



The Wellness Company

**TECHNOGYM S.P.A.: BOARD OF DIRECTORS APPROVED THE DRAFT CONSOLIDATED RESULTS FOR THE 2020 FINANCIAL YEAR**

# **TECHNOGYM: +71% HOME FITNESS**

*The company sets the goals of 300 Million Home Fitness Revenue in 2022 and approx. 1 Billion Total Revenue in 2024*

- **CONSOLIDATED REVENUE:** Euro 510 million, (-23.8% on 2019), including 154 million Home Fitness, representing 30% of total revenue (+71% on 2019). At constant exchange rates: -22.6% on 2019
- **ADJ EBITDA:** Euro 97 million, with Ebitda margin at 19% Vs 22% in 2019
- **ADJ NET PROFIT:** Euro 43 million compared to 85 million of 2019
- **NET FINANCIAL POSITION:** Euro 59 million at year end, improving from Euro 4 million of 2019, thanks to a 95 million cash generation
- **Proposed dividend of Euro 0.22 per share (totaling 44 million)**



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**Nerio Alessandri, Chairman and CEO, said:**

“2020 was an unexpected year of great shifts, which have changed our lifestyle quickly and deeply, with strong impacts on diabetes, obesity and mental health.

2020 ended with a growth of over 70% in home fitness. This context has not only accelerated the growth of home fitness, but it has also stimulated new health and prevention needs, pushing the growth of the sport, health and rehabilitation market for us.

Our "Wellness on the go" strategy launched in 2012 - meaning the possibility for consumers to connect to their own personalized training program anytime and anywhere: at home, at the gym, at work, on vacation, at the doctor and outdoors - which we have pursued for years, today proves to be more and more relevant. The future of fitness will be characterized by the hybrid model: people will be training both at home and at the gym. This model will bring great opportunities for Technogym: from 2021, alongside with a continuous growth in home fitness, we expect BtoB segments to strongly recover thanks to the awaited reopening of wellness clubs, hotels, offices and sports centers.

After the success of the products launched in 2020, like Technogym Bench and MyRun, in 2021 Technogym's innovation continues with the launch, within the first half, of the new Technogym App. The new app will complete Technogym's Ecosystem and represent the central element to offer people an unprecedented training experience variety and operators the opportunity to benefit from Technogym's huge community and provide innovative services to their members. Moreover, the second half of 2021 will see the global launch of new products in line with the brand BtoC prestige and BtoB premium positioning.

2021, that will register a double digit growth, will also see us as Official Suppliers of the Olympics at Tokyo 2020, an extraordinary event not only for the promotion of Technogym, but also to continue spreading the culture of wellness and sport. Starting from the involvement of tens of millions of people who train with Technogym every day around the world, we work to help building a better world that focuses on health and environmental protection, as evidenced by our social commitment to sustainability that fully aligns our business and ESG objectives.

Let's Move for a better world!"



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**Cesena (Italia), March 24th 2021** – The Board of Directors of TECHNOGYM (TGYM.MI), a leader in the international fitness, sport and health equipment market and operating in the broader Wellness industry, today examined and approved the consolidated financial statements and the draft financial statements for 2020, prepared in accordance with the International Financial Reporting Standards IAS/IFRS.

2020 was characterized by the worldwide spread of the Covid-19 pandemic and by lockdowns and containment measures implemented in the various countries. In this context, Technogym, that over the years had built a complete home fitness offering, benefited from the growing interest of consumers in home products, recording strong growth in the home fitness segment which mitigated the temporary slowdown of the BtoB segments. In Italy, a country where Technogym has the most consolidated presence on consumer channels, the performance of home fitness has even allowed for an increase in overall turnover. In 2020, there was also an excellent performance in the sales of digital services.

Adjusted EBITDA recorded a moderate decline mainly linked to the lower sales volumes recorded during the second half of the year as well as the termination of some non-recurring cost reduction initiatives recorded during the first half of the year.

The net financial position improved significantly compared to 2019 thanks to the significant cash generation recorded in the period, which allowed Technogym to increase its net cash position at the end of the year, despite the confirmation of strategic investments for the mid-long term development of the company.

Although the net profit is understandably down compared to 2019, the strong cash generation of 2020 allows the return to the remuneration for shareholders, after the prudential pause decided in 2020, with a significant amount, resulting also from previous year profit.

As regards innovation, in 2020 the company benefited from its consolidated "Wellness on the go" strategy which, through the Technogym Ecosystem - including connected fitness equipment, apps, on-demand content and digital services - allows consumers to access their wellness experience anytime and anywhere: at home, in the gym and on-the-go. With this perspective Technogym launched, in 2020 the new Mywellness app 5.0 to allow fitness clubs to offer their classes and programs to their members, even at home. When it comes to new products, in July Technogym launched Excite Live, the new cardio line which, thanks to the Technogym Live console, allows the users to access a complete library of on-demand training experiences: trainer-led one-on-one sessions, virtual training, goal-driven routines, etc. Moreover, Technogym Bike, launched in Italy and the UK at the end of 2019, was made available throughout Europe in 2020. At the end of the year Technogym further expanded its range of products for home fitness with Technogym Bench, the innovative bench equipped with all the accessories for training and connected via QR code to a vast library of training programs training video.

Today, approximately 80,000 fitness centers are equipped with Technogym worldwide and 20,000 of them are connected to the Mywellness Cloud digital platform with around 18 million registered end users. The company continues its commitment in marketing and communication activities aimed at positioning Technogym as a Premium brand in the BtoB and Prestige in the BtoC sector and to support its role as a training partner for the end user anytime and anywhere.



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## **Performance in 2020**

Consolidated results have been prepared in compliance with the International Reporting Standards issued by the International Accounting Standards Board and include the effects of the IFRS 16 accounting standards.

Below you can find a brief comment on Revenues, based on:

- Client category
- Geographical Area
- Distribution Channels

### **1) Revenues**

Despite the impact of the pandemic on a global level, Technogym contains the turnover contraction at -23.8% (-22.6% at constant exchange rates), with a gradual improvement compared to that recorded during the first nine months of the year. It's worth noting the strong growth in the home fitness segment, which accelerated in the last quarter and that partially mitigated the postponement of orders across BtoB segments.

#### ***Revenue by client category***

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**Data as of Dec 31<sup>st</sup>**

*(In thousands of Euro and percentage of total revenues)*

|                      | <b>2020</b>    | <b>2019</b>    | <b>'20 VS '19</b> | <b>%</b>       |
|----------------------|----------------|----------------|-------------------|----------------|
| BtoC                 | 154.129        | 90.400         | 63.729            | 70,5%          |
| BtoB                 | 355.550        | 578.531        | (222.981)         | (38,5%)        |
| <b>Total Revenue</b> | <b>509.679</b> | <b>668.931</b> | <b>(159.252)</b>  | <b>(23,8%)</b> |

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Revenue as of 31 December confirm the strong growth of the BotC compared to the previous year (+ 71% Y / Y with a further acceleration to + 97% in the fourth quarter) thanks to Technogym's wide range of products and services in line with the growing demand for at-home training. At the same time, there was a contraction in the BtoB business, albeit with different dynamics between the different segments and geographies and with general signs of improvement where the pandemic has reduced its impact. The performance of the Health segment should be noted: it was the best among BtoB segments supported by the growing demand for training solutions related to health and rehabilitation.



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## Revenue by geographic areas

| <i>(In thousands of Euro and percentage of total revenues)</i> | Data as of Dec 31 <sup>st</sup> |                | Changes          |                |
|--|---------------------------------|----------------|------------------|----------------|
|  | 2020                            | 2019           | 2020 vs 2019     | %              |
| Europe (ex Italy)  | 247.875                         | 330.333        | (82.458)         | (25,0%)        |
| MEIA   | 42.866                          | 49.885         | (7.019)          | (14,1%)        |
| APAC   | 88.343                          | 118.319        | (29.976)         | (25,3%)        |
| Italy  | 59.789                          | 58.692         | 1.097            | 1,9%           |
| North America  | 57.304                          | 87.716         | (30.412)         | (34,7%)        |
| LATAM  | 13.502                          | 23.986         | (10.484)         | (43,7%)        |
| <b>Total Revenue</b>   | <b>509.679</b>                  | <b>668.931</b> | <b>(159.252)</b> | <b>(23,8%)</b> |

In a scenario in which all areas continue to be affected by the impact of the pandemic on BtoB activities, the performances recorded in Italy and in APAC are noteworthy. In Italy, thanks to the strong contribution of home fitness, there was an overall increase in turnover of 1.9%; in APAC, despite the negative performance of the period (-25.3%) there was an initial recovery (-13.7% in Q4) as a result of a gradual return to normality in many countries within the region. North America was the area most impacted by the pandemic (-34.7% Y / Y) in consideration of the pandemic worsening in the last quarter of 2020 which led to several Key Accounts in the Club sector and operators of the Hospitality segment to postpone some investments. In Europe, which continues to represent the main geographic area of the group, there was a 25% contraction following a particularly bold revenue contraction in some important countries, such as the UK. Coming to emerging geographies, MEIA registered a moderate contraction (-14.1%), supported by the excellent performance of home fitness in the UAE, and LATAM declined (-43.7%).

## Revenue by distribution channel

| <i>(In thousands of Euro and percentage of total revenues)</i> | Data as of Dec 31 <sup>st</sup> |                | Changes          |                |
|--|---------------------------------|----------------|------------------|----------------|
|  | 2020                            | 2019           | 2020 vs 2019     | %              |
| Field sales  | 325.035                         | 491.843        | (166.808)        | (33,9%)        |
| Wholesale  | 102.358                         | 129.312        | (26.954)         | (20,8%)        |
| Inside sales   | 70.009                          | 39.525         | 30.484           | 77,1%          |
| Retail   | 12.277                          | 8.252          | 4.025            | 48,8%          |
| <b>Total Revenue</b>   | <b>509.679</b>                  | <b>668.931</b> | <b>(159.252)</b> | <b>(23,8%)</b> |

Regarding revenue performance by sales channel, the company achieved an excellent performance within the distribution channels most exposed to home fitness. Retail, represented by the company's 10 flagship stores, recorded a 48.8% growth in turnover while Inside Sales, which includes teleselling and ecommerce, recorded a growth of + 77.1; both segments recorded an important acceleration during the fourth quarter, in which Inside Sales recorded a triple-digit growth. Field Sales was the channel



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most impacted by the lock-down with a contraction of 33.9% during the period, substantially in line with the previous quarters performance, while the Wholesale channel recorded a 20.8% decrease with a slight improvement in the fourth quarter due to the better performances recorded in some countries no longer significantly affected by the pandemic.

## 2) EBITDA, Net Operating Income and Net Profit

**Adjusted EBITDA** amounted to Euro 96.9 million, down by Euro 50.9 million (-34.5%) compared to Euro 147.8 million of 2019. The decline is mainly due to the significant decrease in turnover in the period, although mitigated, especially in the first part of the year, by a reduction in operating costs, which did not impact company's strategic development projects.

Overall, the incidence of Adjusted EBITDA on Revenues (EBITDA Adjusted Margin) is 19%, down by 3 percentage points compared to the 2019 figure, including the application of IFRS 16.

**Net Operating Income** is equal to Euro 58.9 million, down by Euro 53.7 million (-47.7%) compared to 2019. The contraction is influenced by the decrease in sales volumes, partly offset by the containment of costs, higher amortization, depreciation and write-downs, for Euro 4.0 million, compared to the previous year, reflecting the company's investments in innovation delivered in recent years. Overall, the Adjusted ROS for the period was 12%, down by about 5 percentage points compared to 2019.

**Adjusted Net Profit** amounted to Euro 43.4 million, down by Euro 41.8 million (-49.0%) compared to Euro 85.2 million in 2019. This decrease is mainly due to the decrease in Operating Income mentioned above.

In the financial year ended December 31, 2020, non-recurring costs amounted to Euro 7.4 million, increasing from December 31, 2019 when non-recurring costs amounted to Euro 2 million. This increase is mainly attributable to a write-down of an equity investment for Euro 2.6 million, the donation to the intensive care units of the Romagna Hospitals to deal with the Covid-19 emergency for Euro 1 million, as well as provisions for risks and non-recurring positive effects arising from the Patent box registered during the year 2019.

## 3) Net Financial Position

Thanks to the company's strong historical focus on managing working capital, Technogym recorded an important cash generation, equal to 95.4 million pre-tax (with a conversion rate of 103%), even in 2020 without reducing its focus on investments (Euro 23 million in the period) necessary to support the development of cutting-edge training solutions and experiences. At the end of the year, the company therefore further improved its net cash position equal to Euro 59.5 million, compared to Euro 3.7 million in 2019 (including the application of the IFRS 16 accounting standard).



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#### 4) Proposed allocation of profit for the year

The Board of Directors resolved to propose to the Shareholders' Meeting the payment of a dividend equal to Euro 0.22 per share. This dividend is intended to represent a payout of around 40% on the cumulative earnings for 2019 and 2020. The dividend will be paid on May 26, 2021 (coupon date May 24, 2021 and record date May 25, 2021).

#### **Business Outlook**

A sound recovery in BtoB segments is expected in 2021, together with the growth in home fitness. In fact several studies show how health climbed people's priorities after the pandemic and, moreover, a high percentage of the population gained weight and recorded more stress and anxiety due to lockdowns. On the back of these drivers a strong demand of wellness from end-users is expected in 2021, and only a tiny part of them were already members of a fitness club before pandemic; we note that in any country where fitness centres reopened, they recorded a booming interest. That sign, together with gradual mass vaccination of the global population, paves the way to a good recovery in the BtoB segment, as testified by the contract signed in H2 2020 with Fitness Time, the main fitness operator in Saudi Arabia, that choose Technogym for its 140 clubs.

The recovery will impact hotel sector too, asked by guests to adapt available spaces to new requirements, and corporates, that are going to consider the nearness to fitness clubs or the availability of in-building training spaces an even more key feature.

Technogym is confident to continue the growth path in the at-home business for whom is projected a Eur 300 million turnover in 2022 – thanks to the expansion in the product range and to new initiatives, even communication ones, to better support sales – with the goal of reaching Eur 1 billion in group revenues in 2024. The Health segment, which includes the increasing need of health prevention through physiotherapists and cardio muscular rehabilitation, shows great perspectives too, recording a good order intake in early months of 2021.

The international expansion, with a focus on Europe, North America and APAC, will continue to represent the main growth driver for the company, not only in 2021.

Despite the limited visibility Technogym confirms its historical target of a sustainable and profitable growth for the ongoing year, thus targeting a double-digit growth in total revenues, starting from first quarter, and going on with the launch of new products.

**Financial Statements of the Parent Company** The Board of Directors also approved the financial statements of the parent company, Technogym S.p.A. The Company recorded revenue of Euro 358.1 million, compared to Euro 450.1 million of 2019. Net Profit Adjusted stood at Euro 50.9 million, declining by 27.7 million compared to Euro 78.6 million in 2019. The decline is driven by declining revenues partially offset by cost cutting initiatives by the parent company. The Statement of Financial Position of





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Technogym S.p.A. shows Equity of Euro 330.2 million, compared to Euro 284.2 million in 2019 and a Net Financial Debt of Euro 17.0 million compared to Euro 56.4 Million in 2019. .

### **Consolidated non-financial statement for Fiscal Year 2020**

The Board of Directors of Technogym reviewed and approved the results of the 2020 Consolidated non-financial statement, a report prepared separately from the Financial Statement in accordance with the provisions of Italian Legislative Decree 254/2016.

Prepared according with the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) the Statement describes the status and the recent achievements of the Group as about social, environmental and economic.

The document will be made available to the public, by the deadlines set out by law, on Technogym corporate site. We highlight that in the Sustainability section of the corporate site is possible to review also the 2025 Sustainability Policy of the company recently approved.

### **Other resolutions**

#### **1) Plan for the free allocation of the right to receive ordinary shares of the Company, named "2021-2023 Performance Share Plan"**

The Board of Directors resolved upon a proposal to the Shareholders' Meeting for the approval of a mid-long term plan for the free allocation of the right to receive ordinary shares of the Company, named "2020- 2022 Performance Share Plan", based on the achievement of specific targets. The Plan will be reserved for managers of the Technogym Group, who shall be identified by the Board of Directors among employees and/or freelance staff of the Company or its subsidiaries who hold strategically important positions, including key managers, or in any event are able to provide a significant contribution to the strategic goals of the Company and the Group. The adoption of the Plan is aimed at strengthening Technogym's ability to retain key resources and attract people with the best skills, aligning the interest in company's performance from the company's key resources with that of the shareholders for the sustainable creation of value over time. The maximum number of shares that may be assigned pursuant to the plan is 700,000.

#### **2) Proposal to authorize the purchase and disposal of treasury shares.**

The Board of Directors resolved upon a proposal to the Shareholders' Meeting for authorization to purchase and dispose of Company's treasury shares, subject to the revocation of the previous authorization granted by the Shareholders' Meeting held on April 23, 2020. The proposal of authorization is required for different purposes, including: (i) purchasing treasury shares with a view to





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medium and long-term investments also to establish lasting stakes, or in any case to seize investment opportunities also through the purchase and resale of shares, at any time, in whole or in part, in one or more times, and without time limits; (ii) acting, in compliance with current regulations, directly or through intermediaries, to reduce anomalous fluctuations in the share prices and to normalize the trend in trading and stock prices, as a result of momentary distortive phenomena linked to excess volatility or lack of liquidity; (iii) set up a portfolio of treasury shares to be used at any time, in whole or in part, in one or more times, and without time limitations, pursuant to the strategic guidelines of the Company, for shareholders capital based transactions or for other extraordinary transactions, as well as for the purpose of fulfilling obligations arising from stock option or stock grant plans or in any case share-based incentive schemes, against payment or free of charge, to company representatives, Technogym employees or Group companies' collaborators; (iv) launching purchase treasury shares programs for the purpose of art. 5 of Regulation (EU) no. 596/2014 (Market Abuse Regulation or MAR) and / or for the purposes contemplated by the market regulations allowed under the law as per art. 13 MAR, on the terms and conditions eventually resolved by the Board of Directors. The Board of Directors decided to propose that the authorization to purchase treasury shares, in one or more times even with a revolving scheme, will be granted for the maximum period permitted by Art. 2357, paragraph 2 of the Italian Civil Code, and thus, for a period of 18 months from the date on which the Shareholders' Meeting shall adopt the pertinent resolution. The maximum amount of treasury shares subject to authorization is equal to 20,000,000 , accounting for 10% of current shareholders capital, about both directly held treasury shares and any held by subsidiaries, and in any case, less than the maximum number of shares permitted by law from time to time. As of today, neither the Company nor its subsidiaries hold shares of the Company. Purchases will be made at price conditions compliant with the provisions of art. 3, paragraph 2, of the Delegated Regulation 2016/1052 / EU. In any case, purchases must be made at a price per share which cannot deviate, nor decrease, nor increase, by more than 10% with respect to the price recorded by the Company shares in the stock market session preceding each individual transaction. The sales, if made in cash, must be made at a price per share to be determined based on the criteria set out in the applicable legislation and / or the permitted market practices in force from time to time, or which in any case cannot deviate, nor decrease, nor increase, by more than 10% with respect to the price recorded by the Company shares in the stock market session preceding each individual transaction.

**3) Proposal to delegate to the Board of Directors, pursuant to Art. 2443 of the Italian Civil Code, for a period of five years from the date of the resolution, the right to increase share capital, free of charge, divisible and executable in several tranches, pursuant to Art. 2349 of the Italian Civil Code.**

The Board of Directors resolved upon a proposal to the Shareholders' Meeting to delegate to the Board of Directors, pursuant to Art. 2443 of the Italian Civil Code, for a period of five years from the date of the resolution, the right to increase the share capital, free of charge, divisible and executable in several tranches, pursuant to Art. 2349 of the Italian Civil Code, by issuing a maximum of 700,000 ordinary shares, for a total maximum amount of Euro 35,000, without nominal value, with the same features as per the existing shares, at an issue price equal to the accounting par value of the shares at the execution date, to be fully posted to capital, by assigning the maximum amount of earnings



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and reserves as from the latest available financial statement to employees of Technogym S.p.A. and its subsidiaries that are beneficiaries of the incentive plan regarding ordinary shares of Technogym S.p.A. named "Performance Share Plan 2021-2023", with the resulting amendment to Art. 6 of the Bylaws in force.

\* \* \* \*

The Board of Directors also approved the Report on remuneration policy and compensation paid, pursuant to Art. 123-ter of Italian Legislative Decree no. 58 of February 24, 1998 ("Consolidated Law on Finance") and Art. 84-quater of CONSOB Regulation no. 11971/1999 ("Issuers' Regulation"), and it also approved the Report on Corporate Governance pursuant to Art. 123-bis of Consolidated Law on Finance.

Finally, the Board of Directors granted the Chairman with the power to convene the Ordinary and Extraordinary Shareholders' meeting for the approval of 2019 draft financial statements and the other proposals illustrated above on May 5th, 2021 in single call with modalities which ensure compliance with the applicable legislation, including the measures connected to the emergency in the national territory related to the health risk for the Covid-19 pandemic outbreak.

All documents, which will be submitted to the Shareholders' Meeting being called, will be made available to the public, by the deadlines set out by law, at the registered office of Technogym S.p.A. at Via Calcinaro 2861, Cesena, Italy, on the storage mechanisms authorized by CONSOB "eMarket SDIR" and "eMarket STORAGE" and in the specific sections of the company website <http://corporate.technogym.com>.



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## Consolidated income statement

| <i>(In thousand of Euro)</i>   | Year ended at December 31 |                                    |                      |                                    |
|--|---------------------------|------------------------------------|----------------------|------------------------------------|
|  | 2020                      | <i>of which from related party</i> | 2019                 | <i>of which from related party</i> |
| <b>REVENUES</b>  |                           |                                    |                      |                                    |
| Revenues   | 508.342                   | 10.361                             | 666.418              | 11.813                             |
| Other revenues and income  | 1.337                     | 171                                | 2.513                | 178                                |
| <b>Total revenues</b>  | <b>509.679</b>            |                                    | <b>668.931</b>       |                                    |
| <b>OPERATING COSTS</b>   |                           |                                    |                      |                                    |
| Purchases and use of raw materials, work in progress and finished goods<br><i>of which non-recurring income/(expenses)</i> | (166.366)<br>(708)        | (100)                              | (219.270)<br>(143)   | (82)                               |
| Cost of services<br><i>of which non-recurring income/(expenses)</i>  | (128.500)<br>(1.217)      | (592)                              | (163.585)<br>(1.283) | (2.077)                            |
| Personnel expenses<br><i>of which non-recurring income/(expenses)</i>  | (112.640)<br>(1.047)      | 6                                  | (136.157)<br>(2.403) | (43)                               |
| Other operating costs<br><i>of which non-recurring income/(expenses)</i>   | (10.260)<br>(1.115)       | (22)                               | (7.332)<br>(411)     | (19)                               |
| Share of net result from joint ventures  | 883                       |                                    | 999                  |                                    |
| Depreciation, amortisation and impairment losses / (write-backs)   | (35.109)                  | (1.541)                            | (31.114)             | (1.485)                            |
| Net provisions<br><i>of which non-recurring income/(expenses)</i>  | (3.312)<br>(450)          | -                                  | (4.120)<br>-         | -                                  |
| <b>NET OPERATING INCOME</b>  | <b>54.375</b>             |                                    | <b>108.352</b>       |                                    |
| Financial income   | 12.981                    | 5                                  | 8.739                | -                                  |
| Financial expenses<br><i>of which non-recurring income/(expenses)</i>  | (17.184)<br>(205)         | (293)                              | (11.091)             | (134)                              |
| <b>Net financial expenses</b>  | <b>(4.203)</b>            |                                    | <b>(2.351)</b>       |                                    |
| Income/(expenses) from investments<br><i>of which non-recurring income/(expenses)</i>                                      | (2.131)<br>(2.395)        |                                    | 402<br>-             |                                    |
| <b>PROFIT BEFORE TAX</b>   | <b>48.041</b>             |                                    | <b>106.404</b>       |                                    |
| Income tax expenses<br><i>of which non-recurring income/(expenses)</i>   | (11.593)<br>(295)         |                                    | (22.659)<br>2.238    |                                    |
| <b>PROFIT FOR THE YEAR</b>   | <b>36.448</b>             |                                    | <b>83.745</b>        |                                    |
| Profit (loss) attributable to non-controlling interests  | (444)                     |                                    | (541)                |                                    |
| <b>Profit (loss) attributable to owners of the parent</b>  | <b>36.004</b>             |                                    | <b>83.205</b>        |                                    |
| <b>EARNINGS PER SHARE</b>  | <b>0,18</b>               |                                    | <b>0,41</b>          |                                    |



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## Consolidated Statement of Financial Position

| <i>(In thousand of Euro)</i>                                   | At December 31 |                                    |                |                                    |
|--|----------------|------------------------------------|----------------|------------------------------------|
|  | 2020           | <i>of which from related party</i> | 2019           | <i>of which from related party</i> |
| <b>ASSETS</b>  |                |                                    |                |                                    |
| <b>Non-current assets</b>                                      |                |                                    |                |                                    |
| Property, plant and equipment                                  | 159.243        | 9.982                              | 167.919        | 7.135                              |
| Intangible assets  | 47.365         |                                    | 43.445         |                                    |
| Deferred tax assets  | 18.532         |                                    | 15.543         |                                    |
| Investments in joint ventures and associates                   | 18.736         |                                    | 18.063         |                                    |
| Other financial non-current assets                             | 2.992          |                                    | 2.930          |                                    |
| Other non-current assets                                       | 52.616         |                                    | 49.590         |                                    |
| <b>TOTAL NON-CURRENT ASSETS</b>                                | <b>299.484</b> |                                    | <b>297.490</b> |                                    |
| <b>Current assets</b>  |                |                                    |                |                                    |
| Inventories  | 82.614         |                                    | 76.831         |                                    |
| Trade receivables  | 81.060         | 1.174                              | 127.472        | 525                                |
| Current financial assets                                       | 39             |                                    | 84             |                                    |
| Assets for derivative financial instruments                    | 1.525          |                                    | -              |                                    |
| Other current assets   | 17.202         | 466                                | 22.295         | 1.597                              |
| Cash and cash equivalents                                      | 202.065        |                                    | 114.413        |                                    |
| <b>TOTAL CURRENT ASSETS</b>                                    | <b>384.505</b> |                                    | <b>341.096</b> |                                    |
| <b>TOTAL ASSETS</b>  | <b>683.989</b> |                                    | <b>638.587</b> |                                    |
| <b>EQUITY AND LIABILITIES</b>                                  |                |                                    |                |                                    |
| <b>Equity</b>  |                |                                    |                |                                    |
| Share capital  | 10.066         |                                    | 10.050         |                                    |
| Share premium reserve  | 4.990          |                                    | 4.990          |                                    |
| Other reserves   | 25.541         |                                    | 26.923         |                                    |
| Retained earnings  | 211.567        |                                    | 132.827        |                                    |
| Profit (loss) attributable to owners of the parent             | 36.004         |                                    | 83.204         |                                    |
| <b>Equity attributable to owners of the parent</b>             | <b>288.167</b> |                                    | <b>257.995</b> |                                    |
| Capital and reserves attributable to non-controlling interests | 1.934          |                                    | 1.553          |                                    |
| Profit (loss) attributable to non-controlling interests        | 444            |                                    | 541            |                                    |
| <b>Equity attributable to non-controlling interests</b>        | <b>2.379</b>   |                                    | <b>2.094</b>   |                                    |
| <b>TOTAL EQUITY</b>  | <b>290.546</b> |                                    | <b>260.089</b> |                                    |
| <b>Non-current liabilities</b>                                 |                |                                    |                |                                    |
| Non-current financial liabilities                              | 97.677         | 9.411                              | 55.996         | 6.420                              |
| Deferred tax liabilities                                       | 343            |                                    | 304            |                                    |
| Employee benefit obligations                                   | 2.955          |                                    | 3.066          |                                    |
| Non-current provisions for risks and charges                   | 9.662          |                                    | 15.218         |                                    |
| Other non-current liabilities                                  | 37.665         |                                    | 35.058         |                                    |
| <b>TOTAL NON-CURRENT LIABILITIES</b>                           | <b>148.303</b> |                                    | <b>109.641</b> |                                    |
| <b>Current liabilities</b>                                     |                |                                    |                |                                    |
| Trade payables   | 114.006        | 316                                | 127.536        | 636                                |
| Current tax liabilities  | 2.465          |                                    | 5.078          |                                    |
| Current financial liabilities                                  | 46.409         | 2.061                              | 54.823         | 1.439                              |
| Liabilities for derivative financial instruments               | 58             |                                    | 13             |                                    |
| Current provisions for risks and charges                       | 8.621          |                                    | 12.718         |                                    |
| Other current liabilities                                      | 73.582         |                                    | 68.688         |                                    |
| <b>TOTAL CURRENT LIABILITIES</b>                               | <b>245.141</b> |                                    | <b>268.857</b> |                                    |
| <b>TOTAL EQUITY AND LIABILITIES</b>                            | <b>683.989</b> |                                    | <b>638.587</b> |                                    |



The Wellness Company

## Consolidated Statement of Cash Flows

| <i>(in thousands of Euro)</i>  | Year ended December 31 |                 |
|--|------------------------|-----------------|
|  | 2020                   | 2019            |
| <b>Cash flows from operating activities</b>  |                        |                 |
| Profit for the year  | 36.448                 | 83.745          |
| <i>Adjustments for:</i>  |                        |                 |
| Income taxes   | 11.593                 | 22.659          |
| Income/(expenses) from investments   | 2.131                  | (402)           |
| Financial income/(expenses)  | 4.203                  | 2.351           |
| Depreciation, amortisation and impairment losses                                   | 35.109                 | 31.114          |
| Net provisions   | 3.312                  | 4.120           |
| Share of net result from joint ventures  | (883)                  | (999)           |
| <b>Cash flows from operating activities before changes in working capital</b>      | <b>91.913</b>          | <b>142.587</b>  |
| Change in inventories  | (7.996)                | 11.949          |
| Change in trade receivables  | 49.711                 | 18.119          |
| Change in trade payables   | (13.199)               | (16.902)        |
| Change in other assets and liabilities   | (2.041)                | 6.685           |
| Non-recurrent fiscal collection/(payment)  | -                      | -               |
| Income taxes paid  | (15.980)               | (26.685)        |
| <b>Net cash inflow from operating activities (A)</b>                               | <b>102.408</b>         | <b>135.753</b>  |
| <i>of which from related parties</i>   | <i>9.663</i>           | <i>10.293</i>   |
| <b>Cash flows from investing activities</b>  |                        |                 |
| Investments in property, plant and equipment                                       | (9.111)                | (21.333)        |
| Disposals of property, plant and equipment   | 1.332                  | 1.585           |
| Investments in intangible assets   | (15.289)               | (16.761)        |
| Disposals of intangible assets   | 67                     | 75              |
| Dividends received from joint ventures   | 952                    | 1.004           |
| Investments in subsidiaries, associates and other entities                         | (0)                    | (583)           |
| Disposal of subsidiaries, associates and other entities                            | -                      | -               |
| <b>Net cash inflow (outflow) from investing activities (B)</b>                     | <b>(22.050)</b>        | <b>(36.013)</b> |
| <i>of which from related parties</i>   | <i>-</i>               | <i>-</i>        |
| <b>Cash flows from financing activities</b>  |                        |                 |
| Reimbursement of leasing costs (IFRS 16)   | (6.892)                | (6.290)         |
| Non-current financial liabilities (including current portion)                      | 50.000                 | 25.000          |
| Repayment of non-current financial liabilities (including the current portion)     | (24.579)               | (43.871)        |
| Net increase (decrease) of current financial assets                                | (413)                  | (3.610)         |
| Dividends paid to shareholders   | -                      | (36.181)        |
| Payments of net financial expenses   | (5.755)                | (471)           |
| <b>Net cash inflow (outflow) from financing activities (C)</b>                     | <b>12.362</b>          | <b>(65.423)</b> |
| <i>of which from related parties</i>   | <i>(1.834)</i>         | <i>(1.619)</i>  |
| <b>Net increase (decrease) in cash and cash equivalents (D)=(A)+(B)+(C)</b>        | <b>92.721</b>          | <b>34.318</b>   |
| <b>Cash and cash equivalents at the beginning of the year</b>                      | <b>114.413</b>         | <b>78.503</b>   |
| Net increase (decrease) in cash and cash equivalents from January 1 to December 31 | 92.721                 | 34.318          |
| Effects of exchange rate differences on cash and cash equivalents                  | (5.069)                | 1.592           |
| <b>Cash and cash equivalents at the end of the year</b>                            | <b>202.065</b>         | <b>114.413</b>  |

\* \* \*

Pursuant to art. 154-bis, paragraph 2 of the Consolidated Finance Act, the executive responsible for the preparation of financial reports, Massimiliano Moi, declares that the accounting data contained in this press release is consistent with entries in the accounting books and records.



The Wellness Company

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## **Notes to the press release**

### **Technogym**

Founded in 1983, Technogym is a world-leading international supplier of products, services and solutions in the fields of fitness and wellness. With over 2,000 employees and 14 branches in Europe, the United States, Asia, Middle East, Australia and South America, the company exports 90% of its production to over 100 countries. Technogym was the official supplier for the last seven Olympic Games: Sydney 2000, Athens 2004, Turin 2006, Beijing 2008, London 2012, Rio 2016 and PyeongChang 2018, and have just been appointed as Official Supplier of the forthcoming Tokyo 2020 Olympics.

### **Safe Harbor Statement**

Certain statements in this press release could constitute forward-looking statements, as defined in the Private Securities Litigation Reform Act of 1995. The statements in question refer to risks, uncertainties and other factors that could lead to actual results which differ, even substantially, from those forecast. Such risks and uncertainties include, for example, the ability to manage the effects of the current uncertain international economic scenario, ability to acquire new assets and integrate them effectively, ability to forecast future economic conditions and changes in consumer preferences, ability to successfully introduce and market new products, ability to maintain an efficient distribution system, ability to achieve and manage growth, ability to negotiate and maintain favorable license agreements, currency fluctuations, changes in local conditions, ability to protect intellectual property, problems with information systems, risks associated with inventory, credit and insurance risks, changes in tax regulations, and likewise other political, economic, legal and technological factors and other risks and uncertainties already mentioned in our Consob filings. These forward-looking statements were released as at today's date and we accept no liability for updating.