**
Incentive plan (LTIP)	-	2,143	(2,143)	-	-	**-**	-	-	**-**
As of 30 June 2021	**10,066**	**7,132**	**29,544**	**198,225**	**30,355**	**275,323**	**1,519**	**130**	**276,974**

Notes to the Condensed Half-Yearly 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 organised 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 characterised by technological innovations and attention to design and finishes. These solutions can be personalised 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 presentation

The condensed half-yearly consolidated financial statements as of 30 June 2021 of the Technogym Group (the "**Condensed Half-Yearly 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 Half-Yearly Consolidated Financial Statements were prepared in compliance with the provisions of IAS 34 "Interim Financial Reporting". As permitted by this standard, the Condensed Half-Yearly 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 31 December 2020 (the "**Consolidated financial statements**").

The Condensed Half-Yearly 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 (31 December 2020 for the statement of financial position, 30 June 2020 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 Half-Yearly 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 30 June 2021 conform to those used to draft the financial report as at 31 December 2020, to which reference should be made for more information.

The amendments to and interpretations of accounting standards in force from 1 January 2021 are described below:

- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2
- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020

The Group does not expect significant impacts on the financial position and performance arising from the adoption of these standards.

Accounting standards issued but not yet in force

The main standards and interpretations already issued at the reporting date, but not yet in force, are indicated below:

- IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group does not expect significant impacts on the financial position and performance arising from the adoption of these standards.

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 30 June 2021:

Entity name	Year ended 30 June 2021				
	Registered office	**% of control Jun-2021**	**% of control Dec-2020**	**Currency**	**Share capital**
Subsidiaries - consolidated using the line-by-line method					
Technogym SpA	Italy	Parent company	Parent company	EUR	10,066,375
Technogym E.E. SRO	Slovakia	100%	100%	EUR	15,033,195
Technogym International BV	Netherlands	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	Netherlands	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	11,481,935
Technogym Australia Pty Ltd	Australia	100%	100%	AUD	11,350,000
Technogym Portugal Unipessoal Lda	Portugal	100%	100%	EUR	5,000
FBK Equipamentos LTDA	Brazil	100%	100%	BRL	156,064,684
Sidea S.r.l	Italy	70%	70%	EUR	150,000
Technogym ZAO	Russia	100%	90%	RUB	10,800,000
TG Holding BV	Netherlands	100%	90%	EUR	300,000
Wellness Partners Ltd	United Kingdom	75%	75%	GBP	386,667
Wellness Partners USA Inc	United States	75%	75%	USD	1,000
TGB Srl	Italy	100%	100%	EUR	96,900

La Mariana Srl	Italy	100%	100%	EUR	76,500
TG Technogym SA (PTY) LTD	South Africa	100%	100%	ZAR	4,345,000
DWL S.r.L	Italy	100%	100%	EUR	10,000
Amleto Aps	Denmark	0%	100%	DKK	60,000
Associates - jointly controlled entities, consolidated using the equity method					
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	-
Exerp Aps	Denmark	0%	50%	DKK	186,966
Exerp America Inc	USA	0%	50%	USD	1,000
Exerp Asia Pacific Pty Ltd	Australia	0%	50%	AUD	100
Wellness Venture Srl	Italy	50%	0%	EUR	10,000
Physio Ag	Germany	32%	0%	EUR	73,000

During the half-year ending 30 June 2021, the following changes occurred within the perimeter: (i) acquisition of 50% of the Italian company Wellness Venture Srl, consolidated with the equity method, which aims to develop detailed market research and initiate marketing projects intended to define an optimal digital strategy; (ii) acquisition of a share of the German company Physio AG, 31.5% held and consolidated with the equity method, which aims to consolidate the presence in the German market of one of the main players active in the development and sale of the biocircuit platform; (iii) the deconsolidation of the Danish company Amleto Aps., following a sale transaction, which entailed the corresponding departure from the group of the Danish, US and Australian companies Exerp Aps, Exerp America LLC and Exerp Asia Pacific Pty, respectively, as well. For further details on this transaction, please refer to the "Investments in joint ventures and associates" section of this document; iv) in March 2021, Technogym International BV acquired the remaining 10% of TG Holding BV for Euro 600 thousand through an arm's length transaction with the minority shareholder. This transaction is part of the plan to strengthen and expand the group in Russia. On the date of this document, the Group therefore holds 100% of TG Holding BV and thus of the subsidiary Technogym ZAO. No risks or impairment of intangible assets have been identified, given that, as of today's date, Technogym ZAO has equity greater than the value of the investments in TG Holding BV.

The basis of consolidation adopted for drafting the Condensed Half-Yearly 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 30 June**		**As of 31 December**
	2021	**2020**	**2020**
USD	1.188	1.120	1.227
GBP	0.858	0.912	0.899
JPY	131.430	120.660	126.490
CHF	1.098	1.065	1.080
AUD	1.585	1.634	1.590
AED	4.364	4.113	4.507
CNY	7.674	7.922	8.023
RUB	86.773	79.630	91.467
HKD	9.229	8.679	9.514
BRL	5.905	6.112	6.374
ZAR	17.011	19.443	18.022
SGD	1.598	1.565	1.622

DKK	7.436	7.453	7.441

Currency	Average for the period ended 30 June		Average for the year ended 31 December
	2021	2020	2020
USD	1.205	1.101	1.142
GBP	0.859	0.874	0.890
JPY	132.631	119.207	121.846
CHF	1.094	1.064	1.071
AUD	1.576	1.678	1.655
AED	4.424	4.045	4.195
CNY	7.739	7.748	7.875
RUB	87.456	76.683	82.725
HKD	9.351	8.548	8.859
BRL	6.069	5.417	5.894
ZAR	16.754	18.332	18.766
SGD	1.606	1.541	1.574
DKK	7.436	7.465	7.454

Accounting policies

The accounting policies adopted for drafting the Condensed Half-Yearly Consolidated Financial Statements conform to those used to prepare the Consolidated Financial Statements.

The economic result for the period is presented net of taxes recognised based on the best estimate of the average weighted rate expected for the entire year.

Income tax receivables and payables for current income taxes are recognised 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 as of 31 December 2020. 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.

In the first half of 2021, there were no indicators or trigger events such so as to make impairment testing necessary.

Also in the first half of 2021, due to the continuation of the pandemic, the group conducted a sensitivity test on the recoverability of the value of receivables on which there is a buyback obligation. Four different sensitivity scenarios already analysed in December 2020, which entailed an increased allocation to the bad debt provision, were confirmed. Despite the significant improvement in the portfolio and the reduction in overdue items, the company has confirmed the scenario selected during 2020, leaving the provision unchanged for the first half of 2021.

Segment reporting

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 management when making operational decisions. The Group's approach to the market follows a unique business model that offers an integrated range of 'Wellness solutions' and also pursues higher levels of operational efficiency through cross-production.

However, for the purposes of operational and sales analysis, company management considers the customer base, geographical area and distribution channels to be important aspects.

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

Technogym ended the first half considerably improving its performance over the previous year (+24.2%).

A breakdown of the Group's revenues by customer segment, geographical area and distribution channel is provided below:

(in thousands of Euro)	Half year ended 30 June			
	2021	**2020**	**21 vs 20**	**%**
BtoC	97,216	62,100	35,116	56.5%
BtoB	179,038	160,348	18,690	11.7%
Total revenues	**276,255**	**222,448**	**53,807**	**24.2%**

Revenues as of 30 June confirm the strong growth of the Private customer segment compared to the previous financial year (+56.5% Y/Y) due to the broad range of Technogym products and services in line with the increasing demand for at-home training. At the same time, an initial recovery is seen in the Commercial business (+11.7%), although with differing trends between the various segments and geographical areas, and with general signs of improvement in areas where the pandemic has decreased. It is worth noting the performance of the Health segment, which was the best of the BtoB segment, taking advantage of the increasing requests for training solutions related to health.

A breakdown of revenues by geographical area is provided below:

(In thousands of Euro and percentage of total revenues)	Half year ended 30 June			
	2021	**2020**	**2021 vs 2020**	**%**
Europe (without Italy)	127,848	105,956	21,892	20.7%
APAC	53,200	39,163	14,037	35.8%
Italy	31,535	25,740	5,795	22.5%
North America	29,692	28,329	1,363	4.8%
MEIA	28,044	17,641	10,403	59.0%
LATAM	5,936	5,619	317	5.6%
Total revenues	**276,255**	**222,448**	**53,807**	**24.2%**

The breakdown by geographical area is influenced by the various stages of development of the pandemic as well as by the contribution, in certain cases significant, provided by Home sales, which, please recall, are concentrated primarily in the European area. In this improving scenario, Technogym recorded growth across all geographical areas during the half. It is particularly important to note the second quarter acceleration in Europe where, in addition to the continuous drive of BtoC, BtoB also resumed in the various countries, to such an extent so as to achieve quite considerable performance in certain countries like the UK and France; performance in Italy remained significant (+22.5%). Growth has resumed in North America as well, where in the last few quarters it was particularly impacted by the pandemic due to the decision made by certain Key Accounts in the Club sector and Hospitality segment operators to postpone investments. Excellent performance was also recorded in APAC, which is confirmed as the region recording the most advanced recovery, with turnover for the period higher than that recorded in the first half of 2019 and where China has particularly achieved excellent performance. The MEIA area continues to grow as well, considerably surpassing turnover in the first half of 2019, while in LATAM the initial signs of a recovery continue to be seen.

A breakdown of revenues by sales channel is provided below:

(In thousands of Euro and percentage of total revenues)	Half year ended 30 June			
	2021	**2020**	**2021 vs 2020**	**%**
Field sales	159,216	143,174	16,042	11.2%
Wholesale	68,612	46,045	22,567	49.0%
Inside sales	42,336	28,355	13,981	49.3%
Retail	6,091	4,874	1,217	25.0%
Total revenues	**276,255**	**222,448**	**53,807**	**24.2%**

With respect to revenues performance by sales channel, the excellent performance generated by the channels most relevant to home fitness are worth noting. Retail, or in other words the Group's 10 flagship stores, registered a 25.0% growth in revenues, while Inside Sales, which includes the teleselling and e-commerce channels, recorded a +49.3% growth. The Wholesale channel confirms excellent first quarter performance, supported mainly by business growth in the emerging APAC and MEIA regions, aside from the contribution of many European distributors. Lastly, although Field Sales continues to be the channel most impacted by the lock-down, it marked solid double-digit performance on the second quarter, benefitting from the relaxation of COVID containment measures in various geographical areas and the resumption of BtoB.

Season-related aspects

As described in previous years, 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.

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.

In detail, revenues in the first half of 2019 and in the first half of 2020 amounted to around 44% of annual revenues, while the remaining 56% was generated in the second half of both years.

Impacts of Covid-19 and business continuity

The first half of 2021 was still affected by the spread of Covid-19 unevenly throughout all areas where the group operates, with various levels of severity and the widespread application of restrictive and social distancing measures, also impacting gyms, as in the previous year.

The sector in which Technogym operates in any event observed a reactivation in demand in the professional segment, which led to a good first half of the year, while demand from end customers was also confirmed.

In a still difficult context, the financial position and performance in the first half of the year enabled the Technogym Group to record margins aligned with 2019 (pre-pandemic) and to achieve positive cash generation. Therefore, also considering the prospects for the end of 2021, despite the uncertainty as to the duration and intensity of the Covid-19 pandemic, no critical aspects regarding the recoverability of the value of Net Invested Capital were identified, also bearing in mind that no intangible assets with an indefinite useful life were recognised. This situation is confirmed by the Technogym Group's capacity to generate income and cash in line with the pre-Covid period.

As it already did in 2020, the Group conducted a preliminary qualitative analysis of all financial statement items (also bearing in mind that intangible assets with an indefinite useful life are not recognised in the financial statements), in order to identify any impairment losses. On the basis of the qualitative analysis performed on a preliminary basis, no impairment testing was deemed necessary, also considering the low residual value following the sale of Amleto.

During the first half of the year, the Group benefitted from employment support measures, where permitted by local legislation, which often resulted in economic and/of financial benefits. At the same time, Technogym resumed strategic investments to develop the business, as highlighted in the report.

Lastly, considering the Group's net financial position as of 30 June 2021, which was positive by 70.4 million and includes cash and cash equivalents of 180.5 million, as well as undrawn credit lines of approximately 210.6 million, and considering the Group's future prospects in relation to both products and markets, the directors believe there is no uncertainty as to the Group being a going concern. Technogym is ready to seize new opportunities to continue to meet its customers' expectations and achieve its mission of fostering a wellness culture worldwide.

Notes to the statement of financial position

The main line items of the financial statements are presented below and, with particular reference to assets, no accounting adjustments were considered necessary, following assessments made, in addition to those already representing the current situation and context. The company may review these assessments when preparing the 2021 Financial Statements, if there are significant changes in the external context, besides those known at present or that are reasonably foreseeable.

5.1 PROPERTY, PLANT AND EQUIPMENT

The item "Property, plant and equipment" amounted to Euro 155,199 thousand at 30 June 2021 (Euro 159,243 thousand at 31 December 2020).

The following table reports the details of property, plant and equipment as of 30 June 2021 and 31 December 2020:

(In thousands of Euro)	**As of 30 June**	**As of 31 December**
	2021	**2020**
Property, plant and equipment		
Land	13,078	13,077
Buildings and leasehold improvements	106,821	108,928
Plant and machinery	8,524	9,203
Production and commercial equipment	14,405	16,553
Other assets	9,436	9,673
Assets under construction and advances	2,935	1,808
Total property, plant and equipment	**155,199**	**159,243**

The table below shows the amounts of investments made by the Group in the half year ended 30 June 2021 and in the year ended 31 December 2020, relating to the item "Property, plant and equipment", broken down by category, net of IFRS 16:

(In thousands of Euro)	**As of 30 June**	**As of 31 December**
	2021	**2020**
Property, plant and equipment		

Land	-	-
Buildings and leasehold improvements	289	978
Plant and machinery	227	775
Production and commercial equipment	1,602	5,242
Other assets	975	1,516
Assets under construction and advances	1,187	600
Total property, plant and equipment	**4,280**	**9,111**

Investments in property, plant and equipment mainly include the purchase of new dies and equipment for production sites.

Some detailed information relative to IFRS 16 is provided below for a greater clarity and understanding of the financial statements.

The table below shows the impact of IFRS 16 on the consolidated financial position and performance for the half year ended 30 June 2021 and the year ended 31 December 2020:

(In thousands of Euro)	**As of 30 June**	**As of 31 December**
	2021	**2020**
Rights of use		
Buildings	18,629	18,254
Equipment	1,221	1,287
Cars	3,404	3,213
Others	-	-
Total rights of use	**23,254**	**22,754**

(In thousands of Euro)	**As of 30 June**	**As of 31 December**
	2021	**2020**
Lease liabilities		
IFRS 16 Financial liabilities - Current	6,552	5,965
IFRS 16 Non-current financial liabilities	17,753	17,763
Total lease liabilities	**24,304**	**23,727**

The table below shows the impact of IFRS 16 on the consolidated financial position for the half year ended 30 June 2021 and 30 June 2020:

(In thousands of Euro)	**Half year ended 30 June**	
	2021	**2020**
Depreciation of rights of use		
Buildings	(2,338)	(2,243)
Equipment	(193)	(140)

Cars	(820)	(868)
Others	-	-
Total depreciation	**(3,351)**	**(3,251)**

(In thousands of Euro)	Half year ended 30 June	
	2021	**2020**
Payment reversals		
Buildings	2,664	2,538
Equipment	84	47
Cars	739	806
Others	-	-
Total payment reversals	**3,487**	**3,392**

(In thousands of Euro)	Half year ended 30 June	
	2021	**2020**
Interest		
Interest expense	(204)	(297)
Total interest	**(204)**	**(297)**

5.2 INTANGIBLE ASSETS

The item "Intangible assets" amounted to Euro 48,484 thousand at 30 June 2021 (Euro 47,365 thousand at 31 December 2020).

The following table reports the details of intangible assets as of 30 June 2021 and 31 December 2020:

(In thousands of Euro)	As of 30 June	As of 31 December
	2021	**2020**
Intangible assets		
Development costs	20,903	19,339
Patents and intellectual property rights	19,445	20,261
Concessions, licences, trademarks and similar rights	609	608
Intangibles under development and advances	7,249	6,875
Other intangible assets	279	283
Total Intangible assets	**48,484**	**47,365**

The table below shows the amounts of investments made by the Group in the half year ended 30 June 2021 and in the year ended 31 December 2020, relating to the item "Intangible assets", broken down by category:

(In thousands of Euro)	As of 30 June	As of 31 December
	2021	**2020**
Investments in intangible assets		
Development costs	2,503	6,530

Patents and intellectual property rights	2,085	4,844
Concessions, licences, trademarks and similar rights	105	259
Intangibles under development and advances	2,537	3,443
Other intangible assets	34	212
Total investments in intangible assets	**7,265**	**15,289**

Investments in intangible fixed assets include costs for the development of new projects and restyling of existing projects, as well as purchases of software.

5.3 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

The item "Investments in joint ventures and associates" amounts to Euro 3,920 thousand as of 30 June 2021 (Euro 18,736 thousand as of 31 December 2020). The following table details the composition and changes in investments in joint ventures and associates for the half year ended 30 June 2021:

(In thousands of Euro)	**% of Ownership**	**Value**	**Investments**	**Disinvestments**	**Revaluations/(Impairment losses)**	**Dividends**	**Net result**	**Exchange gains / (losses)**	**Value**
		31 December 2020							**30/06/2021**
Technogym Emirates LLC	49.00%	1,984	-	-	-	-	352	106	2,442
Exerp Aps	50.01%	16,417	-	(16,746)	-	-	257	72	-
Exerp America LLC	50.01%	79	-	(193)	-	-	114	-	-
Wellink srl	40.00%	209	-	-	-	-	13	-	222
Exerp Asia Pacific Pty	50.01%	47	-	(101)	-	-	54	-	-
Wellness Venture Srl	50.00%	-	5	-	-	-	10	-	15
Physio AG	31.50%	-	1,288	-	-	-	(47)	-	1,241
T4ME limited	20.00%	-	-	-	-	-	-	-	-
Total		**18,736**	**1,293**	**(17,040)**	**0**	**0**	**753**	**178**	**3,920**

The reduction in the value of equity investments in joint ventures in the first half of 2021 compared to 31 December of the previous year is linked to the sale of Amleto Aps, which entailed the corresponding deconsolidation of Exerp Aps, Exerp America LLC and Exerp Asia Pacific Pty.

After acquiring 100% of the share capital of Exper APS in April, by exercising the call and drag rights with respect to the non-controlling shareholders for roughly 49.99% of the share capital for a total outlay of around Euro 15 million, on 14 May 2021 Technogym entered into a binding sale agreement with Battery Ventures. The agreement entered into calls for two steps, the first of which is the sale of Exerp America and the second of which is the complete disposal of the shares of Amleto aps.

Consistent with Technogym's strategy concentrated on the development of its open Connected Wellness CRM platform, already present in 18 thousand fitness clubs all over the world, this agreement resulted in the disposal of all shares of Amleto Aps on 25 May 2021.

Please recall that Technogym never consolidated the equity investment in Exerp, acquired in 2016 through Amleto Aps, line-by-line.

On the basis of the agreement entered into and the relative results accounted for to date, Technogym recorded a non-recurring capital gain, net of deal costs, of Euro 11,128 thousand during the first half of 2021 and a net cash flow of roughly Euro 30.8 million. Furthermore, please note that in the cash flow statement, the item "Sale/(Purchase) of subsidiaries, associates and other entities" includes a cash outflow of roughly Euro 1.3 million, primarily due to the acquisition of the non-controlling interest in Physio AG.

Furthermore, that sale is subject to taxation limited to 5% of that capital gain, therefore generating a non-recurring positive impact on the group's total tax rate.

5.4 TRADE RECEIVABLES

The item "Trade receivables" amounted to Euro 83,307 thousand on 30 June 2021 (Euro 81,060 thousand on 31 December 2020) net of the bad debt provision. The following table contains a breakdown of trade receivables as of 30 June 2021 and 31 December 2020:

(In thousands of Euro)	**As of 30 June**	**As of 31 December**
	2021	**2020**
Trade receivables		
Trade receivables (gross value)	74,824	72,902
Bad debt provision	(5,806)	(4,110)
Transferred trade receivables	16,535	15,035
Bad debt provision	(2,247)	(2,767)
Total trade receivables	**83,307**	**81,060**

Transferred trade receivables net of the relative provision equal to Euro 14,289 thousand at 30 June 2021, and Euro 12,268 thousand at 31 December 2020 refer to the current portion of receivables arising from the sale of goods which, although they are transferred to financial institutions, are retained in the financial statements as they do not meet all the conditions required by IAS 9 for derecognition from assets.

The financial liabilities include the amounts received from financial institutions in the form of advances for these transfers. Please note that the item "Other non-current assets" also includes receivables transferred for an amount of Euro 16,115 thousand, net of a bad debt provision of Euro 2,190 thousand.

The increase in the balance of "Trade receivables" can be mainly attributed to the increase in revenue. As already mentioned in December 2020, the level of receivables is down compared to previous periods as a result of sales to the BtoC sector, for which the relative payment is received when the product is delivered. The significant debt recovery actions already carried out by the Group during the previous year are continuing, in addition to careful monitoring of credit risk.

5.5 FINANCIAL DERIVATIVE ASSETS

The item "Assets for derivative financial instruments" amounted to Euro 15 thousand at 30 June 2021 (Euro 1,525 thousand at 31 December 2020).

The following table shows assets for derivative financial instruments broken down by currency at 30 June 2021 and 31 December 2020:

(In thousands of Euro)	As of 30 June	As of 31 December
	2021	**2020**
USD	-	1,456
AUD	15	-
CNY	-	69
Total	**15**	**1,525**

Assets for derivative financial instruments are related to positive differences resulting from the fair value of "forward" contracts in place as of 30 June 2021 and 31 December 2020. They are listed in the table below:

(In thousands of Euro)	**As of 30 June 2021**			
	Currency	**Currency inflow**	**Currency**	**Currency outflow**
Forward	EUR	4,441	AUD	7,000
Forward	EUR	4,520	JPY	600,000
Forward	EUR	20,702	USD	25,000
Forward	EUR	6,400	CHF	50,000

(In thousands of Euro)	**As of 31 December 2020**			
	Currency	**Currency inflow**	**Currency**	**Currency outflow**
Forward	EUR	2,467	AUD	4,000
Forward	EUR	1,349	JPY	171,000
Forward	EUR	55,669	USD	66,500
Forward	EUR	3,544	CNY	28,000

5.6 EQUITY

The item "Equity" amounted to Euro 276,974 thousand at 30 June 2021 (Euro 290,546 thousand at 31 December 2020).

The following table reports the details of equity as of 30 June 2021 and 31 December 2020:

(In thousands of Euro)	As of 30 June 2021	As of 31 December 2020
Equity		
Share capital	10,066	10,066
Share premium reserve	7,132	4,990
Other reserves	29,544	25,541
Retained earnings	198,226	211,567
Profit (loss) attributable to owners of the parent	30,357	36,004
Equity attributable to owners of the parent	**275,325**	**288,167**
Capital and reserves attributable to non-controlling interests	1,519	1,934
Profit (loss) attributable to non-controlling interests	130	444
Equity attributable to non-controlling interests	**1,649**	**2,379**
Total equity	**276,974**	**290,546**

Based on the resolution of the shareholders' meeting of 5 May 2021, the profit for 2020 reported in the financial statements of the Parent Company Technogym S.p.A., equal to Euro 46,339 thousand, was allocated as follows:

- Euro 3 thousand to the legal reserve;
- a total of Euro 44,292 thousand to shareholders as a dividend of Euro 0.22 per ordinary qualifying share;
- Euro 2,044 thousand to the retained earnings reserve.

Moreover, considering the accounting effects during the year and in order to maintain a specific connection between the equity items and the allocation of reserves, the following was decided:

- to release Euro 12 thousand from the reserve for the adoption of IAS for allocation to the retained earnings reserve;
- to allocate an amount equal to Euro 5,034 thousand of the retained earnings reserve to the extraordinary reserve for Euro 3,703 thousand and to the exchange gains reserve for Euro 1,331 thousand;
- to reclassify the Stock Option reserve of Euro 2,143 thousand to the share premium reserve.

It should be noted that in March 2021, Technogym International BV acquired the remaining 10% of TG Holding BV for Euro 600 thousand through an arm's length transaction with the minority shareholder. This transaction is part of the plan to strengthen and expand the group in Russia. On the date of this document, the Group therefore holds 100% of TG Holding BV and thus of the subsidiary Technogym ZAO.

This transaction entailed a decrease in equity attributable to non-controlling interests and had a positive impact on the group's equity of roughly Euro 150 thousand.

5.7 FINANCIAL LIABILITIES AND FINANCIAL DERIVATIVE INSTRUMENTS

The items "Non-current financial liabilities" and "Current financial liabilities" totalled Euro 58,868 thousand and Euro 73,763 thousand respectively as of 30 June 2021 and Euro 97,677 thousand and Euro 46,409 thousand as of 31 December 2020.

The following table reports the financial liabilities, current and non-current, as of 30 June 2021 and 31 December 2020.

(In thousands of Euro)	As of 30 June 2021	As of 31 December 2020
Non-current financial liabilities		
Bank loans due after 12 months – non-current portion	25,000	62,500
Non-current liabilities due to other lenders	16,115	17,414

IFRS 16 Non-current financial liabilities	17,753	17,763
Total non-current financial liabilities	**58,868**	**97,677**
Current financial liabilities		
Bank loans due after 12 months – current portion	50,127	25,167
Other short-term borrowings	95	19
Current liabilities due to other lenders	16,535	15,035
Other current liabilities	453	224
IFRS 16 Financial liabilities - Current	6,552	5,965
Total current financial liabilities	**73,763**	**46,409**

The effect of IFRS 16 on non-current and current financial liabilities was equal to Euro 17,753 thousand and Euro 6,552 thousand respectively. At 30 June 2021 the Group's financial debt was entirely with variable interest rates.

Medium/long-term bank loans

The following table reports the movements of bank loans for the half year ended 31 June 2021.

(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 at 1 January 2021	**62,500**	**25,167**	**87,667**
Proceeds	-	-	-
Repayments	(12,500)	(40)	(12,540)
Reclassification from long-term to short-term	(25,000)	25,000	-
Values at 30 June 2021	**25,000**	**50,127**	**75,127**

The following table reports the details of medium/long-term bank loans as of 31 June 2021:

(In thousands of Euro)	**Due date**	**Interest rate**	**As of 30 June**		**As of 31 December**	
			2021	**of which current**	**2020**	**of which current**
Bank loans						
Unicredit S.p.A.	2020-2022	Variable	37,593	33,427	41,781	8,448
Crédit Agricole Italia S.p.A.	2020-2023	Variable	20,860	8,360	25,032	8,366
BPER Banca S.p.A.	2022	Variable	-	-	12	12
Banca Nazionale del Lavoro S.p.A	2020-2023	Variable	16,674	8,339	20,841	8,341
Total bank loans			**75,127**	**50,127**	**87,667**	**25,167**

The following table reports the details of medium/long-term bank loans as of 31 June 2021 by maturity date:

(In thousands of Euro)	Residual debt	Current portion H1-2022	H1-2023	H1-2024	H1-2025	H1-2026	H1-2027
Unicredit S.p.A.	37,593	33,427	4,167	-	-	-	-
Crédit Agricole Italia S.p.A.	20,860	8,360	9,375	3,124	-	-	-
Banca Nazionale del Lavoro S.p.A	16,674	8,339	8,334	-	-	-	-
Total	**75,127**	**50,127**	**21,876**	**3,124**	**-**	**-**	**-**

For the above loans, no guarantees have been given.

As of 31 December 2020, all financial covenants relating to the loans in place, where applicable, were respected. Financial covenants did not have to be met as of 30 June 2021, as the testing date is the end of the year.

As of the date of this document, it is not believed that there are any factors that could have negative repercussions resulting in a breach of covenants in the next 12-18 months, with reference to the parameters in question.

Other short-term borrowings

The following table reports the details of other short-term borrowings as of 30 June 2021 and 31 December 2020:

(In thousands of Euro)	Currency	As of 30 June	As of 31 December
		2021	2020
Other short-term borrowings			
BPER Luxembourg	EUR	77	-
Other short-term borrowings	EUR	18	19
Total other short-term borrowings		**95**	**19**

Short-term bank borrowings mainly include stand-by credit lines, short-term loans (generally called “hot money”) and bank overdrafts.

Current and non-current 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 party 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.

Liabilities for derivative financial instruments

As of 30 June 2021, the Group has derivative contracts giving rise to financial derivative liabilities for Euro 497 thousand, while the item “Financial derivative liabilities” amounted to Euro 58 thousand as of 31 December 2020.

The following table reports financial derivative liabilities broken down by currency:

(In thousands of Euro)	As of 30 June	As of 31 December
	2021	**2020**
Forward		
CNY	89	-
AUD	-	56
JPY	42	2
USD	366	-
Total	**497**	**58**

Financial derivative liabilities refer to differences arising from the fair value of derivatives used to hedge exposure to currency risk.

For details of the types of "forward" contracts, see the table in paragraph 5.5 Assets for derivative financial instruments.

On 30 June 2021 the Group did not hold any derivatives treated according to hedge accounting rules.

5.8 PROVISIONS FOR RISKS AND CHARGES

The item "Provisions" at 30 June 2021 amounts to Euro 8,503 thousand for non-current financial liabilities and Euro 10,252 thousand for current financial liabilities (respectively, Euro 9,662 thousand and Euro 8,621 thousand at 31 December 2020).

The following table reports the details of provisions, current and non-current, as of 30 June 2021 and 31 December 2020:

(In thousands of Euro)	As of 30 June	As of 31 December
	2021	**2020**
Non-current provisions for risks and charges		
Warranties provision	4,448	4,500
Agents provision	1,070	1,030
Non-Competition Agreement provision	2,163	1,997
Rebates provision	279	221
Ongoing lawsuits provision	43	568
Other provisions for risks and charges	500	1,346
Total non-current provisions for risks and charges	**8,503**	**9,662**
Current provisions for risks and charges		
Warranties provision	5,018	4,961
Free Product Fund provision	150	133
Other provisions for risks and charges	5,083	3,527
Total current provisions for risks and charges	**10,252**	**8,621**

The increase in the item other current provisions for risks and charges is primarily linked to the provision for employee bonuses which was higher than in the previous year.

5.9 TRADE PAYABLES

The item “Trade payables” amounted to Euro 130,449 thousand at 30 June 2021 (Euro 114,006 thousand at 31 December 2020). Trade payables are mainly related to transactions for the purchase of raw materials, components and shipping services, manufacturing and technical assistance. These transactions are part of ordinary procurement management.

Notes to the income statement

5.10 REVENUES

In the half year ended 30 June 2021, the item “Revenues” totalled Euro 275,879 thousand (Euro 222,044 thousand in the half year ended 30 June 2020).

The following table reports the amounts of revenues for the half year ended 30 June 2021 and the half year ended 30 June 2020:

(In thousands of Euro)	**Half year ended 30 June**	
	2021	**2020**
Revenues		
Revenues from the sale of products, spare parts, hardware and software	232,162	178,290
Revenues from transport and installation, after-sale and rental assistance	43,717	43,754
Total revenues	**275,879**	**222,044**

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

5.11 PURCHASES AND CHANGES IN RAW MATERIALS, WORK IN PROGRESS AND FINISHED GOODS

In the half year ended 30 June 2021, the item “Raw materials, work in progress and finished goods” totalled Euro 91,026 thousand (Euro 69,015 thousand in the half year ended 30 June 2020).

The following table provides details of purchases and changes in raw materials, work in progress and finished goods for the half year ended 30 June 2021 and the half year ended 30 June 2020:

(In thousands of Euro)	**Half year ended 30 June**	
	2021	**2020**
Purchases and changes in raw materials, work in progress and finished goods		
Purchases and changes in raw materials	72,030	51,277
Purchases and changes in finished goods	17,844	16,226
Purchase of packaging and costs for custom duties	1,283	1,837
Change in inventory of work in progress	(131)	(326)
Total purchases and changes in raw materials, work in progress and finished goods	**91,026**	**69,015**

The increase in this item can primarily be ascribed to the increase in sales volumes.

5.12 COST OF SERVICES

In the half year ended 30 June 2021, the item "Cost of services" totalled Euro 69,937 thousand (Euro 60,306 thousand for the half year ended 30 June 2020).

The following table reports the amounts of costs of services for the half year ended 30 June 2021 and the half year ended 30 June 2020:

(In thousands of Euro)	**Half year ended 30 June**	
	2021	**2020**
Cost of services		
Transport of sales, customs duties and installation	23,947	19,837
Technical assistance	5,896	6,983
Marketing expenses	7,562	6,262
Rentals	2,787	2,479
Agents	4,205	3,883
Consulting services	4,421	3,764
Transport of purchases	5,903	3,847
Travel and business expenses	452	463
Outsourcing costs	3,225	1,156
Utilities	1,773	1,573
Maintenance costs	2,370	2,290
Other services	7,397	7,767
Total cost of services	**69,937**	**60,306**

"Other services" mainly relate to costs for managing external deposits, insurance and remuneration of external directors, the board of statutory auditors and independent auditors.

5.13 PERSONNEL EXPENSES

In the half year ended 30 June 2021, the item "Personnel expenses" totalled Euro 64,825 thousand (Euro 54,843 thousand in the half year ended 30 June 2020).

The following table reports the amounts of personnel expenses for the half year ended 30 June 2021 and the half year ended 30 June 2020:

(In thousands of Euro)	**Half year ended 30 June**	
	2021	**2020**
Personnel expenses		
Wages and salaries	47,108	39,278
Social security contributions	12,543	10,740
Provisions for employee benefit obligations	1,418	1,396
Other costs	3,756	3,429
Total personnel expenses	**64,825**	**54,843**

The increase in this item compared to the previous year is mainly correlated with the increase in the provision for employee bonuses. Also, please note that in the course of 2020 the Group benefitted from the support measures implemented by the various governments, especially European, to handle the pandemic crisis, which were of modest value in the current year.

The following table reports the average and exact number of employees, broken down at 30 June 2021 and at 31 December 2020:

	Half year ended 30 June 2021		**Year ended 31 December 2020**	
(In number)	**Average**	**Year-end**	**Average**	**Year-end**
Number of employees				
Managers	66	68	61	60
White-collar	1,341	1,345	1,353	1,325
Blue-collar	639	654	664	635
Total number of employees	**2,046**	**2,067**	**2,078**	**2,020**

5.14 INCOME TAXES

In the half year ended 30 June 2021, the item "Income tax expenses" totalled Euro 7,519 thousand (Euro 5,288 thousand in the half year ended 30 June 2020).

The following table reports the amounts of Income taxes for the half year ended 30 June 2021 and the half year ended 30 June 2020:

(In thousands of Euro)	**Half year ended 30 June**	
	2021	**2020**
Income taxes		
Current taxes	7,589	6,868
Deferred taxes	(362)	(1,861)
Total income taxes for the year	**7,227**	**5,007**
Taxes relating to prior years	292	281
Total income taxes	**7,519**	**5,288**
of which non-recurrent income taxes	-	*(295)*

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.

Non-recurrent taxes as of 30 June 2020 amounted to Euro 295 thousand and refer to a foreign subsidiary.

As specified in the section "Investments in joint ventures and associates" the capital gain relating to the disposal of Amleto Aps is subject to taxation limited to 5% of that capital gain, therefore generating a total group tax rate that will not continue in the long term, as this is a non-recurring event.

5.15 EARNINGS PER SHARE

The following table reports the calculation of basic earnings per share for the half year ended 30 June 2021 and the half year ended 30 June 2020:

(In thousands of Euro)	**Half year ended 30 June**	
	2021	**2020**
Earnings per share		
Profit for the period	30,357	6,068
Number of shares	201,328	201,328
Total earnings per share	**0.15**	**0.03**

As concerns changes in the number of shares, reference is made to the paragraph "Information on shares" in the interim board of directors' report.

5.16 NET FINANCIAL POSITION

The following table reports the details of net indebtedness of the Group as of 30 June 2021 and 31 December 2020, determined in accordance with the new ESMA Guidelines of 4 March 2021 (Consob warning notice no. 5/21 to Consob Communication DEM/6064293 of 28 July 2006).

(In thousands of Euro)	**As of 30 June**	**As of 31 December**
	2021	**2020 Restated**
Net financial position		
A. Cash	176,988	149,832
B. Cash equivalents	3,480	52,233
C. Other current financial assets	23,042	1,564
D. Liquidity (A) + (B) + (C)	**203,510**	**203,629**
E. Current financial payables (including debt instruments, but excluding the current part of non-current financial payables)	(24,132)	(21,300)
F. Current part of non-current financial payables	(50,127)	(25,167)
G. Current financial indebtedness (E) + (F)	**(74,260)**	**(46,467)**
H. Net current financial indebtedness (G) + (D)	**12,250**	**157,162**
I. Non-current financial payables (excluding the current part and debt instruments)	(58,868)	(97,677)
J. Debt instruments	-	-
K. Trade payables and other non-current payables	(11)	(42)
L. Non-current financial indebtedness (I) + (J) + (K)	**(58,879)**	**(97,719)**
M. Total financial indebtedness (H) + (L)	**70,371**	**59,443**

As described in the section "Operating performance and comments on the economic and financial results" in the Interim Board of Directors' Report, the net financial position was also affected by seasonal trends impacting the Group.

The net financial position as of 30 June 2021, which includes the effects of adopting IFRS 16, was positive by Euro 70,371 thousand, improving on the figure of Euro 59,405 thousand as of 31 December 2020. Despite the negative seasonal adjustment and the payment of dividends of Euro 44,292 thousand, this improvement is linked to the group's cash generation and the collection deriving from the sale of Amleto and the corresponding deconsolidation of Exerp Aps, Exerp America LLC and Exerp Asia Pacific Pty, for net cash of roughly Euro 30.8 million. Furthermore, please note that in the cash flow statement, the item "Sale/(Purchase) of subsidiaries, associates and other entities" includes a cash outflow of roughly Euro 1.3 million, primarily due to the acquisition of the non-controlling interest in Physio AG.

Short-term bank borrowings mainly include stand-by credit lines, short-term loans (generally called "hot money") and bank overdrafts.

At 30 June 2021 there are no restrictions or limitations to the use of the cash of the Group, except for minor amounts relating to specific circumstances closely linked to commercial operations of certain Group entities.

The following table shows the amounts of credit lines available and used as of 30 June 2021 and 31 December 2020.

(in thousands of Euro)	**Cash credit lines**	**Self-liquidating credit lines**	**Financial credit lines**	**Total**
As of 30 June 2021				
Credit lines	7,382	17,641	260,597	**285,620**
Utilisations	-	-	(75,000)	**(75,000)**
Credit lines available at 30 June 2021	7,382	17,641	185,597	**210,620**
As of 31 December 2020				
Credit lines	7,382	17,641	267,911	**292,934**
Utilisations	-	-	(87,500)	**(87,500)**
Credit lines available at 31 December 2020	**7,382**	**17,641**	**180,411**	**205,434**

Moreover, the Group did not benefit from any loans which were part of the measures to support businesses approved by the Italian government or provided by the banking system with state guarantees, in the reporting period.

5.17 FAIR VALUE DISCLOSURE

As of 30 June 2021 and 31 December 2020, 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 recognised 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.

5.18 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.

Financial instruments by category

The following tables report the financial assets and liabilities by category of financial instrument and their level of fair value as of 30 June 2021 and 31 December 2020.

2021 *(In thousands of Euro)*	Financial assets	Financial assets at fair value	Financial assets at fair value	Total	Level 1	Level 2	Level 3	Total
	Amortised cost	FV vs OCI	FV vs P&L					
Other non-current assets	44,491	-	1,049	45,541	-	-	1,049	1,049
Non-current financial assets	204	-		204	-	-	-	-
Non-current financial assets	**44,696**	**-**	**1,049**	**45,745**	**-**	**-**	**1,049**	**1,049**
Trade receivables	83,307	-	-	83,307	-	-	-	-
Cash and cash equivalents	180,468	-	-	180,468	-	-	-	-
Assets for derivative financial instruments	-	-	15	15	-	15	-	15
Current financial assets	23,026	-	-	23,026	-	-	-	-
Other current assets	24,583	-	-	24,583	-	-	-	-
Current financial assets	**311,384**	**-**	**15**	**311,340**	**-**	**15**	**-**	**15**

2020 *(In thousands of Euro)*	Financial assets	Financial assets at fair value	Financial assets at fair value	Total	Level 1	Level 2	Level 3	Total
	Amortised cost	FV vs OCI	FV vs P&L					
Other non-current assets	51,830	-	786	52,616	-	-	786	786
Non-current financial assets	2,992	-	-	2,992	-	-	-	-
Non-current financial assets	**54,822**	**-**	**786**	**55,608**	**-**	**-**	**786**	**786**
Trade receivables	81,060	-	-	81,060	-	-	-	-
Cash and cash equivalents	202,065	-	-	202,065	-	-	-	-
Assets for derivative financial instruments	-	-	1,525	1,525	-	1,525	-	1,525
Current financial assets	39	-	-	39	-	-	-	-
Other current assets	17,202	-	-	17,202	-	-	-	-
Current financial assets	**300,366**	**-**	**1,525**	**301,891**	**-**	**1,525**	**-**	**1,525**

2021 *(In thousands of Euro)*	Financial liabilities	Financial liabilities carried at fair value	Financial liabilities carried at fair value	Total	Level 1	Level 2	Level 3	Total
	Amortised cost	FV vs OCI	FV vs P&L					
Non-current financial liabilities	58,868	-	-	58,868	-	-	-	-
Other non-current liabilities	31,839	-	-	31,839	-	-	-	-

Non-current financial liabilities	**90,707**	**-**	**-**	**90,707**	**-**	**-**	**-**	**-**
Current financial liabilities	73,763	-	-	73,763	-	-	-	-
Trade payables	130,449	-	-	130,449	-	-	-	-
Liabilities for derivative financial instruments	-	-	497	497	-	497	-	497
Other current liabilities	83,231	-	-	83,231	-	-	-	-
Current financial liabilities	**287,443**	**-**	**497**	**287,940**	**-**	**497**	**-**	**497**

2020 *(In thousands of Euro)*	**Financial liabilities**	**Financial liabilities carried at fair value**	**Financial liabilities carried at fair value**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
	Amortised cost	**FV vs OCI**	**FV vs P&L**					
Non-current financial liabilities	97,677	-	-	97,677	-	-	-	-
Other non-current liabilities	37,665	-	-	37,665	-	-	-	-
Non-current financial liabilities	**135,342**	**-**	**-**	**135,342**	**-**	**-**	**-**	**-**
Current financial liabilities	46,409	-	-	46,409	-	-	-	-
Trade payables	114,006	-	-	114,006	-	-	-	-
Liabilities for derivative financial instruments	-	-	58	58	-	58	-	58
Other current liabilities	73,582	-	-	73,582	-	-	-	-
Current financial liabilities	**233,997**	**-**	**58**	**234,055**	**-**	**58**	**-**	**58**

5.19 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 30 June 2021 and 31 December 2020.

(In thousands of Euro)	**Property, plant and equipment**		**Trade receivables**		**Other current assets**		**Non-current financial liabilities**		**Trade payables**		**Current financial liabilities**	
	2020	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**
	Dec	**Jun**	**Dec**	**Jun**	**Dec**	**Jun**	**Dec**	**Jun**	**Dec**	**Jun**	**Dec**	**Jun**
Technogym Emirates LLC	-	-	1,166	1,567	446	230	-	-	218	257	-	-
PUBBLISOLE SPA	-	-	-	-	-	-	-	-	2	-	-	-
CONSORZIO ROMAGNA INIZIATIVE	-	-	-	-	20	28	-	-	-	10	-	-
SANDCROFT AVENUE LIMITED	-	-	-	-	-	-	-	-	-	-	(5)	(12)
WELLINK SRL	-	-	-	-	-	-	-	-	53	64	-	-
ALFIN SRL	-	-	2	1	-	-	-	-	79	139	-	-
VIA DURINI 1 SRL	5,827	5,445	-	-	-	-	5,170	4,799	(49)	(84)	768	780
STARPOOL S.R.L.	-	-	1	1	-	-	-	-	5	4	-	-
ONE ON ONE SRL	-	-	5	5	-	-	-	-	1	76	-	-
AEDES S.S.	-	-	-	-	-	-	-	-	8	-	-	-
Sobeat s.r.o.	4,155	3,855	-	-	-	-	4,241	3,597	-	-	1,298	2,006

WF S.R.L.	-	-	-	-	-	-	-	-	-	50	-	-
Uberti Società Semplice	-	-	-	-	-	-	-	-	-	8	-	-
Total	**9,982**	**9,300**	**1,174**	**1,573**	**466**	**258**	**9,411**	**8,395**	**316**	**523**	**2,061**	**2,774**
Total Financial Statements	**159,243**	**155,199**	**81,060**	**83,307**	**17,202**	**24,583**	**97,677**	**58,868**	**114,006**	**130,449**	**46,409**	**73,763**
% on financial statements item	**6.3%**	**6.0%**	**1.4%**	**1.9%**	**2.7%**	**1.0%**	**9.6%**	**14.3%**	**0.3%**	**0.4%**	**4.4%**	**3.8%**

Trade receivables and other current assets due to joint ventures refer mainly 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 figures for the companies Via Durini S.r.l and Sobeat S.r.o mainly refer to the adoption of IFRS 16 concerning property leased in favour of the group.

The table below details the income statement balances of Related Party Transactions as of 30 June 2021 and 30 June 2020:

(In thousands of Euro)	**Revenues**		**Other revenues and income**		**Raw materials and work in progress**		**Cost of services**		**Personnel expenses**		**Other operating costs**		**Depreciation and amortisation**		**Financial income**		**Financial expenses**	
	2020	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**
	Jun	**Jun**	**Jun**	**Jun**	**Jun**	**Jun**	**Jun**	**Jun**	**Jun**	**Jun**	**Jun**	**Jun**	**Jun**	**Jun**	**Jun**	**Jun**	**Jun**	**Jun**
Technogym Emirates LLC	4,170	5,427	101	83	(35)	(34)	(2)	(27)	6	-	-	-	-	-	-	-	-	-
PUBBLISOLE SPA	-	-	-	-	-	-	(0)	19	-	-	-	-	-	-	-	-	-	-
Asso.Milano Durini Design	-	-	-	-	-	-	-	-	-	-	(2)	(2)	-	-	-	-	-	-
SANDCROFT AVENUE LIMITED	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	-	(8)
FITKEY SOUTH AFRICA PTY LTD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3)
WELLINK SRL	-	-	-	-	-	-	(84)	(88)	-	-	(0)	-	-	-	-	-	-	-
ALFIN SRL	-	-	-	-	-	-	(125)	(125)	-	-	-	-	-	-	-	-	-	-
VIA DURINI 1 SRL	-	-	-	-	-	-	(87)	(124)	-	-	(4)	(7)	(411)	(406)	-	-	(60)	(67)
STARPOOL S.R.L.	-	1	1	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ONE ON ONE SRL	8	9	2	-	(1)	-	(117)	(89)	-	-	(0)	(0)	-	-	-	-	-	(0)
AEDES S.S.	-	-	-	-	-	-	(8)	-	-	-	(1)	-	-	-	-	-	-	-
Sobeat s.r.o.	-	-	-	-	-	-	65	91	-	-	-	-	(371)	(363)	-	-	(14)	-
WF S.R.L.	-	-	-	-	-	-	-	(100)	-	-	-	-	-	-	-	-	-	-
Uberti Società Semplice	-	-	-	-	-	-	-	(15)	-	-	-	(0)	-	-	-	-	-	-

Total	**4,177**	**5,436**	**104**	**83**	**(36)**	**(34)**	**(358)**	**(458)**	**6**	**0**	**(7)**	**(9)**	**(782)**	**(769)**	**-**	**7**	**(74)**	**(78)**
Total Financial Statements	**222,044**	**275,879**	**404**	**376**	**(69,015)**	**(91,026)**	**(60,306)**	**(69,937)**	**(54,843)**	**(64,825)**	**(3,916)**	**(4,060)**	**(17,222)**	**(17,841)**	**5,390**	**5,574**	**(6,945)**	**(6,057)**
% on financial statements item	**1.9%**	**2.0%**	**25.6%**	**22.2%**	**0.1%**	**0.0%**	**0.6%**	**0.7%**	**0.0%**	**0.0%**	**0.2%**	**0.2%**	**4.5%**	**4.3%**	**0.0%**	**0.1%**	**1.1%**	**1.3%**

The figures for the companies Via Durini S.r.l and Sobeat S.r.o mainly refer to the adoption of IFRS 16 concerning property leased in favour of the group.

Remuneration of directors and key management

The total amount of compensation of the Board of Directors of the Company amounted to Euro 1,228 thousand for the half year ended 30 June 2021 (Euro 1,277 thousand for the half year ended 30 June 2020). In addition, the total amount of compensation for key management amounted to Euro 1,067 thousand for the half year ended 30 June 2021 (Euro 1,498 thousand for the half year ended 30 June 2020).

5.20 CONTINGENT LIABILITIES

At 30 June 2021 there were no ongoing legal or tax proceedings against any Group companies and therefore, no particular provisions for risks and charges have been recognised, 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 FBK Equipamentos ltda for alleged formal irregularities in the import customs declarations relating to years prior to 2015, also in the name of Technogym Fabricação de Equipamento de Ginástica ltda, now incorporated in BK Equipamentos ltda.

The company, supported by its local tax advisors and lawyers, opposed the presumptions of the local administration and the first rulings against it, as 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.

5.21 COMMITMENTS AND GUARANTEES

As of 30 June 2021 the Company issued guarantees to credit institutions on behalf of subsidiaries for Euro 3,632 thousand (Euro 3,836 thousand as of 30 June 2020), mainly Technogym Japan, and on behalf of related parties for Euro 3,447 thousand (Euro 3,658 thousand as of 30 June 2019), mainly Technogym Emirates. The guarantees issued by the Group in favour of public institutions and other third parties amounted to Euro 2,162 thousand (Euro 2,591 thousand at 30 June 2020).

5.22 SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

In the half-year period ending on 30 June 2021, non-recurring income of Euro 10,316 thousand was recognised, linked for Euro 11,128 thousand to the capital gain recorded following the sale of the Exerp Group, net of accessory costs incurred for the transaction. The Exerp Group includes the holding company Amleto APS, a Danish company which is a

wholly owned subsidiary of Technogym SpA, Exerp APS, Exerp America LLC and Exerp Asia Pacific Pty. The transaction took place on 13 May 2021 with a closing date of 25 May 2021, as described in the section "Investments in joint ventures and associates".
During the half-year period, non-recurring expenses of Euro 812 thousand were recorded, linked primarily to costs of Euro 464 thousand for the early retirement of personnel. As of 30 June 2020, non-recurring expenses amounted to Euro 5,332 thousand.

5.23 POSITIONS OF TRANSACTIONS ARISING FROM ATYPICAL AND/OR UNUSUAL OPERATIONS

The Group did not complete any atypical or unusual operations pursuant to Consob Communication no. DEM/6064293 of July 28, 2006.

5.24 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In line with its positioning as a reference brand of the Olympics movement, Technogym is an official supplier of the Tokyo 2020 Olympic Games taking place in Japan from 23 July 2021 to 8 August 2021; this is therefore now the eighth time that the Olympic Games have seen the participation of Technogym in support of the training of roughly 15 thousand athletes from 200 nations.

In June, the Technogym App was launched, which will enable the group to expand the Technogym community of connected users, to promote the wellness lifestyle at home, at the gym, in hotels, offices and outdoors, for the benefit of both operators and consumers.

Certification of the condensed half-yearly 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 Chairman of the Board of Directors and Chief Executive Officer, and Massimiliano Moi as Financial Reporting Officer of Technogym S.p.A., pursuant to Article 154-bis, paragraphs 3 and 4, of Italian Legislative Decree 58 of 24 February 1998, hereby certify:

   - the adequacy of administrative and accounting procedures in relation to the characteristics of the company and
   - the effective implementation of the administrative and accounting procedures for the preparation of the half-yearly condensed consolidated financial statements, during the first half of 2021.

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

3. It is also certified that:

   3.1 The Half-Yearly Condensed Financial Statements:

   a) have been drawn up in accordance with the international accounting standards recognised in the European Union under Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 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-yearly condensed 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, 2 August 2021

CHAIRMAN
OF THE BOARD DIRECTORS
AND CHIEF EXECUTIVE OFFICER
Nerio Alessandri

FINANCIAL
REPORTING
OFFICER
Massimiliano Moi

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 2021, comprising the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in consolidated shareholders' equity, the consolidated statement of cash flow and the 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

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June 2021 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 2021

PricewaterhouseCoopers SpA

Signed by
Roberto Sollevanti
(Partner)

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

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