

amplifon

Interim
Financial
Report as at
30 June 2021



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Disclaimer

This report contains forward looking statements (“Outlook”) relating to future events and the Amplifon Group’s operating, economic and financial results. These forecasts, by definition, contain elements of risk and uncertainty, insofar as they are linked to the occurrence of future events and developments. The actual results may be very different with respect to the original forecast due to a number of factors, the majority of which are out of the Group’s control.

PREFACE

This Interim Financial Report was prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) endorsed by the European Union and should be read together with the Group's consolidated financial statements as at and for the year ended 31 December 2020 that includes additional information on the risks and uncertainties that could impact the Group's operating results or its financial position.

INTERIM MANAGEMENT REPORT

AS AT 30 JUNE 2021

HIGHLIGHTS

In the first six months of 2021 Amplifon recorded a significant increase in revenues, with positive results across all its geographies, and an improvement in profitability, as well as cash generation (free cash flow) compared to both the first half of 2020, which is not a viable comparison period as the results were heavily impacted by the Covid-19 health crisis, and the same period of 2019, the figures for which are reported and commented on in this half-year report in order to provide a more meaningful comparison.

(€ thousands)	First Half 2021		First Half 2020		First Half 2019	
	Recurring	Total	Recurring	Total	Recurring	Total
Economic figures:						
Revenues from sales and services	959,487	959,487	613,899	613,899	832,035	832,035
Gross operating profit (loss) (EBITDA)	232,707	228,415	131,299	131,299	186,565	180,760
Operating profit (loss) (EBIT)	125,846	121,554	31,526	31,526	95,373	89,503
Profit (loss) before tax	111,841	107,549	17,783	17,783	82,557	76,687
Group net profit (loss)	80,327	77,144	12,577	12,577	59,363	54,492

The first six months of the year closed with:

- turnover of €959,487 thousand, an increase of 58.0% at constant exchange rates and of 56.3% at current exchange rates compared to the same period of the prior year. Compared to the first half of 2019, turnover was 15.3% higher (+17.1% at constant exchange rates), consistent with the growth path seen before the outbreak of Covid-19.
- a gross operating margin (EBITDA) of €228,415 thousand, 77.2% higher on a recurring basis compared to the first six months of 2020, with an EBITDA margin of 24.3% (+2.9 p.p. against the comparison period). Compared to the first six months of 2019, recurring EBITDA was up 24.7% with the EBITDA margin rising 1.8 p.p. The improvement in profitability is explained by greater operating efficiency and increased productivity, even after significant investments in the business.
- Group net profit of €77,144 thousand, showing an increase of €64,567 thousand (+513.4%) against the first half of 2020 and of €22,652 thousand (+41.6%) compared to the first half of 2019 (+35.3% on a recurring basis).

Net financial debt, excluding lease liabilities, was lower than the €633,665 recorded at year-end 2020, coming in a €620,529 thousand, confirming the Group's ability to generate cash flow. Free cash flow reached a positive €118,783 thousand (versus €72,075 thousand in the first six months of 2020) after absorbing net capital expenditure of €36,580 thousand (€21,804 thousand in the comparison period). This result made it possible to finance cash-outs for acquisitions of €42,882 thousand (€41,816 thousand in the comparison period) and restart the buyback program (€13,331 thousand). Cash flow for the period was positive for €13,249 thousand versus positive €22,601 thousand in the first half of 2020.

On 1 May 2021 the project to redefine Amplifon S.p.A.'s corporate structure, approved definitively by Amplifon's Board of Directors on 3 March 2021, was implemented.

The redefinition project calls for the contribution in kind of the business branch related to the operating activities of the country Italy ("the Business Branch") as consideration for the capital increase reserved to Amplifon by Amplifon Italia S.r.l., a wholly owned subsidiary of Amplifon. This is an intra-group transaction the purpose of which is to redefine Amplifon S.p.A.'s corporate structure in a way that is consistent with the evolution of the group's organizational structure and multinational nature. More specifically, as of 1 May 2021 Amplifon S.p.A. (which previously acted as the parent company and ran the Italian market operations) is responsible for the definition and development of the strategic direction and coordination of the entire Group, as well as the Group's centralized purchasing, while Amplifon Italia S.p.A. is now responsible for the Italian market operations.

On 29 July 2021 the Board of Directors also resolved to exit the wholesale business and sold the business of Elite Hearing, LLC ("Elite") in the United States.

The disposal of the Elite business, which represented a separate "major line of business", will be treated as a "discontinued operation" in accordance with IFRS 5 as of the date of the disposal. Elite contributed €27,700 thousand to the revenues and €1,966 thousand to the EBITDA (before corporate costs) reported in this half-year financial report.

MAIN ECONOMIC AND FINANCIAL FIGURES

(€ thousands)	First Half 2021				First Half 2020				Change % on recurring
	Recurring	Non-recurring	Total	% on revenues recurring	Recurring	Non-recurring	Total	% on revenues recurring	
Economic figures:									
Revenues from sales and services	959,487	-	959,487	100.0%	613,899	-	613,899	100.0%	56.3%
Gross operating profit (loss) (EBITDA)	232,707	(4,292)	228,415	24.3%	131,299	-	131,299	21.4%	77.2%
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	147,062	(4,292)	142,770	15.3%	51,103	-	51,103	8.3%	187.8%
Operating profit (loss) (EBIT)	125,846	(4,292)	121,554	13.1%	31,526	-	31,526	5.1%	299.2%
Profit (loss) before tax	111,841	(4,292)	107,549	11.7%	17,783	-	17,783	2.9%	528.9%
Group net profit (loss)	80,327	(3,183)	77,144	8.4%	12,577	-	12,577	2.0%	538.7%

(€ thousands)	06/30/2021	12/31/2020	Change
Financial figures:			
Non-current assets	2,341,509	2,299,443	42,066
Net invested capital	1,880,622	1,858,312	22,310
Group net equity	832,602	800,883	31,719
Total net equity	833,644	801,868	31,776
Net financial indebtedness	620,529	633,665	(13,136)
Lease liabilities	426,449	422,779	3,670
Total lease liabilities and net financial indebtedness	1,046,978	1,056,444	(9,466)

(€ thousands)	First Half 2021	First Half 2020
Free cash flow	118,783	72,075
Cash flow generated from (absorbed by) business combinations	(46,526)	(41,816)
(Purchase) sale of other investments and securities	3,644	-
Cash flow provided by (used in) financing activities	(62,652)	(7,658)
Net cash flow from the period	13,249	22,601
Effect of discontinued operations on the net financial position	(52)	-
Effect of exchange rate fluctuations on the net financial position	(61)	(1,248)
Net cash flow from the period with changes for exchange rate fluctuations and discontinued operations	13,136	21,353

- **EBITDA** is the operating result before charging amortization, depreciation, impairment of both tangible and intangible fixed assets and the right of use depreciation.
- **EBITA** is the operating result before amortization and impairment of customer lists, trademarks, non-competition agreements and other fixed assets arising from business combinations.
- **EBIT** is the operating result before financial income and charges and taxes.
- **Free cash flow** represents the cash flow of operating and investing activities before the cash flows used in acquisitions and payment of dividends and the cash flows from or used in other financing activities.

INDICATORS

	06/30/2021	12/31/2020	06/30/2020
Net financial indebtedness (€ thousands)	620,529	633,665	765,345
Lease liabilities	426,449	422,779	442,699
Total lease liabilities & net financial indebtedness	1,046,978	1,056,444	1,208,044
Net equity (€ thousands)	833,644	801,868	700,044
Group Net Equity (€ thousands)	832,602	800,883	699,166
Net financial indebtedness/Net Equity	0.74	0.80	1.10
Net financial indebtedness/Group Net Equity	0.75	0.80	1.10
Net financial indebtedness/EBITDA	1.23	1.63	2.18
EBITDA/Net financial expenses	29.09	22.79	22.55
Earnings per share (EPS) (€)	0.34337	0.45132	0.05634
Diluted EPS (€)	0.33947	0.44556	0.05564
EPS (€) adjusted for non-recurring transactions and amortization/depreciation related to purchase price allocations to tangible and intangible assets	0.42768	0.57806	0.12079
Group Net Equity per share (€)	3.707	3.563	3.132
Period-end price (€)	41.640	34.040	23.710
Highest price in period (€)	42.340	36.540	30.400
Lowest price in period (€)	29.330	14.830	14.830
Share price/net equity per share	11.232	9.569	7.570
Market capitalization (€ millions)	9,371.15	7,651.71	5,301.48
Number of shares outstanding	225,051,615	224,785,974	223,596,726

- **Net financial indebtedness/net equity** is the ratio of net financial indebtedness, excluding lease liabilities and short-term investments not cash equivalents, to total net equity.
- **Net financial indebtedness/Group net equity** is the ratio of the net financial indebtedness, excluding lease liabilities and short-term investments not cash equivalents, to the Group's net equity.
- **Net financial indebtedness/EBITDA** is the ratio of net financial indebtedness, excluding lease liabilities and short-term investments not cash equivalents, to EBITDA for the last four quarters (determined with reference to recurring operations only, based on pro forma figures in case of significant changes to the structure of the Group).
- **EBITDA/net financial expenses ratio** is the ratio of EBITDA for the last four quarters (determined with reference to recurring operations only, based on restated figures in case of significant changes to the structure of the Group) to net interest payable and receivable of the same last four quarters.
- **Earnings per share (EPS) (€)** is the net profit for the period attributable to the parent's ordinary shareholders divided by the weighted average number of shares outstanding during the period, considering purchases and sales of treasury shares as cancellations or issues of shares, respectively.
- **Diluted earnings per share (EPS) (€)** is the net profit for the period attributable to the parent's ordinary shareholders divided by the weighted average number of shares outstanding during the period adjusted for the dilution effect of potential shares. In the

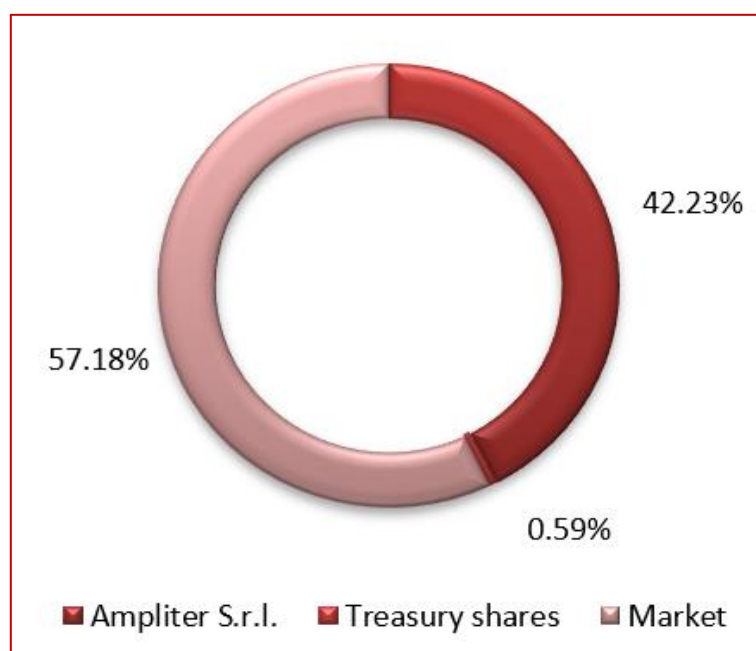
calculation of outstanding shares, purchases and sales of treasury shares are considered as cancellations and issues of shares, respectively.

- **Earnings per share (EPS) adjusted for non-recurring transactions and amortization/depreciation related to purchase price allocations to tangible and intangible assets (€)** is the profit for the period from recurring operations attributable to the parent's ordinary shareholders divided by the weighted average number of outstanding shares in the period adjusted to reflect the amortization of purchase price allocations. When calculating the number of outstanding shares, the purchases and sales of treasury shares are considered cancellations and share issues, respectively.
- **Net Equity per share (€)** is the ratio of Group equity to the number of outstanding shares.
- **Period-end price (€)** is the closing price on the last stock exchange trading day of the period.
- **Highest price (€)** and **lowest price (€)** are the highest and lowest prices from 1 January to the end of the period.
- **Share price/Net equity per share** is the ratio of the share closing price on the last stock exchange trading day of the period to net equity per share.
- **Market capitalization** is the closing price on the last stock exchange trading day of the period multiplied by the number of outstanding shares.
- **The number of shares outstanding** is the number of shares issued less treasury shares.

SHAREHOLDER INFORMATION

Main Shareholders

The main Shareholders of Amplifon S.p.A. as at 30 June 2021 are:



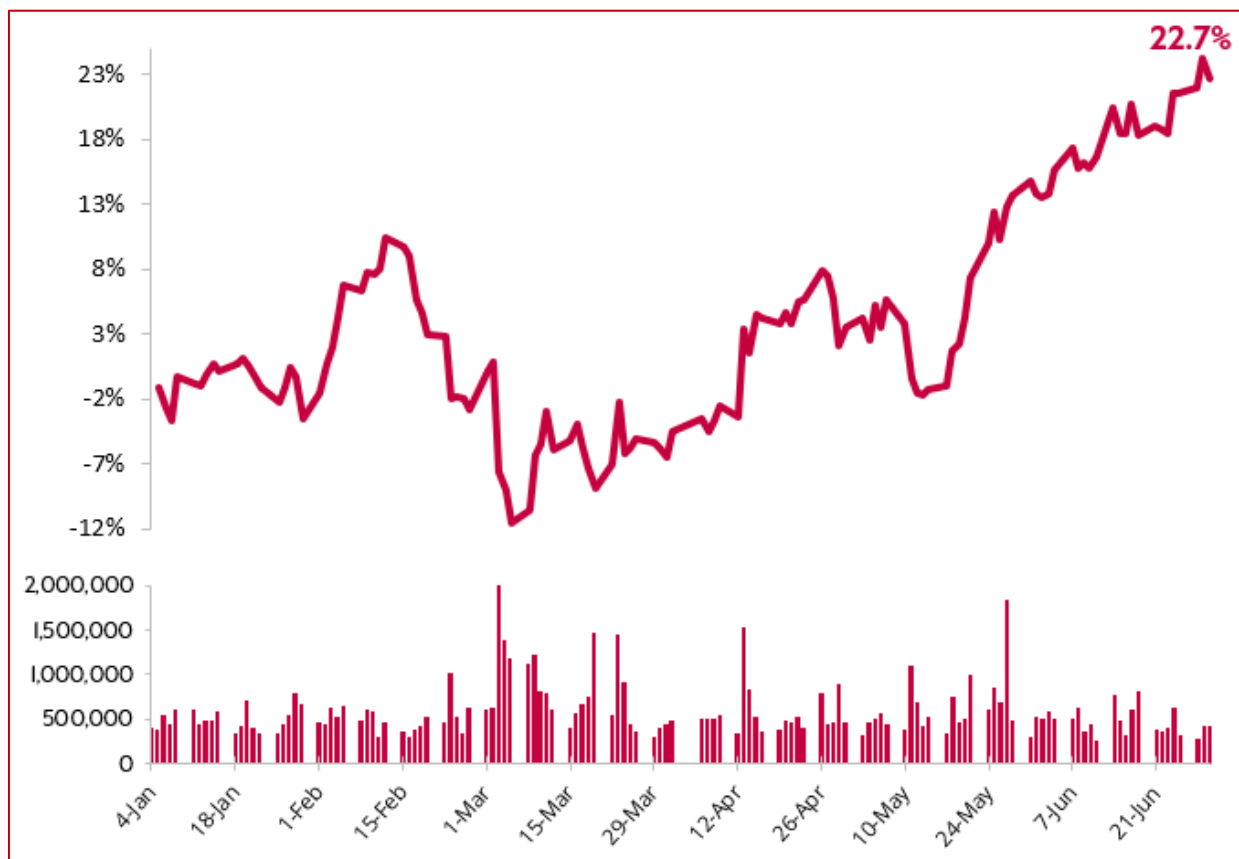
Shareholder	No. of ordinary shares	% held	% of the total share capital in voting rights
Ampliter S.r.l.	95,604,369	42.23%	59.15%
Treasury shares	1,337,005	0.59%	0.41%
Market	129,447,246	57.18%	40.44%
Total	226,388,620 (*)	100.00%	100.00%

(*) Number of shares related to the share capital registered with the Company registrar on 30 June 2021.

Pursuant to article 2497 of the Italian Civil Code, Amplifon S.p.A. is not subject to management and coordination either by its direct parent Ampliter S.r.l. or its indirect parent.

The shares of the parent Amplifon S.p.A. have been listed on the screen-based stock market Mercato Telematico Azionario (MTA) since 27 June 2001 and since 10 September 2008 in the STAR segment. Amplifon is also included in the FTSE MIB index and in the Stoxx Europe 600 index.

The chart shows the performance of the Amplifon share price and its trading volumes from 2 January 2021 to 30 June 2021.



As at 30 June 2021 market capitalization was €9.371,15 million.

Dealings in Amplifon shares in the screen-based stock market Mercato Telematico Azionario during the period 2 January 2021 – 30 June 2021, showed:

- average daily value: €20,505,179.75;
- average daily volume: 581,815 shares;
- total volume traded of 73,308,645 shares, or 32.6% of the total number of shares comprising the share capital, net of treasury shares.

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(€ thousands)	First Half 2021				First Half 2020				Change % on recurring
	Recurring	Non- recurring (*)	Total	% on revenues recurring	Recurring	Non- recurring (*)	Total	% on revenues recurring	
Revenues from sales and services	959,487	-	959,487	100.0%	613,899	-	613,899	100.0%	56.3%
Operating costs	(730,013)	(4,156)	(734,169)	-76.0%	(493,696)	-	(493,696)	-80.4%	-47.9%
Other income and costs	3,233	(136)	3,097	0.3%	11,096	-	11,096	1.8%	-70.9%
Gross operating profit (loss) (EBITDA)	232,707	(4,292)	228,415	24.3%	131,299	-	131,299	21.4%	77.2%
Depreciation, amortization and impairment losses on non-current assets	(38,947)	-	(38,947)	-4.1%	(34,231)	-	(34,231)	-5.6%	-13.8%
Right-of-use depreciation	(46,698)	-	(46,698)	-4.9%	(45,965)	-	(45,965)	-7.5%	-1.6%
Operating result before the amortization and impairment of PPA related assets (EBITA)	147,062	(4,292)	142,770	15.3%	51,103	-	51,103	8.3%	187.8%
PPA related depreciation, amortization and impairment	(21,216)	-	(21,216)	-2.2%	(19,577)	-	(19,577)	-3.2%	-8.4%
Operating profit (loss) (EBIT)	125,846	(4,292)	121,554	13.1%	31,526	-	31,526	5.1%	299.2%
Income, expenses, valuation and adjustments of financial assets	829	-	829	0.1%	(256)	-	(256)	0.0%	423.8%
Net financial expenses	(14,156)	-	(14,156)	-1.4%	(14,219)	-	(14,219)	-2.3%	0.4%
Exchange differences and non-hedge accounting instruments	(678)	-	(678)	-0.1%	732	-	732	0.1%	-192.6%
Profit (loss) before tax	111,841	(4,292)	107,549	11.7%	17,783	-	17,783	2.9%	528.9%
Tax	(31,483)	1,109	(30,374)	-3.3%	(5,323)	-	(5,323)	-0.9%	-491.5%
Net profit (loss)	80,358	(3,183)	77,175	8.4%	12,460	-	12,460	2.0%	544.9%
Profit (loss) of minority interests	31	-	31	0.0%	(117)	-	(117)	0.0%	126.5%
Net profit (loss) attributable to the Group	80,327	(3,183)	77,144	8.4%	12,577	-	12,577	2.0%	538.7%

(*) See table at page 16 for details of non-recurring transactions.

(€ thousands)	Second Quarter 2021				Second Quarter 2020				
	Recurring	Non-recurring (*)	Total	% on revenues recurring	Recurring	Non-recurring (*)	Total	% on revenues recurring	Change % on recurring
Revenues from sales and services	518,585	-	518,585	100.0%	250,423	-	250,423	100.0%	107.1%
Operating costs	(382,993)	(1,752)	(384,745)	-73.8%	(193,794)	-	(193,794)	-77.4%	-97.6%
Other income and costs	557	(136)	421	0.1%	9,815	-	9,815	3.9%	-94.3%
Gross operating profit (loss) (EBITDA)	136,149	(1,888)	134,261	26.3%	66,444	-	66,444	26.5%	104.9%
Depreciation, amortization and impairment losses on non-current assets	(19,713)	-	(19,713)	-3.8%	(17,046)	-	(17,046)	-6.7%	-15.6%
Right-of-use depreciation	(23,513)	-	(23,513)	-4.6%	(22,461)	-	(22,461)	-9.0%	-4.7%
Operating result before the amortization and impairment of PPA related assets (EBITA)	92,923	(1,888)	91,035	17.9%	26,937	-	26,937	10.8%	245.0%
PPA related depreciation, amortization and impairment	(10,657)	-	(10,657)	-2.0%	(9,901)	-	(9,901)	-4.0%	-7.6%
Operating profit (loss) (EBIT)	82,266	(1,888)	80,378	15.9%	17,036	-	17,036	6.8%	382.9%
Income, expenses, valuation and adjustments of financial assets	842	-	842	0.2%	(280)	-	(280)	-0.1%	400.7%
Net financial expenses	(7,176)	-	(7,176)	-1.4%	(7,459)	-	(7,459)	-3.0%	3.8%
Exchange differences and non-hedge accounting instruments	(341)	-	(341)	-0.1%	987	-	987	0.4%	-134.5%
Profit (loss) before tax	75,591	(1,888)	73,703	14.6%	10,284	-	10,284	4.1%	635.0%
Tax	(20,290)	465	(19,825)	-3.9%	(2,895)	-	(2,895)	-1.1%	-600.9%
Net profit (loss)	55,301	(1,423)	53,878	10.7%	7,389	-	7,389	3.0%	648.4%
Profit (loss) of minority interests	6	-	6	0.0%	(45)	-	(45)	0.0%	113.3%
Net profit (loss) attributable to the Group	55,295	(1,423)	53,872	10.7%	7,434	-	7,434	3.0%	643.8%

(*) See table at page 16 for details of non-recurring transactions.

The breakdown of the non-recurring transactions referred to above is provided in the following table. More in detail, in addition to the non-recurring expenses stemming from the second phase of the GAES integration, costs relating to the project to redefine the corporate structure of Amplifon S.p.A., approved definitively on 3 March 2021 and effective 1 May 2021, were also incurred. The main goal of this project is to render the Group's structure consistent with the changes in its organizational structure and multinational nature. More specifically, as of 1 May 2021 Amplifon S.p.A. (which previously acted as the parent company and ran the Italian market operations) is responsible for the definition and development of the strategic direction and coordination of the entire Group, as well as the Group's centralized purchasing, while Amplifon Italia S.p.A. is now responsible for the Italian market operations.

(€ thousands)	H1 2021	H1 2020
GAES integration costs	(2,666)	-
Amplifon S.p.A restructuring costs	(1,626)	-
Impact of the non-recurring items on EBITDA	(4,292)	-
Impact of the non-recurring items on EBIT	(4,292)	-
Impact of the non-recurring items on profit before tax	(4,292)	-
Impact of the above items on the tax burden for the period	1,109	-
Impact of the non-recurring items on net profit	(3,183)	-

(€ thousands)	H1 2021	H1 2020
GAES integration costs	(1,230)	-
Amplifon S.p.A restructuring costs	(658)	-
Impact of the non-recurring items on EBITDA	(1,888)	-
Impact of the non-recurring items on EBIT	(1,888)	-
Impact of the non-recurring items on profit before tax	(1,888)	-
Impact of the above items on the tax burden for the period	465	-
Impact of the non-recurring items on net profit	(1,423)	-

RECLASSIFIED CONSOLIDATED BALANCE SHEET

The reclassified Consolidated Balance Sheet aggregates assets and liabilities according to operating functionality criteria, subdivided by convention into the following three key functions: investments, operations and finance.

(€ thousands)	06/30/2021	12/31/2020	Change
Goodwill	1,320,608	1,281,609	38,999
Customer lists, non-compete agreements, trademarks and location rights	257,051	259,627	(2,576)
Software, licenses, other int.ass., wip and advances	104,335	101,559	2,776
Tangible assets	175,910	177,616	(1,706)
Right of use assets	411,871	409,338	2,533
Fixed financial assets (1)	37,998	38,125	(127)
Other non-current financial assets (1)	33,736	31,569	2,167
Total fixed assets	2,341,509	2,299,443	42,066
Inventories	61,864	57,431	4,433
Trade receivables	176,055	169,060	6,995
Other receivables	74,373	60,533	13,840
Current assets (A)	312,292	287,024	25,268
Total assets	2,653,801	2,586,467	67,334
Trade payables	(205,701)	(181,036)	(24,665)
Other payables (2)	(335,011)	(318,968)	(16,043)
Provisions for risks (current portion)	(2,460)	(3,560)	1,100
Short term liabilities (B)	(543,172)	(503,564)	(39,608)
Net working capital (A) - (B)	(230,880)	(216,540)	(14,340)
Derivative instruments (3)	(3,645)	(5,908)	2,263
Deferred tax assets	88,381	83,671	4,710
Deferred tax liabilities	(101,254)	(95,150)	(6,104)
Provisions for risks (non-current portion)	(50,005)	(49,765)	(240)
Employee benefits (non-current portion)	(22,772)	(24,019)	1,247
Loan fees (4)	7,062	7,941	(879)
Other long-term payables	(147,774)	(141,361)	(6,413)
NET INVESTED CAPITAL	1,880,622	1,858,312	22,310
Shareholders' equity	832,602	800,883	31,719
Third parties' equity	1,042	985	57
Net equity	833,644	801,868	31,776
Long term net financial debt (4)	971,850	1,103,265	(131,415)
Short term net financial debt (4)	(351,321)	(469,600)	118,279
Total net financial debt	620,529	633,665	(13,136)
Lease liabilities	426,449	422,779	3,670
Total lease liabilities & net financial debt	1,046,978	1,056,444	(9,466)
NET EQUITY, LEASE LIABILITIES AND NET FINANCIAL DEBT	1,880,622	1,858,312	22,310

Notes for reconciling the condensed balance sheet with the statutory balance sheet:

- (1) "Financial fixed assets" and "Other non-current financial assets" include equity interests valued by using the net equity method, financial assets at fair value through profit and loss and other non-current assets;
- (2) "Other payables" includes other liabilities, accrued liabilities and deferred income, current portion of liabilities for employees' benefits and tax liabilities;
- (3) "Derivatives instruments" includes cash flow hedging instruments not included in the item "Net medium and long-term financial indebtedness";
- (4) The item "loan fees" is presented in the balance sheet as a direct reduction of the short-term and medium/long-term components of the items "financial payables" and "financial liabilities" for the short-term and long-term portions, respectively.

CONDENSED RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT

The condensed consolidated cash flow statement is a summarized version of the reclassified statement of cash flows set out in the following pages and its purpose is, starting from the EBIT, to detail the cash flows from or used in operating, investing and financing activities.

(€ thousands)	First Half 2021	First Half 2020
EBIT	121,554	31,526
Amortization, depreciation and write-downs	106,861	99,773
Provisions, other non-monetary items and gain/losses from disposals	6,577	475
Net financial expenses	(13,543)	(12,336)
Taxes paid	(30,931)	(808)
Changes in net working capital	10,702	2,932
Cash flow provided by (used in) operating activities before repayment of lease liabilities	201,220	121,562
Repayment of lease liabilities	(45,857)	(27,683)
Cash flow provided by (used in) operating activities (A)	155,363	93,879
Cash flow provided by (used in) operating investing activities (B)	(36,580)	(21,804)
Free Cash Flow (A) + (B)	118,783	72,075
Net cash flow provided by (used in) acquisitions (C)	(46,526)	(41,816)
(Purchase) sale of other investment and securities (D)	3,644	-
Cash flow provided by (used in) investing activities (B+C+D)	(79,462)	(63,620)
Cash flow provided by (used in) operating activities and investing activities	75,901	30,259
Fees paid on medium/long-term financing	-	(7,374)
Treasury shares	(13,331)	-
Dividends	(49,356)	-
Capital increases, third parties' contributions and dividends paid by subsidiaries to third parties	(119)	-
Hedging instruments and other changes in non-current assets	154	(284)
Net cash flow from the period	13,249	22,601
Net financial indebtedness at the beginning of the period	(633,665)	(786,698)
Effect of exchange rate fluctuations on net financial indebtedness	(61)	(1,248)
Effect of discontinued operations on net financial indebtedness	(52)	-
Changes in net indebtedness	13,249	22,601
Net financial indebtedness at the end of the period	(620,529)	(765,345)

The impact of non-recurring transactions on free cash flow in the period is shown in the following table.

(€ thousands)	First Half 2021	First Half 2020
Free cash flow	118,783	72,075
Free cash flow generated by non-recurring transactions (see page 49 for details)	(3,731)	(812)
Free cash flow generated by recurring transactions	122,514	72,887

INCOME STATEMENT REVIEW

Consolidated income statement by segment and geographic area (*)

(€ thousands)	First Half 2021				
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	673,954	172,293	113,240	-	959,487
Operating costs	(484,648)	(132,470)	(79,189)	(37,862)	(734,169)
Other income and costs	3,129	41	(385)	312	3,097
Gross operating profit (loss) (EBITDA)	192,435	39,864	33,666	(37,550)	228,415
Depreciation, amortization and impairment of non-current assets	(20,783)	(5,854)	(5,209)	(7,101)	(38,947)
Right-of-use depreciation	(37,067)	(3,056)	(6,154)	(421)	(46,698)
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	134,585	30,954	22,303	(45,072)	142,770
PPA related depreciation, amortization and impairment	(16,352)	(1,487)	(3,377)	-	(21,216)
Operating profit (loss) (EBIT)	118,233	29,467	18,926	(45,072)	121,554
Income, expenses, revaluation and adjustments of financial assets					829
Net financial expenses					(14,156)
Exchange differences and non-hedge accounting instruments					(678)
Profit (loss) before tax					107,549
Tax					(30,374)
Net profit (loss)					77,175
Profit (loss) of minority interests					31
Net profit (loss) attributable to the Group					77,144

(€ thousands)	First Half 2021 – Only recurring operations				
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	673,954	172,293	113,240	-	959,487
Gross operating profit (loss) (EBITDA)	195,297	39,864	33,666	(36,120)	232,707
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	137,448	30,954	22,303	(43,643)	147,062
Operating profit (loss) (EBIT)	121,096	29,467	18,926	(43,643)	125,846
Profit (loss) before tax					111,841
Net profit (loss) attributable to the Group					80,327

(*) For the purposes of reporting on income statement figures by geographic area, please note that the Corporate structures are included in EMEA.

(€ thousands)	First Half 2020				
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	437,470	104,601	71,828	-	613,899
Operating costs	(342,808)	(82,820)	(50,839)	(17,229)	(493,696)
Other income and costs	8,204	925	1,667	300	11,096
Gross operating profit (loss) (EBITDA)	102,866	22,706	22,656	(16,929)	131,299
Depreciation, amortization and impairment of non-current assets	(20,048)	(3,638)	(6,007)	(4,538)	(34,231)
Right-of-use depreciation	(38,239)	(1,969)	(5,541)	(216)	(45,965)
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	44,579	17,099	11,108	(21,683)	51,103
PPA related depreciation, amortization and impairment	(15,780)	(658)	(3,139)	-	(19,577)
Operating profit (loss) (EBIT)	28,799	16,441	7,969	(21,683)	31,526
Income, expenses, revaluation and adjustments of financial assets					(256)
Net financial expenses					(14,219)
Exchange differences and non-hedge accounting instruments					732
Profit (loss) before tax					17,783
Tax					(5,323)
Net profit (loss)					12,460
Profit (loss) of minority interests					(117)
Net profit (loss) attributable to the Group					12,577

(€ thousands)	First Half 2020 – Only recurring operations				
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	437,470	104,601	71,828	-	613,899
Gross operating profit (loss) (EBITDA)	102,866	22,706	22,656	(16,929)	131,299
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	44,579	17,099	11,108	(21,683)	51,103
Operating profit (loss) (EBIT)	28,799	16,441	7,969	(21,683)	31,526
Profit (loss) before tax					17,783
Net profit (loss) attributable to the Group					12,577

(€ thousands)	Second Quarter 2021				
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	362,870	95,121	60,594	-	518,585
Operating costs	(252,235)	(71,562)	(42,565)	(18,383)	(384,745)
Other income and costs	405	(23)	(255)	294	421
Gross operating profit (loss) (EBITDA)	111,040	23,536	17,774	(18,089)	134,261
Depreciation, amortization and impairment of non-current assets	(10,264)	(2,877)	(2,626)	(3,946)	(19,713)
Right-of-use depreciation	(18,608)	(1,491)	(3,110)	(304)	(23,513)
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	82,168	19,168	12,038	(22,339)	91,035
PPA related depreciation, amortization and impairment	(8,276)	(696)	(1,685)	-	(10,657)
Operating profit (loss) (EBIT)	73,892	18,472	10,353	(22,339)	80,378
Income, expenses, revaluation and adjustments of financial assets					842
Net financial expenses					(7,176)
Exchange differences and non-hedge accounting instruments					(341)
Profit (loss) before tax					73,703
Tax					(19,825)
Net profit (loss)					53,878
Profit (loss) of minority interests					6
Net profit (loss) attributable to the Group					53,872

(€ thousands)	Second Quarter 2021 – Only recurring operations				
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	362,870	95,121	60,594	-	518,585
Gross operating profit (loss) (EBITDA)	112,464	23,536	17,774	(17,625)	136,149
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	83,593	19,168	12,038	(21,876)	92,923
Operating profit (loss) (EBIT)	75,317	18,472	10,353	(21,876)	82,266
Profit (loss) before tax					75,591
Net profit (loss) attributable to the Group					55,295

(*) For the purposes of reporting on income statement figures by geographic area, please note that the Corporate structures are included in EMEA.

(€ thousands)	Second Quarter 2020				
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	179,204	40,246	30,973	-	250,423
Operating costs	(134,206)	(29,853)	(20,169)	(9,566)	(193,794)
Other income and costs	7,347	437	1,742	289	9,815
Gross operating profit (loss) (EBITDA)	52,345	10,830	12,546	(9,277)	66,444
Depreciation, amortization and impairment of non-current assets	(9,799)	(1,738)	(3,183)	(2,326)	(17,046)
Right-of-use depreciation	(18,575)	(933)	(2,844)	(109)	(22,461)
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	23,971	8,159	6,519	(11,712)	26,937
PPA related depreciation, amortization and impairment	(7,959)	(336)	(1,606)	-	(9,901)
Operating profit (loss) (EBIT)	16,012	7,823	4,913	(11,712)	17,036
Income, expenses, revaluation and adjustments of financial assets					(280)
Net financial expenses					(7,459)
Exchange differences and non-hedge accounting instruments					987
Profit (loss) before tax					10,284
Tax					(2,895)
Net profit (loss)					7,389
Profit (loss) of minority interests					(45)
Net profit (loss) attributable to the Group					7,434

(€ thousands)	Second Quarter 2020 – Only recurring transactions				
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	179,204	40,246	30,973	-	250,423
Gross operating profit (loss) (EBITDA)	52,345	10,830	12,546	(9,277)	66,444
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	23,971	8,159	6,519	(11,712)	26,937
Operating profit (loss) (EBIT)	16,012	7,823	4,913	(11,712)	17,036
Profit (loss) before tax					10,284
Net profit (loss) attributable to the Group					7,434

Revenues from sales and services

(€ thousands)	First Half 2021	First Half 2020	Change	Change %
Revenues from sales and services	959,487	613,899	345,588	56.3%

(€ thousands)	Second Quarter 2021	Second quarter 2020	Change	Change %
Revenues from sales and services	518,585	250,423	268,162	107.1%

Consolidated revenues from sales and services amounted to €959,487 thousand in the first six months of 2021, an increase of €345,588 thousand (+56.3%) compared to the same period of the prior year which, given the severe impact of the Covid-19 pandemic as from March, cannot be considered a viable comparison period. Compared to the first half of 2019, a fully comparable period, there was an increase of €127,452 thousand (+15.3%), of which €99,353 thousand (+11.9%) attributable to organic growth.

The increase of €345,588 thousand (+56.3%) against the first half of 2020 is explained for €327,497 thousand (+53.3%) by organic growth and for €29,125 thousand (+4.7%) by acquisitions. The foreign exchange effect was negative for €11,034 thousand (-1.7%) as a result of the strengthening of the euro against the US dollar and the Latin American currencies.

The performance was extremely positive across all regions: a solid performance was recorded in EMEA, driven by strong growth mainly in France, Spain, Portugal and Belgium; in the AMERICAS, North America reported excellent, well above market, organic growth, which was combined with the significant contribution of the PJC Hearing acquisition, as well as the strong performances posted in Canada and Latin America (the latter was impacted by an adverse exchange effect); APAC recorded a remarkable performance thanks to double-digit organic growth compared to 2019 in Australia, New Zealand and China.

In the second quarter stand alone, consolidated revenues from sales and services were €268,162 thousand (+107.1%) higher than in the comparison period, coming in at €518,585 thousand, and showed an increase against the second quarter of 2019, a fully comparable period, of €78,523 thousand (+17.8%), of which €66,311 thousand (+15.1%) attributable to organic growth.

The increase of €268,162 thousand (+107.1%) against the second quarter of 2020 is explained for €257,816 thousand (+103.0%) by organic growth and for €15,746 thousand (+6.3%) by acquisitions. The exchange effect was negative for €5,400 thousand (-2.2%) due to, again, the strengthening of the euro against the US dollar and the Latin American currencies.

Excluding Elite's income statement figures from the results for the reporting period and the comparison periods, revenues would have amounted to €931,787 thousand in the first six months of 2021, an increase of €341,220 thousand (+57.8%) compared to 2020 and €134,087 thousand (+16.8%) compared to 2019. Revenues in the second quarter would have come to

€503,274 thousand, an increase of €261,189 thousand (+107.9%) compared to 2020 and €80,591 thousand (+19.1%) compared to 2019.

The following table shows the breakdown of revenues from sales and services by Region.

(€ thousands)	H1 2021	% on Total	H1 2020	% on Total	Change	Change %	Exchange diff.	Change % in local currency
EMEA	673,954	70.2%	437,470	71.3%	236,484	54.1%	(1,221)	54.3%
Americas	172,293	18.0%	104,601	17.0%	67,692	64.7%	(15,831)	79.8%
Asia Pacific	113,240	11.8%	71,828	11.7%	41,412	57.7%	6,018	49.3%
Corporate	-	-	-	-	-	-	-	-
Total	959,487	100.0%	613,899	100.0%	345,588	56.3%	(11,034)	58.0%

Europe, Middle-East and Africa

Period (€ thousands)	2021	2020	Change	Change %
I quarter	311,084	258,266	52,818	20.5%
II quarter	362,870	179,204	183,666	102.5%
I Half Year	673,954	437,470	236,484	54.1%

Revenues from sales and services amounted to €673,954 thousand in the first six months of 2021, an increase of €236,484 thousand (+54.1%) compared to the same period of the prior year which, given the extremely negative impact of the Covid-19 pandemic above all in the core markets like Italy, France and Spain, cannot be considered a viable comparison period. Compared to the first half of 2019, a fully comparable period, revenues from sales and services rose €66,826 thousand (+11.0%), of which €49,866 thousand (+8.2%) attributable to organic growth.

The increase of €236,484 thousand (+54.1%) against the first half of 2020 is explained for €229,796 thousand (+52.5%) by organic growth and for €7,909 thousand (+1.8%) by acquisitions. The foreign exchange effect was negative for €1,221 thousand (-0.2%).

A strong performance was recorded in EMEA, with revenues outpacing the reference market. The organic growth was particularly strong in France, Spain, Portugal and Belgium.

In the second quarter stand alone, revenues from sales and services amounted to €362,870 thousand, €183,666 thousand (+102.5%) higher than in the comparison period and showed an increase against the second quarter of 2019, a fully comparable period, of €39,505 thousand (+12.2%), of which €30,637 thousand (+9.5%) attributable to organic growth.

The increase of €183,666 thousand (+102.5%) against the first quarter of 2020 is explained for €178,110 thousand (+99.4%) by organic growth and for €6,001 thousand (+3.3%) by acquisitions. The foreign exchange effect was slightly negative for €445 thousand (-0.2%).

Americas

Period (€ thousands)	2021	2020	Change	Change %
I quarter	77,172	64,355	12,817	19.9%
II quarter	95,121	40,246	54,875	136.3%
I Half Year	172,293	104,601	67,692	64.7%

Revenues from sales and services amounted to €172,293 thousand in the first six months of 2021, an increase of €67,692 thousand (+64.7%) compared to the same period of the prior year which was impacted negatively by the Covid-19 pandemic as of the end of March 2020 and cannot be considered a viable comparison period. Compared to the first quarter of 2019, a fully comparable period, there was an increase of €40,409 thousand (+30.6%) in sales and services, of which €37,722 thousand (+28.6%) attributable to organic growth.

The increase of €67,692 thousand (+64.7%) against the first half of 2020 is explained for €64,047 thousand (+61.2%) by organic growth, driven mainly by the outstanding performance of Miracle-Ear. Acquisitions contributed €19,476 thousand (+18.6%) explained by the consolidation of PJC Hearing's results. The foreign exchange effect was negative for €15,831 thousand (-15.1%).

In local currency revenues were up +79.8%. A strong performance was reported by Amplifon Hearing Health Care and Canada, while Elite posted a negative performance. Excellent growth was also recorded in Latin America despite the particularly adverse exchange rate effect.

In the second quarter stand alone, revenues from sales and services amounted to €95,121 thousand, €54,875 thousand (+136.3%) higher than in the comparison period and showed an increase against the second quarter of 2019, a fully comparable period, of €26,339 thousand (+38.3%), of which €26,905 thousand (+39.1%) attributable to organic growth.

The increase of €54,875 thousand (+136.3%) against the second quarter of 2020 is explained for €54,049 thousand (+134.3%) by organic growth and for €9,268 thousand (+23.0%) by acquisitions. The exchange effect was particularly adverse, negative for €8,442 thousand (-21.0%), due again to the strengthening of the euro against the US dollar and the Latin American currencies.

Excluding Elite's income statement figures from the results for the reporting period and the comparison periods, the region's revenues would have amounted to €144,593 thousand in the first six months of 2021, an increase of €63,324 thousand (+77.9%) compared to 2020 and €47,044 thousand (+48.2%) compared to 2019. Revenues in the second quarter would have come to €79,810 thousand, an increase of €47,902 thousand (+150.1%) compared to 2020 and €28,407 thousand (+55.3%) compared to 2019.

Asia Pacific

Period (€ thousands)	2021	2020	Change	Change %
I quarter	52,646	40,855	11,791	28.9%
II quarter	60,594	30,973	29,621	95.6%
I Half Year	113,240	71,828	41,412	57.7%

Revenues from sales and services amounted to €113,240 thousand in the first six months of 2021, an increase of €41,412 thousand (+57.7%) compared to the same period of the prior year which, given the extremely negative impact of the Covid-19 pandemic cannot be considered a viable comparison period. Compared to the first quarter of 2019, a fully comparable period, revenues from sales and services rose €22,203 thousand (+24.4%), of which €13,751 thousand (+15.1%) attributable to organic growth.

The increase of €41,412 thousand (+57.7%) against the first half of 2020 is explained for €33,654 thousand (+46.9%) by organic growth and for €1,740 thousand (+2.4%) by acquisitions. The foreign exchange effect was positive for €6,018 thousand (+8.4%).

In local currency revenues were up +49.3%. A strong performance was recorded in APAC. Australia, New Zealand and China recorded double-digit organic growth against the second quarter of 2019. India is the only country in the region that continues to be strongly impacted by the pandemic.

In the second quarter stand alone, consolidated revenues from sales and services amounted to €60,543 thousand, €29,621 thousand higher (+95.6%) than in the comparison period and showed an increase against the second quarter of 2019, a fully comparable period, of €13,972 thousand (+30.0%), of which €10,062 thousand (+21.6%) attributable to organic growth.

The increase of €29,621 thousand (+95.6%) against the second quarter of 2020 is explained for €25,657 thousand (+82.8%) by organic growth and for €477 thousand (+1.5%) by acquisitions. The foreign exchange effect was positive for €3,487 thousand (+11.3%).

Gross operating profit (EBITDA)

(€ thousands)	First Half 2021			First Half 2020		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Gross operating profit (loss) (EBITDA)	232,707	(4,292)	228,415	131,299	-	131,299

(€ thousands)	Second Quarter 2021			Second Quarter 2020		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Gross operating profit (loss) (EBITDA)	136,149	(1,888)	134,261	66,444	-	66,444

Gross operating profit (EBITDA) amounted to €228,415 thousand in the first six months of 2021, an increase of €97,117 thousand (+74.0%) with respect to the comparison period with foreign exchange differences that were negative for €2,120 thousand.

The EBITDA margin came to 23.8%, +2.4 p.p. higher than in the comparison period.

The first half of 2020 cannot be considered a viable comparison period as it was impacted significantly by the lower absorption of fixed costs attributable to the drop in revenues caused by the Covid-19 outbreak. Compared to the first six months of 2019, a fully comparable period, EBITDA was €47,655 thousand (+26.4%) higher, with an EBITDA margin that was +2.1 p.p higher. Non-recurring expenses of €4,292 thousand were incurred during the period explained for €1,626 thousand by the corporate restructuring of Amplifon S.p.A and for €2,666 thousand by the GAES integration.

Net of this item, EBITDA recurring would have been €101,408 thousand higher (+77.2%) than in the first six months of 2020 and €46,141 thousand higher (+24.7%) than in the first six months of 2019 with the EBITDA margin rising +2.9 p.p. and +1.8 p.p., respectively. This significant improvement in profitability is attributable primarily to the greater operating efficiency and increased productivity stemming from the actions taken in 2020 in response to the Covid-19 crisis and was achieved despite the significant investments made in the business.

In the second quarter stand alone, EBITDA amounted to €134,261 thousand (with an EBITDA margin of 25.9%), an increase against the comparison period of €67,817 thousand (+102.1%) with the EBITDA margin down slightly by -0.6 p.p., including after negative exchange differences of €1,329 thousand.

Compared to the second quarter of 2019, a fully comparable period, EBITDA was €31,017 thousand (+30.0%) higher with an EBITDA margin that was +2.4 p.p. higher.

The result for the quarter reflects non-recurring expenses of €1,888 thousand attributable for €658 thousand to the corporate restructuring of Amplifon S.p.A and for €1,230 thousand to the GAES integration.

Net of this item, EBITDA recurring would have been €69,705 thousand (+104.9%) higher than in the second quarter of 2020, with a -0.3 p.p. drop in the EBITDA margin, and €28,524 thousand (+26.5%) higher than in the same period of 2019, with a +1.8 p.p. rise in the EBITDA margin.

Excluding Elite's income statement figures from the results for the reporting period and the comparison periods, EBITDA would have amounted to €226,449 thousand in the first six months of 2021, an increase of €97,828 thousand (+76.1%) compared to 2020 and €50,939 thousand (+29.0%) compared to 2019. In the second quarter stand alone, EBITDA would have come to €132,935 thousand, an increase of €66,945 thousand (+101.4%) compared to 2020 and €32,666 thousand (+32.6%) compared to 2019.

The following table shows a breakdown of EBITDA by segment.

(€ thousands)	H1 2021	EBITDA Margin	H1 2020	EBITDA Margin	Change	Change %
EMEA	192,435	28.6%	102,866	23.5%	89,569	87.1%
Americas	39,864	23.1%	22,706	21.7%	17,158	75.6%
Asia Pacific	33,666	29.7%	22,656	31.5%	11,010	48.6%
Corporate (*)	(37,550)	-3.9%	(16,929)	-2.8%	(20,621)	-121.8%
Total	228,415	23.8%	131,299	21.4%	97,116	74.0%

(€ thousands)	Q2 2021	EBITDA Margin	Q2 2020	EBITDA Margin	Change	Change %
EMEA	111,040	30.6%	52,345	29.2%	58,695	112.1%
Americas	23,536	24.7%	10,830	26.9%	12,706	117.3%
Asia Pacific	17,774	29.3%	12,546	40.5%	5,228	41.7%
Corporate (*)	(18,089)	-3.5%	(9,277)	-3.7%	(8,812)	-95.0%
Total	134,261	25.9%	66,444	26.5%	67,817	102.1%

(*) Centralized costs are shown as a percentage of the Group's total sales.

The table below shows the breakdown of the EBITDA by segment with reference to the recurring operations.

(€ thousands)	H1 2021	EBITDA Margin	H1 2020	EBITDA Margin	Change	Change %
EMEA	195,297	29.0%	102,866	23.5%	92,431	89.9%
Americas	39,864	23.1%	22,706	21.7%	17,158	75.6%
Asia Pacific	33,666	29.7%	22,656	31.5%	11,010	48.6%
Corporate (*)	(36,120)	-3.8%	(16,929)	-2.8%	(19,191)	-113.4%
Total	232,707	24.3%	131,299	21.4%	101,408	77.2%

(€ thousands)	Q2 2021	EBITDA Margin	Q2 2020	EBITDA Margin	Change	Change %
EMEA	112,464	31.0%	52,345	29.2%	60,119	114.9%
Americas	23,536	24.7%	10,830	26.9%	12,706	117.3%
Asia Pacific	17,774	29.3%	12,546	40.5%	5,228	41.7%
Corporate (*)	(17,625)	-3.4%	(9,277)	-3.7%	(8,348)	-90.0%
Total	136,149	26.3%	66,444	26.5%	69,705	104.9%

(*) Centralized costs are shown as a percentage of the Group's total sales.

Europe, Middle-East and Africa

Gross operating profit (EBITDA) amounted to €192,435 thousand in the first six months of 2021, an increase of €89,569 thousand (+87.1%) with respect to the comparison period. The result was impacted marginally by negative foreign exchange differences of €365 thousand.

The EBITDA margin came to 28.6%, +5.1 p.p. higher than in the first half of 2020 which cannot be considered a viable comparison period as it was impacted by the lower absorption of fixed costs attributable to the drop in revenues. Compared to the first six months of 2019, a fully comparable period, EBITDA was €50,944 thousand (+36.0%) higher, with an EBITDA margin that was +5.3 p.p higher.

Non-recurring expenses of €2,862 thousand were incurred during the period explained for €196 thousand by the corporate restructuring of Amplifon S.p.A and for €2,666 thousand by the GAES integration.

Net of this item, EBITDA recurring would have been €92,431 thousand (+89.9%) higher than in the first six months of 2020 and €48,026 thousand (+32.6%) higher than in the first six months of 2019 with an EBITDA margin that was +5.5 p.p. and +4.7 p.p. higher, respectively.

In the second quarter stand alone, EBITDA amounted to €111,040, an increase against the comparison period of €58,695 thousand (+112.1%). The EBITDA margin was 1.4 p.p. higher than in the comparison quarter, including after negative exchange differences of €189 thousand. Compared to the first six months of 2019, a fully comparable period, EBITDA was €30,000 thousand (+37.0%) higher, with an EBITDA margin that was up by +5.5 p.p.

The result for the quarter reflects non-recurring expenses of €1,424 thousand attributable for €194 thousand to the corporate restructuring of Amplifon S.p.A and for €1,230 thousand to the GAES integration.

Net of this item, EBITDA recurring would have been €60,119 thousand (+114.9%) higher than in the second quarter of 2020 and €27,068 thousand (+31.7%) higher than in the same period of 2019 with an EBITDA margin that was +1.8 p.p. and +4.6 p.p. higher, respectively.

Americas

Gross operating profit (EBITDA) amounted to €39,864 thousand in the first six months of 2021, an increase of €17,158 thousand (+75.6%) with respect to the comparison period. The foreign exchange effect was negative for €3,678 thousand. The EBITDA margin came to 23.1%, +1.4 p.p. higher than in the first six months of 2020 which cannot be considered a viable comparison period as it was impacted significantly by the decline in sales recorded as of the end of March and the lower absorption of fixed costs. Compared to the first six months of 2019, a fully comparable period, EBITDA rose €10,750 thousand (+36.9%), with the EBITDA margin up +1.0 p.p.

In the second quarter stand alone, EBITDA amounted to €23,536, an increase against the comparison period of €12,706 thousand (+117.3%), including after negative exchange differences of €2,200 thousand.

The EBITDA margin came to 24.7%, 2.2 p.p. lower than in the comparison period.

Compared to the second quarter of 2019, a fully comparable period, EBITDA rose €7,139 thousand (+43.5%), with the EBITDA margin up + 0.9 p.p.

Excluding Elite income statement figures from the results for the reporting period and the comparison periods, EBITDA would have amounted to €37,898 thousand in the first six months of 2021, an increase of €17,919 thousand (+89.7%) compared to 2020 and €14,033 thousand (+58.8%) compared to 2019. In the second quarter stand alone, EBITDA would have come to €22,210 thousand, an increase of €11,883 thousand (+115.1%) compared to 2020 and €8,785 thousand (+65.4%) compared to 2019.

Asia Pacific

Gross operating profit (EBITDA) amounted to €33,666 thousand in the first six months of 2021, an increase of €11,010 thousand (+48.6%) with respect to the comparison period. The foreign exchange effect was positive for €1,919 thousand. The EBITDA margin came to 29.7%, -1.8 p.p. lower than in the first half of 2020.

Compared to the first six months of 2019, a fully comparable period, EBITDA showed an increase of €6,397 thousand (+23.5%) with an EBITDA margin that was down by -0.3 p.p.

In the second quarter stand alone, EBITDA amounted to €17,774, an increase against the comparison period of €5,228 thousand (+41.7%), including positive exchange differences of €1,061 thousand.

The EBITDA margin came to 29.3%, -11.2 p.p. lower than in the comparison period.

Compared to the second quarter of 2019, a fully comparable period, EBITDA rose €4,472 thousand (+33.6%), with the EBITDA margin up +0.8 p.p.

Corporate

The net cost of centralized Corporate functions (corporate bodies, general management, business development, procurement, treasury, legal affairs, human resources, IT systems, global marketing and internal audit) which do not qualify as operating segments under IFRS 8 amounted to €37,550 thousand in the first six months of 2021 (3.9% of the revenues generated by the Group's sales and services), an increase of €20,621 thousand with respect to the same period of the prior year and of €20,436 thousand against the first six months of 2019.

Non-recurring expenses of €1.430 thousand relating to the corporate restructuring of Amplifon S.p.A. were incurred in the reporting period.

Net of this item, costs would have been €19,191 thousand (+113.4%) higher than in the first six months of 2020 and €19,006 thousand (+111.1%) higher than in the first six months of 2019 with the EBITDA margin rising +1.0 p.p. and +1.7 p.p., respectively.

In the second quarter stand alone, the centralized costs amounted to €18,089 thousand (3.5% of the Group's revenues from sales and services), an increase of €8,812 thousand (+95.0%) against the second quarter of 2020 and €10,593 (+141.3%) against the second quarter of 2019. Non-recurring expenses of €464 thousand relating to the corporate restructuring of Amplifon S.p.A. were incurred in the reporting period.

Net of this item, costs would have been €8,348 thousand (+90.0%) higher than in the second quarter of 2020, rising as a percentage of revenues from sales and services by +0.3-p.p., and €10,129 thousand (+135.1%) higher than in the same period of 2019, dropping as a percentage of revenues from sales and services by -1.7 p.p.

Operating profit (EBIT)

(€ thousands)	First Half 2021			First Half 2020		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Operating profit (loss) (EBIT)	125,846	(4,292)	121,554	31,526	-	31,526

(€ thousands)	Second Quarter 2021			Second Quarter 2020		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Operating profit (loss) (EBIT)	82,266	(1,888)	80,378	17,036	-	17,036

Operating profit (EBIT) amounted to €121,554 thousand in the first six months of 2021, an increase of €90,028 thousand (+285.6%) with respect to the comparison period, offset slightly by the negative foreign exchange differences of €1,990 thousand.

The EBIT margin came to 12.7%, an increase of +7.6 p.p. against the comparison period. The first half of 2020 cannot be considered a viable comparison period. Compared to the first six months of 2019, a fully comparable period, EBIT rose €32,052 thousand (+35.8%), with the EBIT margin up +1.9 p.p.

The result was impacted for €4,292 thousand by the same non-recurring expenses described in the section on EBITDA. Net of this item, EBIT recurring would have been €94,320 thousand (+299.2%) higher compared to the first six months of 2020 and €30,473 (+32.0%) higher than in the first six months of 2019, with the EBIT margin rising +8.0 p.p. and +1.6 p.p., respectively.

With respect to the gross operating profit (EBITDA), EBIT was also impacted by higher depreciation and amortization as a result of the opening of new stores, investments in IT systems, as well as higher amortization for right-of-use assets.

In the second quarter stand alone, operating profit (EBIT) amounted to €80,738 thousand (15.5% of revenues from sales and services), an increase against the comparison period of €63,342 thousand (+371.8%) including negative exchange differences of €1,548 thousand.

The EBIT margin came to 15.5%, an increase of 8.7 p.p. against the same period of 2020.

Compared to the second quarter of 2019, a fully comparable period, EBIT showed an increase of €23,748 thousand (+41.9%) with an EBIT margin that was up by +2.6 p.p.

The result was impacted for €1,888 thousand by the same non-recurring expenses described in the section on EBITDA. Net of this item, EBIT recurring would have been €65,230 thousand (+382.9%) higher compared to the second quarter of 2020 and €21,189 (+34.7%) higher than in the same period of 2019, with the EBIT margin rising +9.1 p.p. and +2.0 p.p., respectively.

The following table shows a breakdown of EBIT by segment.

(€ thousands)	H1 2021	EBIT Margin	H1 2020	EBIT Margin	Change	Change %
EMEA	118,233	17.5%	28,799	6.6%	89,434	310.5%
Americas	29,467	17.1%	16,441	15.7%	13,026	79.2%
Asia Pacific	18,926	16.7%	7,969	11.1%	10,957	137.5%
Corporate (*)	(45,072)	-4.7%	(21,683)	-3.5%	(23,389)	-107.9%
Total	121,554	12.7%	31,526	5.1%	90,028	285.6%

(€ thousands)	Q2 2021	EBIT Margin	Q2 2020	EBIT Margin	Change	Change %
EMEA	73,892	20.4%	16,012	8.9%	57,880	361.5%
Americas	18,472	19.4%	7,823	19.4%	10,649	136.1%
Asia Pacific	10,353	17.1%	4,913	15.9%	5,440	110.7%
Corporate (*)	(22,339)	-4.3%	(11,712)	-4.7%	(10,627)	-90.7%
Total	80,378	15.5%	17,036	6.8%	63,342	371.8%

(*) Centralized costs are shown as a percentage of the Group's total sales.

The following table shows the breakdown of EBIT by segment with reference to the recurring transactions.

(€ thousands)	H1 2021	EBIT Margin	H1 2020	EBIT Margin	Change	Change %
EMEA	121,096	18.0%	28,799	6.6%	92,297	320.5%
Americas	29,467	17.1%	16,441	15.7%	13,026	79.2%
Asia Pacific	18,926	16.7%	7,969	11.1%	10,957	137.5%
Corporate (*)	(43,643)	-4.5%	(21,683)	-3.5%	(21,960)	-101.3%
Total	125,846	13.1%	31,526	5.1%	94,320	299.2%

(€ thousands)	H1 2021	EBIT Margin	H1 2020	EBIT Margin	Change	Change %
EMEA	75,317	20.8%	16,012	8.9%	59,305	370.4%
Americas	18,472	19.4%	7,823	19.4%	10,649	136.1%
Asia Pacific	10,353	17.1%	4,913	15.9%	5,440	110.7%
Corporate (*)	(21,876)	-4.2%	(11,712)	-4.7%	(10,164)	-86.8%
Total	82,266	15.9%	17,036	6.8%	65,230	382.9%

(*) Centralized costs are shown as a percentage of the Group's total sales.

Europe, Middle-East and Africa

Operating profit (EBIT) amounted to €118,233 thousand in the first six months of 2021, an increase of €89,434 thousand (+310.5%) with respect to the comparison period, including the slightly negative foreign exchange effect of €230 thousand. The EBIT margin came to 17.5% (+11.0 p.p. against the first six months of 2020). The first half of 2020 cannot be considered a viable comparison period. Compared to the first six months of 2019, a fully comparable period, EBIT rose €47,064 thousand (+66.1%), with the EBIT margin up +5.8 p.p.

The result was impacted for €2,862 thousand by the same non-recurring expenses described in the section on EBITDA.

Net of this item, EBIT recurring would have been €92,297 thousand (+320.5%) higher compared to the first six months of 2020 and €44,082 (+57.2%) higher than in the first six months of 2019, with the EBIT margin rising +11.4 p.p. and +5.3 p.p., respectively.

In the second quarter stand alone, EBIT amounted to €73,892 thousand, an increase against the comparison period of €57,880 thousand (+361.5%) including negative exchange differences which had a marginal impact of €171 thousand. The EBIT margin rose by 11.5 p.p. against the comparison period to 20.4%.

Compared to the second quarter of 2019, a fully comparable period, EBIT showed an increase of €28,549 thousand (+63.0%) with an EBIT margin that was up by +6.3 p.p.

The result was impacted for €1,424 thousand by the same non-recurring expenses described in the section on EBITDA.

Net of this item, EBIT recurring would have been €59,305 thousand (+370.4%) higher compared to the second quarter of 2020 and €25,552 thousand (+51.3%) higher than in the same period of 2019, with the EBIT margin rising +11.8 p.p. and +5.4 p.p., respectively.

Americas

Operating profit (EBIT) amounted to €29,467 thousand in the first six months of 2021, an increase of €13,026 thousand (+79.2%) with respect to the comparison period, offset by the negative foreign exchange effect of €2,839 thousand. The EBIT margin came to 17.1%, +1.4 p.p. higher than in the first half of 2020 which cannot be considered a viable comparison. Compared to the first six months of 2019, a fully comparable period, EBIT rose €5,456 thousand (+22.7%), with the EBIT margin down -1.1 p.p.

In the second quarter stand alone, EBIT amounted to €18,472 thousand, an increase against the comparison period of €10,649 thousand (+136.1%) including negative exchange differences of -€1,822 thousand. The EBIT margin came to 19.4%, in line with the comparison period.

Compared to the second quarter of 2019, a fully comparable period, EBIT showed an increase of €4,806 thousand (+35.2%) with an EBIT margin that was down by -0.4 p.p.

Asia Pacific

Operating profit (EBIT) amounted to €18,926 thousand in the first six months of 2021, an increase of €10,957 thousand (+137.5%) with respect to the comparison period. The foreign exchange effect was positive for €1,076 thousand. The EBIT margin came to 16.7%, an increase of 5.6 p.p. against the first half of 2020 which cannot be considered a viable comparison period. Compared to the first six months of 2019 EBIT rose €3,260 thousand (+20.8%), with the EBIT margin down -0.5 p.p.

In the second quarter stand alone, EBIT amounted to €10,353 thousand, an increase against the comparison period of €5,440 thousand (+110.7%) including positive exchange differences of €445 thousand. The EBIT margin came to 17.1%, +1.2 p.p. higher with respect to the second quarter of 2020.

Compared to the second quarter of 2019, a fully comparable period, EBIT showed an increase of €3,088 thousand (+42.5%) with an EBIT margin that was up by 1.5 p.p.

Corporate

The net costs of centralized Corporate functions at the EBIT level amounted to €45,072 thousand in the first six months of 2021 (4.7% of the revenues generated by the Group's sales and services), an increase of €23,389 thousand with respect to the comparison period and of €23,729 thousand compared to the first half of 2019.

The result was impacted for €1,430 thousand by the same non-recurring expenses described in the section on EBITDA.

Net of this item, the costs would have been €21,960 thousand (+101.3%) higher compared to the first six months of 2020 and €22,300 thousand (+104.5%) higher than in the first six months of 2019 and would have increased as a percentage of revenues by +1.0 p.p. and +2.0 p.p., respectively.

In the second quarter stand alone, the net costs totaled €22,339 thousand (4.3% of the revenues generated by the Group's sales and services), an increase of €10,627 thousand (+90.7%) against the second quarter of 2020 and €12,694 thousand (+131.6%) against the second quarter of 2019. The result was impacted for €464 thousand by the same non-recurring expenses described in the section on EBITDA.

Net of this item, the costs would have been €10,164 thousand (+86.8%) higher compared to the second quarter of 2020, rising +0.5 p.p. as a percentage of revenues, and €12,230 thousand higher (+126.8%) than in the same period of 2019, falling -2.0 p.p. as a percentage of revenues.

Profit before tax

(€ thousands)	First Half 2021			First Half 2020		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Profit (loss) before tax	111,841	(4,292)	107,549	17,783	-	17,783

(€ thousands)	Second Quarter 2021			Second Quarter 2020		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Profit (loss) before tax	75,591	(1,888)	73,703	10,284	-	10,284

Profit before tax amounted to €107,549 thousand in the first six months of 2021, showing an increase of €89,766 thousand (+504.8%) against the comparison period, with a gross profit margin of 11.2% (+8.3 p.p. with respect to the comparison period). The first half of 2020 cannot be considered a viable comparison period given the impact of the Covid-19 pandemic. Compared to the first half of 2019, the profit before tax was €30,862 thousand (+40.2%) higher.

The result was impacted for €4,292 thousand by the same non-recurring expenses described in the section on EBITDA. Net of this item profit before tax, on a recurring basis, would have been €94,058 thousand (+528.9%) higher than in the first six months of 2020 and €29,284 thousand (+35.5%) higher than in the first six months of 2019, with the gross profit margin up by +8.8 p.p. and +1.7 p.p., respectively.

In the second quarter stand alone profit before tax amounted to €73,703 thousand, an increase against the comparison period of €63,419 thousand (+616.7%). The gross profit margin came to 14.2% (+10.1 p.p. against the comparison half). Compared to the second quarter of 2019, a fully comparable period, profit before tax was €23,307 thousand (+46.2%) higher, with a gross profit margin that was up 2.8 p.p.

The result was impacted for €1,888 thousand by the same non-recurring expenses described in the section on EBITDA. Net of this item profit before tax would have been €65,307 thousand (+635.09%) higher than in the second quarter of 2020 and €20,750 thousand (+37.8%) higher than in the second quarter of 2019, with the gross profit margin up by +10.5 p.p. and +2.1 p.p., respectively.

Net profit attributable to the Group

(€ thousands)	First Half 2021			First Half 2020		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Group net profit (loss)	80,327	(3,183)	77,144	12,577	-	12,577

(€ thousands)	Second Quarter 2021			Second Quarter 2020		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Group net profit (loss)	55,295	(1,423)	53,872	7,434	-	7,434

The Group's net profit came to €77,144 thousand in the first six months of 2021, an increase of €64,567 thousand (+513.4%) against the comparison period, with a profit margin of 8.0% (+6.0 p.p. against the same period of the prior year). The first half of 2020 cannot be considered a viable comparison period given the impact of the Covid-19 pandemic. Compared to the first half of 2019, the net profit was €22,652 thousand (+41.6%) higher.

The result for the reporting period was impacted by the same non-recurring costs of €3,183 thousand commented on in the section relating to EBITDA, net of the tax effect. On a recurring basis, the increase in net profit would have reached €67,750 thousand (+538.7%) with respect to the first six months of 2020 and €20,964 thousand against the first six months of 2019, with the profit margin up +6.3 p.p. and +1.2 p.p., respectively.

The tax rate was 28.1% in the reporting period compared to 29.9% in the first half of 2020 and 28.9% in the first half of 2019.

In the second quarter stand alone, the Group's net profit came to €53,872 thousand (10.4% of revenues from sales and services), an increase of €46,438 thousand (+624.7%) against the comparison period with the profit margin up 7.4 p.p. Compared to the second quarter of 2019, a fully comparable period, net profit was up €17,102 thousand (+46.5%) with a profit margin that was 2.0 p.p. higher. Net of €1,423 thousand in non-recurring expenses, there would have been an increase of €47,861 thousand (+643.8%) compared to 2020 and of €14,715 thousand (+36.3%) compared to 2019.

BALANCE SHEET REVIEW

Consolidated balance sheet by geographical area (*)

(€ thousands)	06/30/2021				
	EMEA	Americas	Asia Pacific	Eliminations	Total
Goodwill	884,451	156,713	279,444	-	1,320,608
Non-competition agreements, trademarks, customer lists and lease rights	206,009	18,536	32,506	-	257,051
Software, licenses, other intangible fixed assets, fixed assets in progress and advances	72,841	22,993	8,501	-	104,335
Tangible assets	137,595	10,625	27,690	-	175,910
Right-of-use assets	356,512	19,814	35,545	-	411,871
Financial fixed assets	3,722	34,256	20	-	37,998
Other non-current financial assets	31,398	1,412	926	-	33,736
Non-current assets	1,692,528	264,349	384,632	-	2,341,509
Inventories	50,618	6,790	4,456	-	61,864
Trade receivables	138,598	34,758	16,433	(13,734)	176,055
Other receivables	61,107	7,010	6,263	(7)	74,373
Current assets (A)	250,323	48,558	27,152	(13,741)	312,292
Operating assets	1,942,851	312,907	411,784	(13,741)	2,653,801
Trade payables	(153,066)	(48,058)	(18,311)	13,734	(205,701)
Other payables	(277,570)	(28,535)	(28,913)	7	(335,011)
Provisions for risks and charges (current portion)	(1,974)	(486)	-	-	(2,460)
Current liabilities (B)	(432,610)	(77,079)	(47,224)	13,741	(543,172)
Net working capital (A) - (B)	(182,287)	(28,521)	(20,072)	-	(230,880)
Derivative instruments	(3,645)	-	-	-	(3,645)
Deferred tax assets	70,764	10,738	6,879	-	88,381
Deferred tax liabilities	(68,101)	(23,573)	(9,580)	-	(101,254)
Provisions for risks and charges (non-current portion)	(20,678)	(28,495)	(832)	-	(50,005)
Liabilities for employees' benefits (non-current portion)	(21,951)	(164)	(657)	-	(22,772)
Loan fees	7,062	-	-	-	7,062
Other non-current liabilities	(134,927)	(10,267)	(2,580)	-	(147,774)
NET INVESTED CAPITAL	1,338,765	184,067	357,790	-	1,880,622
Group net equity					832,602
Minority interests					1,042
Total net equity					833,644
Net medium and long-term financial indebtedness					971,850
Net short-term financial indebtedness					(351,321)
Total net financial indebtedness					620,529
Lease liabilities	366,251	22,082	38,116	-	426,449
Total lease liabilities & net financial indebtedness					1,046,978
NET EQUITY, LEASE LIABILITIES AND NET FINANCIAL INDEBTEDNESS					1,880,622

(*) The balance sheet items are analyzed by the Chief Executive Officer and the Top Management by geographical area without separation of the Corporate structures that are natively included in EMEA.

(€ thousands)	12/31/2020				
	EMEA	Americas	Asia Pacific	Eliminations	Total
Goodwill	856,130	147,527	277,952	-	1,281,609
Non-competition agreements, trademarks, customer lists and lease rights	204,674	19,261	35,692	-	259,627
Software, licenses, other intangible fixed assets, fixed assets in progress and advances	70,030	22,381	9,148	-	101,559
Tangible assets	139,426	10,286	27,904	-	177,616
Right-of-use assets	350,449	20,586	38,303	-	409,338
Financial fixed assets	4,075	34,050	-	-	38,125
Other non-current financial assets	29,493	1,144	932	-	31,569
Non-current assets	1,654,277	255,235	389,931	-	2,299,443
Inventories	46,209	8,003	3,219	-	57,431
Trade receivables	132,556	32,883	16,921	(13,300)	169,060
Other receivables	91,990	4,855	2,404	(38,716)	60,533
Current assets (A)	270,755	45,741	22,544	(52,016)	287,024
Operating assets	1,925,032	300,976	412,475	(52,016)	2,586,467
Trade payables	(132,707)	(39,462)	(22,167)	13,300	(181,036)
Other payables	(258,705)	(64,861)	(34,118)	38,716	(318,968)
Provisions for risks and charges (current portion)	(3,075)	(485)	-	-	(3,560)
Current liabilities (B)	(394,487)	(104,808)	(56,285)	52,016	(503,564)
Net working capital (A) - (B)	(123,732)	(59,067)	(33,741)	-	(216,540)
Derivative instruments	(5,908)	-	-	-	(5,908)
Deferred tax assets	70,451	6,262	6,958	-	83,671
Deferred tax liabilities	(65,876)	(18,783)	(10,491)	-	(95,150)
Provisions for risks and charges (non-current portion)	(20,175)	(28,734)	(856)	-	(49,765)
Liabilities for employees' benefits (non-current portion)	(23,185)	(135)	(699)	-	(24,019)
Loan fees	7,941	-	-	-	7,941
Other non-current liabilities	(128,363)	(10,562)	(2,436)	-	(141,361)
NET INVESTED CAPITAL	1,365,430	144,216	348,666	-	1,858,312
Group net equity					800,883
Minority interests					985
Total net equity					801,868
Net medium and long-term financial indebtedness					1,103,265
Net short-term financial indebtedness					(469,600)
Total net financial indebtedness					633,665
Lease liabilities	359,143	22,885	40,751	-	422,779
Total lease liabilities & net financial indebtedness					1,056,444
NET EQUITY, LEASE LIABILITIES AND NET FINANCIAL INDEBTEDNESS					1,858,312

Non-current assets

Non-current assets amounted to €2,341,509 thousand at 30 June 2021, an increase of €42,066 thousand against the €2,299,443 thousand recorded at 31 December 2020.

The changes in the reporting period are explained (i) for €38,654 thousand by capital expenditure (ii) for €44,328 thousand by the recognition of right-of-use assets acquired in the reporting period; (iii) for €54,811 thousand by acquisitions; (iv) for €106,807 thousand by depreciation, amortization and impairment which includes the amortization of the above leased right-of-use assets; (v) for €11,080 thousand by other net increases relating primarily to positive exchange differences.

The following table shows the breakdown of non-current assets by geographical segment.

(€ thousands)	06/30/2021	12/31/2020	Change	
EMEA	Goodwill	884,451	856,130	28,321
	Non-competition agreements, trademarks, customer lists and lease rights	206,009	204,674	1,335
	Software, licenses, other intangible fixed assets, fixed assets in progress and advances	72,841	70,030	2,811
	Tangible assets	137,595	139,426	(1,831)
	Right-of-use assets	356,512	350,449	6,063
	Financial fixed assets	3,722	4,075	(353)
	Other non-current financial assets	31,398	29,493	1,905
	Non-current assets	1,692,528	1,654,277	38,251
Americas	Goodwill	156,713	147,527	9,186
	Non-competition agreements, trademarks, customer lists and lease rights	18,536	19,260	(724)
	Software, licenses, other intangible fixed assets, fixed assets in progress and advances	22,993	22,381	612
	Tangible assets	10,625	10,286	339
	Right-of-use assets	19,814	20,585	(771)
	Financial fixed assets	34,256	34,051	205
	Other non-current financial assets	1,412	1,145	267
	Non-current assets	264,349	255,235	9,114
Asia Pacific	Goodwill	279,444	277,952	1,492
	Non-competition agreements, trademarks, customer lists and lease rights	32,506	35,692	(3,186)
	Software, licenses, other intangible fixed assets, fixed assets in progress and advances	8,501	9,148	(647)
	Tangible assets	27,690	27,904	(214)
	Right-of-use assets	35,545	38,303	(2,758)
	Financial fixed assets	20	-	20
	Other non-current financial assets	926	932	(6)
	Non-current assets	384,632	389,931	(5,299)
Total	2,341,509	2,299,443	42,066	

Europe, Middle-East and Africa

Non-current assets amounted to €1,692,528 thousand at 31 June 2021, an increase of €38,251 thousand against the €1,654,277 thousand recorded at 31 December 2020.

The change is explained as follows:

- €51,467 thousand for acquisitions made in the period;
- €15,144 thousand for investments in property, plant and equipment, relating primarily to the opening of new stores and the renovation of existing ones;
- €13,784 thousand for investments in intangible assets, relating to new implementations of the CRM and digital marketing systems; as well as the new business transformation ERP cloud system for back-office functions: Human Resources, Procurement, Administration and Finance (for which investments are being made in centralized management);
- €39,322 thousand for right-of-use assets;
- €81,670 thousand for amortization, depreciation and impairment losses, including the amortization and depreciation of the right-of-use assets referred to above;
- €204 thousand for other increases relating mainly to positive exchange differences.

Americas

Non-current assets amounted to €264,349 thousand at 30 June 2021, an increase of €9,114 thousand against the €255,235 thousand recorded at 31 December 2020.

The change is explained as follows:

- €3,344 thousand for acquisitions made in the period;
- €1,204 thousand for investments in property, plant and equipment;
- €4,250 thousand for investments in intangible assets, mainly related to upgrades of front office systems;
- €1,864 thousand for right-of-use assets;
- €10,397 thousand for amortization and depreciation, including the amortization and depreciation of the right-of-use assets referred to above;
- €8,849 thousand for other net increases relating mainly to exchange rate gains.

Asia Pacific

Non-current assets amounted to €384,632 thousand at 30 June 2021, a decrease of €5,299 thousand against the €389,931 thousand recorded at 31 December 2020.

The decrease is explained as follows:

- €3,163 thousand for investments in property, plant and equipment;
- €1,109 thousand for investments in intangible assets;
- €3,142 thousand for right-of-use assets;
- €14,740 thousand for amortization and depreciation, including the amortization and depreciation of the right-of-use assets referred to above;
- €2,027 thousand for other net increases relating mainly to exchange rate gains.

Net invested capital

Net invested capital came to €1,880,622 thousand at 30 June 2021, an increase of €22,310 thousand compared to the €1,858,312 thousand recorded at 31 December 2020.

This increase is attributable to the change in non-current assets described above, partially offset by the decrease in working capital.

The following table shows the breakdown of net invested capital by geographical area.

(€ thousands)	06/30/2021	12/31/2020	Change
EMEA	1,338,765	1,365,430	(26,665)
Americas	184,067	144,216	39,851
Asia Pacific	357,790	348,666	9,124
Total	1,880,622	1,858,312	22,310

Europe, Middle-East and Africa

Net invested capital came to €1,338,765 thousand at 30 June 2021, a decrease of €26,665 thousand against the €1,365,430 thousand recorded at 31 December 2020.

The increase of non-current assets described above has been more than offset by the decrease in working capital. The drop in working capital is explained mainly by the increase in trade payables and decrease in dividends to be received from companies in the Americas, that are eliminated at consolidated level as shown by table at page 39.

Factoring without recourse in the period involved trade receivables with a face value of €31,044 thousand (€36,722 thousand in the same period of the prior year).

Americas

Net invested capital came to €184,067 thousand at 30 June 2021, an increase of €39,851 thousand against the €144,216 thousand recorded at 31 December 2020.

This increase stems from the change in non-current assets described above, as well as the increase in working capital. The increase in working capital, compared to December 2020, is explained primarily by the decrease of the dividends payable by the parent company in “Europe, the Middle-East and Africa”, that are eliminated at consolidated level as shown by table at page 39.

Asia Pacific

Net invested capital came to €357,790 thousand at 30 June 2021, an increase of €9,124 thousand against the €348,666 thousand recorded at 31 December 2020.

This increase is attributable to the drop in non-current assets described above, more than offset by an increase in working capital.

Net financial indebtedness

(€ thousands)	06/30/2021	12/31/2020	Change
Net medium and long-term financial indebtedness	971,850	1,103,265	(131,415)
Net short-term financial indebtedness	121,222	75,427	45,795
Cash and cash equivalents	(472,543)	(545,027)	72,484
Net financial indebtedness (A)	620,529	633,665	(13,136)
Lease liabilities – current portion	89,784	85,429	4,355
Lease liabilities – non-current portion	336,665	337,350	(685)
Lease liabilities (B)	426,449	422,779	3,670
Total lease liabilities & net financial indebtedness (A+B) (C)	1,046,978	1,056,444	(9,466)
Group net equity (D)	832,602	800,883	31,719
Minority interests	1,042	985	57
Net Equity (E)	833,644	801,868	31,776
Financial indebtedness/Group net equity (A/D)	0.75	0.80	
Financial indebtedness/Net equity (A/E)	0.74	0.80	
Financial indebtedness/EBITDA (*)	1.23	1.63	

(*) Net financial indebtedness/EBITDA is the ratio of net financial indebtedness, excluding lease liabilities and short-term investments not cash equivalents, to EBITDA for the last four quarters (determined with reference to recurring operations only, based on pro forma figures in case of significant changes to the structure of the Group).

Net financial indebtedness, excluding lease liabilities, amounted to €620,529 thousand at 30 June 2021, reporting a decrease of €13,136 thousand with respect to 31 December 2020.

The ability of ordinary operations to generate excellent cash flow was confirmed with free cash flow coming in at a positive €118,783 thousand (€72,075 thousand in the first six months of the prior year) after absorbing capital expenditure of €36,580 thousand (€21,804 thousand in the first six months of 2020) and made it possible to sustain the net cash-outs made in the period for acquisitions (€46,526 thousand) and purchase of share treasury (€13,331 thousand).

At 30 June the Group had cash and cash equivalents of €472,543 thousand compared to total net financial indebtedness €620,529 thousand, net of lease liabilities.

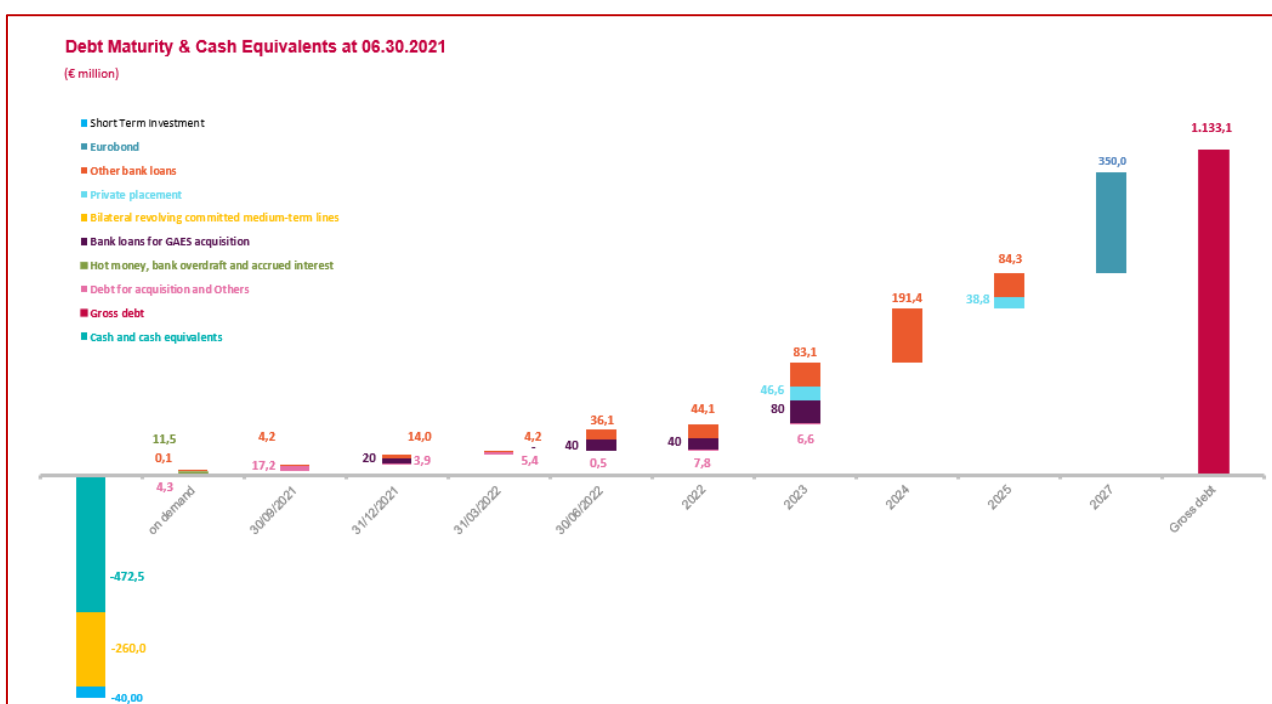
Medium-Long term debt amounts to €971,850 thousand, €14,383 thousand of which reflects the long-term portion of deferred payments for acquisitions. The decrease in the period relates primarily to a reclassification from non-current bank borrowings to current bank borrowings and debts for acquisitions.

Short-term debt amounts to €121,222 thousand, reporting an increase of €45,795 thousand with respect to the amount at 31 December 2020. The short-term portion refers primarily to short-term portion of the syndicated loan used for the GAES acquisition (€59,265 thousand), the short-term portion of other long-term bank loans (€58,571 thousand), the interest payable on the Eurobond (€1,498 thousand) and on private placement (€1,764 thousand), the interest payable on other bank loans and finally the best estimate of the deferred payments for acquisitions

(€29,207 thousand) as well as current accounts payable and hot money (€11,500 thousand) net of the money market investments used to manage very short-term liquidity (€40,008 thousand).

The change in short-term net financial debt (€45,795 thousand) is attributable to the reclassification of portions of bank debt from long to short term (€113,457 thousand) and amounts owed for acquisitions (€22,024 thousand), as well as the repayment of the current portion of financial payables and the change in money market investments.

The chart below shows the debt maturities compared to the €473 million in available cash and cash equivalents and the unutilized portions of irrevocable credit lines which amount to €260 million, as well as the €226 million in other uncommitted credit lines.



Interest payable on financial indebtedness amounted to €8,819 thousand at 30 June 2021, €8,512 thousand at 30 June 2020.

Interest payable on leases recognized in accordance with IFRS 16 amounted to €5,216 thousand versus €5,350 thousand at 30 June 2020.

Interest receivable on bank deposits came to €76 thousand at 30 June 2021 versus €79 thousand at 30 June 2020.

The reasons for the changes in net indebtedness are described in the next section on the statement of cash flows.

CASH FLOW

The reclassified statement of cash flows shows the change in net financial indebtedness from the beginning to the end of the period.

Pursuant to IAS 7, the consolidated financial statements include a statement of cash flows that shows the change in cash and cash equivalents from the beginning to the end of the period.

(€ thousands)	First Half 2021	First Half 2020
OPERATING ACTIVITIES		
Net profit (loss) attributable to the Group	77,143	12,577
Minority interests	31	(117)
<i>Amortization, depreciation and impairment:</i>		
- Intangible fixed assets	35,325	30,498
- Tangible fixed assets	24,283	23,309
- Right-of-use assets	47,253	45,966
Total amortization, depreciation and impairment	106,861	99,773
Provisions, other non-monetary items and gain/losses from disposals	6,577	475
Group's share of the result of associated companies	(9)	256
Financial income and charges	14,012	13,487
Current and deferred income taxes	30,374	5,322
<i>Change in assets and liabilities:</i>		
- Utilization of provisions	(4,801)	(4,003)
- (Increase) decrease in inventories	(2,201)	(4,170)
- Decrease (increase) in trade receivables	(2,879)	70,672
- Increase (decrease) in trade payables	22,684	(37,010)
- Changes in other receivables and other payables	(2,100)	(22,557)
Total change in assets and liabilities	10,703	2,932
Dividends received	-	-
Net interest charges	(13,542)	(12,336)
Taxes paid	(30,931)	(808)
Cash flow provided by (used in) operating activities before repayment of lease liabilities	201,220	121,562
Repayment of lease liabilities	(45,857)	(27,683)
Cash flow generated from (absorbed) by operating activities	155,363	93,879
INVESTING ACTIVITIES:		
Purchase of intangible fixed assets	(19,143)	(12,322)
Purchase of tangible fixed assets	(19,510)	(11,147)
Consideration from sale of tangible fixed assets and businesses	2,073	1,665
Cash flow generated from (absorbed) by investing activities	(36,580)	(21,804)
Cash flow generated from operating and investing activities (Free cash flow)	118,783	72,075
Business combinations (*)	(46,526)	(41,816)
(Purchase) sale of other investments and securities	3,644	-
Net cash flow generated from acquisitions	(42,882)	(41,816)
Cash flow generated from (absorbed) by investing activities	(79,462)	(63,620)

(€ thousands)	First Half 2021	First Half 2020
FINANCING ACTIVITIES:		
Fees paid on medium/long-term financing	-	(7,374)
Other non-current assets and hedging instruments	154	(284)
Treasury shares	(13,331)	-
Dividends	(49,356)	-
Capital increases, third parties' contributions and dividends paid by subsidiaries to third parties	(119)	-
Cash flow generated from (absorbed) by financing activities	(62,652)	(7,657)
Changes in net financial indebtedness	13,249	22,601
Net financial indebtedness at the beginning of the period	(633,665)	(786,698)
Effect of discontinued operations on net financial indebtedness	(52)	-
Effect of exchange rate fluctuations on net financial indebtedness	(61)	(1,248)
Changes in net indebtedness	13,249	22,601
Net financial indebtedness at the end of the period	(620,529)	(765,345)

(*) The item refers to the net cash flows used in the acquisition of businesses and equity investments.

The change in net financial indebtedness of €13,249 thousand is attributable to:

- (i) Investing activities:
 - capital expenditure on property, plant and equipment and intangible assets of €38,654 thousand relating primarily to the new business transformation system for back-office functions (Human Resources, Procurement, Administration and Finance), investments in CRM systems, digital marketing and the opening, renewal and repositioning of stores consistent with Amplifon's new brand image;
 - acquisitions amounting to €46,526 thousand, including the impact of the acquired companies' debt and the best estimate of the earn-out linked to sales and profitability targets payable over the next few years;
 - consideration for the disposal of a few points of sales no longer viewed as strategic of €3,644 thousand;
 - net proceeds from the disposal of assets of €2,073 thousand.
- (ii) Operating activities:
 - interest payable on financial indebtedness and other net financial expenses of €13,543 thousand;
 - payment of taxes amounting to €30,931 thousand;
 - payment of principle on lease obligations of €45,857 thousand;
 - cash flow generated by operations of €245,693 thousand.
- (iii) Financing activities:
 - payment of €49,356 thousand in dividends to shareholders;
 - treasury share purchase amounting to (€13,331 thousand);
 - net proceeds on financial assets (€154 thousand) mainly related to reimbursement on active financing;
 - payment of €130 thousand in dividends to minorities by subsidiaries net of other items worth €11 thousand;

- (iv) Net debt was also impacted by exchange losses of €61 thousand.

The non-recurring transactions described above had a negative impact on cash flow of €3,731 thousand in the first six months of 2021, attributable to the costs incurred for the GAES integration activities (€3,470 thousand) and for the Amplifon S.p.A. restructuring (€261 thousand).

ACQUISITION OF COMPANIES AND BUSINESSES

The Group's external growth continued in the first six months of 2021. 125 points of sale were acquired for a total investment of €46,526 thousand, including the debt consolidated and the best estimate of the earn-out linked to sales and profitability targets payable over the next few years.

More in detail, in the first six months:

- 73 points of sale were acquired in Italy of which 24 are franchising;
- 10 points of sale were acquired in France;
- 33 points of sale were acquired in Germany;
- 1 point of sale was acquired in Israel;
- 5 points of sale and 1 service centre were acquired in the United States;
- 2 points of sale were acquired in Canada;

OUTLOOK

In light of the excellent results reported in the second quarter of 2021 and assuming the positive market performance continues for the rest of the year, notwithstanding a more challenging comparison base in the second half of the year compared to both 2020 and 2019, the Company is making an upward revision to the guidance for FY 2021 provided last April 29th, due to the greater contribution of organic growth.

More in detail, for 2021, the Company expects consolidated revenues, on a same consolidation basis, of 1,990 million euros (increasing by around 60 million euros compared to the previous guidance). However, considering the wind-down of Elite and its exclusion from the Group's consolidated revenues for the entire fiscal year following the application of the IFRS 5 accounting principle, Amplifon expects for 2021:

- consolidated revenues, net of the Elite disposal, of roughly €1,930 million;
- an increase in the recurring EBITDA margin, net of the Elite disposal, of around 24.8%, after significant investments in the business.

The above estimates do not include the consolidation of the recently acquired Bay Audio (which is currently expected to close in the fourth quarter of 2021) and do not foresee any significant impact from the Covid-19 pandemic for the rest of the year.

Milan, 29 July 2021

CEO

Enrico Vita



**CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS AS AT 30 JUNE 2021**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*)

(€ thousands)		06/30/2021	12/31/2020	Change
ASSETS				
<u>Non-current assets</u>				
Goodwill	Note 3	1,320,608	1,281,609	38,999
Intangible fixed assets with finite useful life	Note 4	361,386	361,185	201
Tangible fixed assets	Note 5	175,910	177,616	(1,706)
Right-of-use assets	Note 6	411,871	409,338	2,533
Equity-accounted investments		2,012	2,002	10
Hedging instruments		7,531	4,327	3,204
Deferred tax assets		88,381	83,671	4,710
Contract costs		8,796	7,777	1,019
Other assets		60,926	59,916	1,010
Total non-current assets		2,437,421	2,387,441	49,980
<u>Current assets</u>				
Inventories		61,864	57,432	4,432
Trade receivables		176,055	169,060	6,995
Contract costs		4,924	5,051	(127)
Other receivables		69,431	55,464	13,967
Other financial assets		40,026	8,997	31,029
Cash and cash equivalents	Note 8	472,543	545,027	(72,484)
Total current assets		824,843	841,031	(16,188)
TOTAL ASSETS		3,262,264	3,228,472	33,792

(€ thousands)		06/30/2021	12/31/2020	Change
LIABILITIES				
Net Equity				
Share capital	Note 7	4,528	4,528	-
Share premium reserve		202,712	202,712	-
Treasury shares		(18,252)	(14,281)	(3,971)
Other reserves		(31,518)	(40,562)	9,044
Retained earnings		597,988	547,482	50,506
Profit (loss) for the period		77,144	101,004	(23,860)
Group net equity		832,602	800,883	31,719
Minority interests		1,042	985	57
Total net equity		833,644	801,868	31,776
Non-current liabilities				
Medium/long-term financial liabilities	Note 9	959,204	1,069,321	(110,117)
Lease liabilities	Note 10	336,665	337,350	(685)
Provisions for risks and charges		50,005	49,765	240
Liabilities for employees' benefits		22,773	24,019	(1,246)
Hedging instruments		3,806	5,963	(2,157)
Deferred tax liabilities		101,254	95,150	6,104
Payables for business acquisitions		14,383	32,262	(17,879)
Contract liabilities		136,090	130,016	6,074
Other long-term liabilities		11,686	11,344	342
Total non-current liabilities		1,635,866	1,755,190	(119,324)
Current liabilities				
Trade payables		205,700	181,036	24,664
Payables for business acquisitions		29,207	6,693	22,514
Contract liabilities		108,687	102,999	5,688
Tax liabilities		60,293	62,089	(1,796)
Other payables		164,318	150,741	13,577
Hedging instruments		179	112	67
Provisions for risks and charges		2,460	3,560	(1,100)
Liabilities for employees' benefits		3,511	3,139	372
Short-term financial liabilities	Note 9	128,615	75,615	53,000
Lease liabilities	Note 10	89,784	85,430	4,354
Total current liabilities		792,754	671,414	121,340
TOTAL LIABILITIES		3,262,264	3,228,472	33,792

(*) Transactions with related parties have not been reported separately because not material both at single entity and at consolidated level. Please refer to note 16 for more details.

CONSOLIDATED INCOME STATEMENT (*)

(€ thousands)	First Half 2021			First Half 2020			Change
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total	
Revenues from sales and services	959,487	-	959,487	613,899	-	613,899	345,588
Operating costs	(730,013)	(4,156)	(734,169)	(493,696)	-	(493,696)	(240,473)
Other income and costs	3,233	(136)	3,097	11,096	-	11,096	(7,999)
Gross operating profit (EBITDA)	232,707	(4,292)	228,415	131,299	-	131,299	97,116
Amortization, depreciation and impairment							
Amortization of intangible fixed assets	(35,082)	-	(35,082)	(30,493)	-	(30,493)	(4,589)
Depreciation of tangible fixed assets	(23,241)	-	(23,241)	(22,936)	-	(22,936)	(305)
Right-of-use depreciation	(46,698)	-	(46,698)	(45,966)	-	(45,966)	(732)
Impairment losses and reversals of non-current assets	(1,840)	-	(1,840)	(378)	-	(378)	(1,462)
	(106,861)	-	(106,861)	(99,773)	-	(99,773)	(7,088)
Operating result	125,846	(4,292)	121,554	31,526	-	31,526	90,028
Financial income, expenses and value adjustments to financial assets							
Group's share of the result of associated companies valued at equity and gains/losses on disposals of equity investments	(568)	-	(568)	(256)	-	(256)	(312)
Other income and expenses, impairment and revaluations of financial assets	1,397	-	1,397	-	-	-	1,397
Interest income and expenses	(8,743)	-	(8,743)	(8,459)	-	(8,459)	(284)
Interest expenses on lease liabilities	(5,216)	-	(5,216)	(5,350)	-	(5,350)	134
Other financial income and expenses	(197)	-	(197)	(410)	-	(410)	213
Exchange gains and losses	(790)	-	(790)	726	-	726	(1,516)
Gain (loss) on assets accounted at fair value	112	-	112	6	-	6	106
	(14,005)	-	(14,005)	(13,743)	-	(13,743)	(262)
Profit (loss) before tax	111,841	(4,292)	107,549	17,783	-	17,783	89,766
Current and deferred income tax							
Current tax	(32,796)	1,109	(31,687)	(9,035)	-	(9,035)	(22,652)
Deferred tax	1,313	-	1,313	3,712	-	3,712	(2,399)
	(31,483)	1,109	(30,374)	(5,323)	-	(5,323)	(25,051)
Total net profit (loss)	80,358	(3,183)	77,175	12,460	-	12,460	64,715
Net profit (loss) attributable to Minority interests	31	-	31	(117)	-	(117)	148
Net profit (loss) attributable to the Group	80,327	(3,183)	77,144	12,577	-	12,577	64,567

(*) Transactions with related parties have not been reported separately because not material both at single entity and at consolidated level. Please refer to note 16 for more details.

Earnings per share (€ per share)	Note 15	First Half 2021	First Half 2020
Earnings per share			
- Basic		0.34337	0.05634
- Diluted		0.33947	0.05564

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

(€ thousands)	First Half 2021	First Half 2020
Net income (loss) for the period	77,175	12,460
Other comprehensive income (loss) that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plans	2,327	2,187
Tax effect on items of other comprehensive income (expense) that will not be reclassified subsequently to profit or loss	(303)	(317)
Total other comprehensive income (loss) that will not be reclassified subsequently to profit or loss after the tax effect (A)	2,024	1,870
Other comprehensive income (loss) that will be reclassified subsequently to profit or loss		
Gains/(losses) on cash flow hedging instruments	2,625	4,146
Gains/(losses) from Foreign Currency Basis Spread on hedging instruments	(26)	335
Gains/(losses) on exchange differences from translation of financial statements of foreign entities	5,315	(15,163)
Tax effect on components of other comprehensive income that will be reclassified subsequently to profit or loss	(538)	(1,076)
Total other comprehensive income (loss) that will be reclassified subsequently to profit or loss after the tax effect (B)	7,376	(11,758)
Total other comprehensive income (loss) (A)+(B)	9,400	(9,888)
Comprehensive income (loss) for the period	86,575	2,572
Attributable to the Group	86,523	2,778
Attributable to Minority interests	52	(206)

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

(€ thousands)	Share capital	Share premium reserve	Legal reserve	Other reserves	Treasury shares reserve	Stock option and stock grant reserve
Balance at 1 January 2020 as reported	4,528	202,712	934	3,636	(29,131)	34,963
Allocation of profit (loss) for 2019						
Share capital increase						
Treasury shares						
Dividend distribution						
Notional cost of stock options and stock grants						2,070
Other changes					4,252	(4,856)
- <i>Stock Grant</i>					4,252	(4,856)
- <i>Other</i>						
Total comprehensive income (loss) for the period						
- <i>Hedge accounting</i>						
- <i>Actuarial gains (losses)</i>						
- <i>Translation differences</i>						
- <i>Profit for the first half of 2020</i>						
Balance at 06/30/2020	4,528	202,712	934	3,636	(24,879)	32,177

(€ thousands)	Share capital	Share premium reserve	Legal reserve	Other reserves	Treasury shares reserve	Stock option and stock grant reserve
Balance at 01/01/2021	4,528	202,712	934	3,636	(14,281)	34,780
Allocation of profit (loss) for 2020						
Share capital increase						
Treasury shares					(13,331)	
Dividend distribution						
Notional cost of stock options and stock grants						8,740
Other changes					9,360	(8,989)
- <i>Stock Grant</i>					9,360	(8,989)
- <i>Inflation Accounting</i>						
- <i>Other</i>						
Total comprehensive income (loss) for the period						
- <i>Hedge accounting</i>						
- <i>Actuarial gains (losses)</i>						
- <i>Deferred taxes recognized in net equity</i>						
- <i>Translation differences</i>						
- <i>Profit for the first half of 2021</i>						
Balance at 06/30/2021	4,528	202,712	934	3,636	(18,252)	34,531

Cash flow hedge reserve	Foreign Curr. Basis Spread reserve	Actuarial gains and (losses)	Retained earnings	Translation difference	Profit for the period	Total Shareholders' equity	Minority interests	Total net equity
(5,462)	(748)	(11,048)	432,925	(46,944)	108,666	695,031	1,084	696,115
			108,666		(108,666)	-		-
						-		-
						-		-
						2,070		2,070
			(109)			(713)		(713)
			604			-		-
			(713)			(713)		(713)
3,151	254	1,870	-	(15,074)	12,577	2,778	(206)	2,572
3,151	254					3,405		3,405
		1,870				1,870		1,870
				(15,074)		(15,074)	(89)	(15,163)
					12,577	12,577	(117)	12,460
(2,311)	(494)	(9,178)	541,482	(62,018)	12,577	699,166	878	700,044

Cash flow hedge reserve	Foreign Curr. Basis Spread reserve	Actuarial gains and (losses)	Retained earnings	Translation difference	Profit for the period	Total Shareholders' equity	Minority interests	Total net equity
(2,893)	(1,122)	(9,783)	547,482	(66,114)	101,004	800,883	985	801,868
			101,004		(101,004)	-		-
						-		-
						(13,331)		(13,331)
			(49,356)			(49,356)		(49,356)
						8,740		8,740
			(1,228)			(857)	5	(852)
			(371)			-		-
			3,188			3,188		3,188
			(4,045)			(4,045)	5	(4,040)
1,995	(20)	2,024	86	5,294	77,144	86,523	52	86,575
1,995	(20)					1,975		1,975
		2,024				2,024		2,024
			86			86		86
				5,294		5,294	21	5,315
					77,144	77,144	31	77,175
(898)	(1,142)	(7,759)	597,988	(60,820)	77,144	832,602	1,042	833,644

STATEMENT OF CONSOLIDATED CASH FLOWS (*)

(€ thousands)	First Half 2021	First Half 2020
OPERATING ACTIVITIES		
Net profit (loss)	77,175	12,460
Amortization, depreciation and impairment:		
- intangible fixed assets	35,324	30,498
- tangible fixed assets	24,283	23,309
- right-of-use assets	47,254	45,966
- goodwill	-	-
Provisions, other non-monetary items and gain/losses from disposals	6,577	475
Group's share of the result of associated companies	(9)	256
Financial income and expenses	14,012	13,487
Current and deferred taxes	30,374	5,322
Cash flow from operating activities before change in working capital	234,990	131,773
Utilization of provisions	(4,801)	(4,003)
(Increase) decrease in inventories	(2,200)	(4,170)
Decrease (increase) in trade receivables	(2,879)	70,672
Increase (decrease) in trade payables	22,684	(37,010)
Changes in other receivables and other payables	(2,101)	(22,557)
Total change in assets and liabilities	10,703	2,932
Dividends received	-	-
Interest received (paid)	(16,043)	(10,119)
Taxes paid	(30,931)	(808)
Cash flow generated from (absorbed by) operating activities (A)	198,719	123,778
INVESTING ACTIVITIES:		
Purchase of intangible fixed assets	(19,143)	(12,322)
Purchase of tangible fixed assets	(19,510)	(11,147)
Consideration from sale of non-current assets	2,073	1,665
Cash flow generated from (absorbed by) operating investing activities (B)	(36,580)	(21,804)
Purchase of subsidiaries and business units net of cash and cash equivalents acquired or dismissed	(46,526)	(44,700)
Increase (decrease) in payables for business acquisitions	4,138	2,600
(Purchase) sale of other investments and securities	3,644	-
Cash flow generated from (absorbed by) acquisition activities (C)	(38,744)	(42,100)
Cash flow generated from (absorbed by) investing activities (B+C)	(75,324)	(63,904)
FINANCING ACTIVITIES:		
Increase (decrease) in financial payables	(56,903)	263,086
(Increase) decrease in financial receivables	(30,855)	-
Derivative instruments and other non-current assets	-	(705)
Commissions paid for medium/long-term financing	-	(7,374)
Principal portion of lease payments	(45,856)	(27,683)
Other non-current assets and liabilities	154	421
Dividends distributed	(49,356)	-
Treasury shares	(13,331)	-
Capital increases and minority shareholders' contributions and dividends paid to third parties by subsidiaries	(119)	-
Cash flow generated from (absorbed by) financing activities (D)	(196,266)	227,745
Net increase in cash and cash equivalents (A+B+C+D)	(72,871)	287,619

(€ thousands)	First Half 2021	First Half 2020
Cash and cash equivalents at beginning of period	545,027	138,371
Effect of exchange rate fluctuations on cash & cash equivalents	387	(1,660)
Liquid assets acquired	-	2,884
Flows of cash and cash equivalents	(72,871)	287,619
Cash and cash equivalents at end of period	472,543	427,214

(*) Transactions with related parties have not been reported separately because not material both at single entity and at consolidated level. Please refer to note 16 for more details.

Related-party transactions refer to rentals of the main office and certain stores, to recharges of maintenance costs and general services of the above-mentioned buildings and to commercial transactions, personnel expenses and loans. They are detailed in Note 16. The impact of these transactions on the Group's cash flows is not material.

Covid-19 impacts on cash flow are detailed in Note 2.

SUPPLEMENTARY INFORMATION TO THE STATEMENT OF CONSOLIDATED CASH FLOWS

The fair value of the assets and liabilities acquired are summarized in the following table:

(€ thousands)	First Half 2021	First Half 2020
- Goodwill	31,503	36,636
- Customer lists	15,118	5,737
- Trademarks and non-competition agreements	1	5,110
- Other intangible fixed assets	301	370
- Tangible fixed assets	3,223	2,287
- Right-of-use assets	4,521	4,741
- Financial fixed assets	-	-
- Current assets	5,678	4,760
- Provisions for risks and charges	(1,041)	(743)
- Current liabilities	(8,390)	(7,330)
- Other non-current assets and liabilities	(7,195)	(6,856)
- Net equity attributable to the Group and to third parties	3,076	-
Total investments	46,795	44,712
Net financial debt acquired	1,930	(12)
Total business combinations	48,725	44,700
(Increase) decrease in payables through business acquisition	(4,138)	(2,600)
Purchase (sale) of other investments and securities	(3,644)	-
Cash flow absorbed by (generated from) acquisitions	40,943	42,100
(Cash and cash equivalents acquired)	(2,199)	(2,884)
Net cash flow absorbed by (generated from) acquisitions	38,744	39,216

NOTES

1. General Information

The Amplifon Group is a global leader in the distribution of hearing solutions and the fitting of customized products.

The parent company, Amplifon S.p.A. is based in Via Ripamonti 133, Milan, Italy. The Group is controlled directly by Ampliter S.r.l. (42.23% of the share capital as at 30 June 2021), held 100% by Amplifin S.p.A. which is fully controlled by Susan Carol Holland.

The condensed interim consolidated financial statements at 30 June 2021 have been prepared in accordance with Article 154-bis of Legislative Decree no. 58/1998 (Consolidated Finance Act) and subsequent amendments and with International Accounting Standards and the implementation regulations set out in Article 9 of legislative decree no. 38 of 28 February 2005. These standards include the IAS and IFRS issued by the International Accounting Standard Board, as well as the SIC and IFRIC interpretations issued by the International Financial Reporting Interpretations Committee, which were endorsed in accordance with the procedure set out in Article 6 of Regulation (EC) no. 1606 of 19 July 2002 by 30 June 2021. The International Accounting Standards endorsed after that date and before the preparation of these condensed interim consolidated financial statements are adopted in the preparation of the condensed interim consolidated financial statements only if early adoption is allowed by the Endorsing Regulation and the standard itself and if the Group has elected to do so.

The condensed interim consolidated financial statements at 30 June 2021 do not include all the additional information required by the annual financial statements, and must be read together with the annual consolidated financial statements of the Group at 31 December 2020.

The publication of the condensed interim consolidated financial statements of the Amplifon Group at 30 June 2021 was authorized by a resolution of the Board of Directors of 29 July 2021 which approved their publication.

Pursuant to the Consob Communication of 28 July 2006, it is specified that during the first six months of 2021 the Group did not carry out atypical and/or unusual transactions, as defined by the Communication itself.

2. Impacts of COVID-19 emergency on the Group's performance and financial position, measures adopted, risks and areas of uncertainty

Despite the still ongoing restrictive measures across several countries and the retail hearing care market still impacted by the Covid-19 outbreak, the Company expects the market to gradually normalize throughout the year as Covid-19 vaccines are administered and restrictive measures are subsequently lifted.

In the first quarter of 2021 the performance was extremely positive across all the geographic regions, confirming the resilience of the business and the strong competitive positioning, thanks also to the effectiveness of the actions taken since the inception of the Covid-19 crisis.

The Group continued to benefit, albeit to a very small degree, from the contributions and aid made available by the different governmental authorities and the lease concessions and, conversely, continued to incur a series of expenses attributable directly to the health crisis.

The impact on the income statement and cash flow by type of benefit/expense is shown below.

(€ thousands)	Impact of Covid-19 in the first six months of 2021	
	Profit & Loss	Cash Flows
CONTRIBUTIONS RECEIVED/COSTS INCURRED		
Subsidies received from the governmental authorities and other public entities	1,310	3,678
For the cost of labor	353	2,243
Other business assistance	200	(350)
Tax credits, other exemptions and delays in tax payments and pension contributions	757	1,785
Lease concessions received from landlords	93	(707)
Costs tied directly to the crisis	(617)	(516)
Costs of personal protective equipment	(485)	(308)
Costs incurred to sanitize offices and stores	(36)	(37)
Costs incurred for consultancies (virologists and other experts, smart working, social plans)	(13)	(83)
Costs for advertising and communication targeting customers	(62)	(69)
Costs for advertising and communication targeting customers	(21)	(19)

3. Acquisitions and goodwill

The Group's external growth continued in the first six months of 2021 with a series of acquisitions designed to increase coverage: more in detail, 107 points of sale were purchased in EMEA and 6 in Americas.

The total investment, including the consolidated indebtedness and the best estimate of the net change in the earn-out linked to sales and profitability targets due over the next few years, amounted to Euro 46.526 thousand.

The changes in goodwill and amounts recognized as a result of the acquisitions made in the period are reported in the table below and shown by cash generating unit.

(€ thousands)	Value at 12/31/2020	Business combinations	Disposals	Impairment	Other net changes	Net carrying value at 06/30/2021
EMEA	856,130	28,785	(576)	-	112	884,451
AMERICAS	147,528	2,718	-	-	6,467	156,713
APAC	277,951	-	-	-	1,493	279,444
Total	1,281,609	31,503	(576)	-	8,072	1,320,608

“Business combinations” refer to the temporary allocation to goodwill of the portion of the purchase price paid which is not directly attributable to the fair value of assets and liabilities, but is based on the positive contribution to cash flows that is expected to be made for an indefinite period of time.

“Disposals” refer to goodwill accounted for an Irish company that has been sold during the period.

“Other net changes” refers almost entirely to foreign exchange differences.

Identification of the Groups of Cash Generating Units

For the purposes of impairment testing the total goodwill stemming from the cost incurred for a business combination was allocated to Groups of Cash Generating Units; these Groups of Cash Generating Units were identified by region and benefit from synergies, as well as shared policies, and are autonomous in the management and use of resources.

The assets allocation to Groups of Cash Generating Units and the identification criteria of these groups are the same with respect to the financial Statements as at 31 December 2020 and 31 December 2019.

The groups of Cash Generating Units recognized are:

- EMEA which includes Italy, France, the Netherlands, Germany, Belgium and Luxembourg, Switzerland, Spain, Portugal, the UK, Hungary, Poland, Israel and Egypt);

- AMERICAS which includes both the single businesses through which operations are carried out in the US market (Franchising, Managed Care and Wholesales) and the countries (USA, Canada, Argentina, Chile, Mexico, Panama, Ecuador and Colombia);
- ASIA PACIFIC which includes Australia, New Zealand, India and China.

The recoverable value of goodwill is determined based on the value in use or, if the latter is less than book value, on fair value. As at 31 December 2020 the management run his evaluations taking into consideration the value in use. No loss in value was identified as a result of the impairment tests conducted as at 31 December 2020. The Group tests for impairment of goodwill once a year and in the event of any impairment indicators.

The results recorded at 30 June 2021 were above budget for all the cash generating units and, therefore, no impairment indicators materialized. As a result, no impairment tests were carried out.

The book value and fair value of the assets and liabilities derived from the temporary allocation of the price paid for business combinations, excluding the impact of changes in the *put&call* options already accounted for and the purchase of minority interests in companies already controlled, are summarized below.

(€ thousands)	EMEA	Americas	Asia Pacific	Total
Cost of acquisitions of the period	41,233	2,475	-	43,708
Assets and liabilities acquired – Book value				
Current assets	3,460	20	-	3,480
Current liabilities	(3,856)	(536)	-	(4,392)
Net working capital	(396)	(516)	-	(912)
Other intangible, tangible and right-of-use assets	7,934	113	-	8,047
Provisions for risks and charges	(1,043)	-	-	(1,043)
Other non-current assets and liabilities	(2,773)	(84)	-	(2,857)
Non-current assets and liabilities	4,118	29	-	4,147
Net invested capital	3,722	(487)	-	3,235
Net financial position	267	1	-	268
NET EQUITY ACQUIRED - BOOK VALUE	3,989	(486)	-	3,503
DIFFERENCE TO BE ALLOCATED	37,244	2,961	-	40,205
ALLOCATIONS				
Trademarks	-	-	-	-
Non-competition agreements	-	-	-	-
Customer lists	14,606	512	-	15,118
Contract liabilities - Short and long-term	(4,886)	(269)	-	(5,155)
Deferred tax assets	4,047	123	-	4,170
Deferred tax liabilities	(5,308)	(123)	-	(5,431)
Total allocations	8,459	243	-	8,702
GOODWILL	28,785	2,718	-	31,503

4. Intangible fixed assets with finite useful life

The following table shows the changes in intangible assets.

(€ thousands)	Historical cost at 12/31/2020	Accumulated amortization and write- downs at 12/31/2020	Net book value at 12/31/2020	Historical cost at 06/30/2021	Accumulated amortization and write- downs at 06/30/2021	Net book value at 06/30/2021
Software	180,253	(118,676)	61,577	169,377	(99,176)	70,201
Licenses	22,638	(18,172)	4,466	16,473	(13,462)	3,011
Non-competition agreements	10,451	(7,376)	3,075	8,842	(5,547)	3,295
Customer lists	391,110	(191,905)	199,205	407,751	(208,358)	199,393
Trademarks and concessions	86,668	(29,755)	56,913	86,598	(32,611)	53,987
Other	27,343	(12,025)	15,318	25,356	(12,116)	13,240
Fixed assets in progress and advances	20,631	-	20,631	18,259	-	18,259
Total	739,094	(377,909)	361,185	732,656	(371,270)	361,386

(€ thousands)	Net book value at 12/31/2020	Investments	Disposals	Amortization	Business combinations	Impairment	Other net changes	Net book value at 06/30/2021
Software	61,577	7,778	(637)	(11,503)	142	(10)	12,854	70,201
Licenses	4,466	73	-	(1,752)	19	-	205	3,011
Non-competition agreements	3,075	703	-	(951)	-	-	468	3,295
Customer lists	199,205	-	(200)	(15,501)	15,118	(225)	996	199,393
Trademarks and concessions	56,913	-	-	(2,960)	1	-	33	53,987
Other	15,318	230	(157)	(2,415)	140	(8)	132	13,240
Fixed assets in progress and advances	20,631	10,359	1	-	-	-	(12,732)	18,259
Total	361,185	19,143	(993)	(35,082)	15,420	(243)	1,956	361,386

The change in “Business combinations” comprises:

- for €14,908 thousand, the temporary allocation of the price paid for acquisitions made in EMEA during the period;
- for €512 thousand, the temporary allocation of the price paid for acquisitions made in the Americas during the period.

The increase in intangible fixed assets recorded in the reporting period is mainly attributable to investments in information technology with regard to both operating and back office processes with the implementation of a new ERP system based on the new cloud technology, which will gradually be used by the whole Group (to the benefit of HR, Procurement and Administration and Finance functions) and the use of advanced business intelligence technologies, as well as in operations and the gradual roll-out of the Amplifon Product Experience (which has redefined Amplifon’s entire customer journey) which called for investments in technological infrastructure and store systems.

The item "Other net changes" is explained almost entirely by foreign exchange differences and the reclassification of work in progress completed in the period.

No indications of impairment emerged as a result of the testing conducted on the recoverability of intangible/right-of-use assets.

5. Tangible fixed assets

The following table shows the changes in tangible fixed assets.

(€ thousands)	Historical cost at 12/31/2020	Accumulated amortization and write-downs at 12/31/2020	Net book value at 12/31/2020	Historical cost at 06/30/2021	Accumulated amortization and write-downs at 06/30/2021	Net book value at 06/30/2021
Land	205	-	205	211	-	211
Buildings, constructions and leasehold improvements	267,451	(180,675)	86,776	275,741	(191,602)	84,139
Plant and machines	58,805	(42,985)	15,820	56,031	(42,222)	13,809
Industrial and commercial equipment	51,429	(40,054)	11,375	58,051	(44,299)	13,752
Motor vehicles	2,439	(2,108)	331	2,467	(2,078)	389
Computers and office machinery	65,385	(52,248)	13,137	66,252	(53,487)	12,765
Furniture and fittings	109,800	(77,178)	32,622	112,010	(81,142)	30,868
Other tangible fixed assets	3,213	(1,086)	2,127	3,199	(1,226)	1,973
Fixed assets in progress and advances	15,223	-	15,223	18,004	-	18,004
Total	573,950	(396,334)	177,616	591,966	(416,056)	175,910

(€ thousands)	Net book value at 12/31/2020	Investments	Disposals	Depreciation	Business combinations	Impairment	Other net changes	Net book value at 06/30/2021
Land	205	-	-	-	-	-	6	211
Buildings, constructions and leasehold improvements	86,776	5,936	(479)	(11,684)	2,143	(454)	1,901	84,139
Plant and machines	15,820	925	-	(1,802)	363	(95)	(1,402)	13,809
Industrial and commercial equipment	11,375	1,842	(11)	(1,766)	192	9	2,111	13,752
Motor vehicles	331	165	(23)	(66)	63	(18)	(63)	389
Computers and office machinery	13,137	1,730	(6)	(3,729)	32	(3)	1,604	12,765
Furniture and fittings	32,622	1,393	-	(4,010)	394	(78)	547	30,868
Other tangible fixed assets	2,127	27	(3)	(184)	6	-	-	1,973
Fixed assets in progress and advances	15,223	7,492	(36)	-	30	(402)	(4,303)	18,004
Total	177,616	19,510	(558)	(23,241)	3,223	(1,041)	401	175,910

The investments made in the period refer primarily to network expansion with the opening of new stores and renewal of existing ones based on the Group's new brand image.

The change in "Business combinations" comprises:

- for €3,195 thousand, the temporary allocation of the price paid for acquisitions made in EMEA during the period;
- for €30 thousand, the temporary allocation of the price paid for acquisitions made in the Americas during the period;

The item "Other net changes" is explained almost entirely by foreign exchange differences and the allocation of work in progress completed in the period.

6. Right-of-use assets

Right-of-use assets are reported here below:

(€ thousands)	Historical cost at 12/31/2020	Accumulated amortization and write-downs at 12/31/2020	Net book value at 12/31/2020	Historical cost at 06/30/2021	Accumulated amortization and write-downs at 06/30/2021	Net book value at 06/30/2021
Stores and offices	559,664	(160,341)	399,323	601,099	(199,498)	401,601
Motor vehicles	19,142	(9,511)	9,631	20,600	(10,866)	9,734
Electronic machinery	687	(303)	384	802	(266)	536
Total	579,493	(170,155)	409,338	622,501	(210,630)	411,871

(€ thousands)	Net book value at 12/31/2020	Investments	Disposals	Depreciation	Business combinations	Impairment	Other net changes	Net book value at 06/30/2021
Stores and offices	399,323	47,685	(6,102)	(43,889)	4,277	(556)	863	401,601
Motor vehicles	9,631	2,509	(100)	(2,667)	244	-	117	9,734
Electronic machinery	384	485	(192)	(142)	-	-	1	536
Total	409,338	50,679	(6,394)	(46,698)	4,521	(556)	981	411,871

The change in "Business combinations" comprises:

- for €4,437 thousand, the temporary allocation of the price paid for acquisitions made in EMEA during the period;
- for €84 thousand, the temporary allocation of the price paid for acquisitions made in the Americas during the period;

The item "Other net changes" is explained almost entirely by foreign exchange differences occurred in the period.

7. Share capital

At 30 June 2021 the share capital comprised 226,388,620 ordinary shares with a par value of €0.02 fully paid in and subscribed, unchanged with respect to 31 December 2020.

A total of 685,641 of the performance stock grant rights were exercised in the period, as a result of which the Group transferred the same number of treasury shares to the beneficiaries.

During the reporting period 420,000 treasury shares were purchased as per the buyback program approved by the shareholders during the Annual General Meeting held on 23 April 2021.

A total of 1,337,005 treasury shares, or 0.591% of the parent's share capital, were held at 30 June 2021.

Information relating to the treasury shares held is shown below.

	No. of shares	Average purchase price (Euro)	Total amount (€ thousands)
		FV of transferred rights (Euro)	
Held at 12/31/2020	1,602,646	8.911	14,281
Purchases	420,000	31.741	13,331
Transfers due to exercise of performance stock grants	(685,641)	(13.652)	(9,360)
Held at 06/30/2021	1,337,005	13.652	18,252

During the reporting period it was resolved to pay a dividend amounting to €49,356 thousand to shareholders as approved during the Shareholders' Meeting held on 23 April 2021.

8. Net financial position

The Group's net financial position prepared in accordance with ESMA Guideline 32-382-1138 of 4 March 2021 and CONSOB Warning Notice n. 5/21 of 29 April 2021 is shown below.

(€ thousands)	06/30/2021	12/31/2020	Change
Cash (A)	472,543	545,027	(72,484)
Cash equivalents (B)	-	-	-
Short term investments (C)	40,008	8,980	31,028
Total Cash, Cash Equivalents and Short-Term Investments (A+B+C) (D)	512,551	554,007	(41,456)
Current financial payables (including bonds, but excluding current portion of medium/long-term debt) (E)	128,165	71,483	56,682
- Bank borrowings	118,315	65,715	52,600
- Bank overdraft	5,089	1,820	3,269
- Other financial payables (including Dividend payables)	4,761	3,836	925
- Hedging derivatives	-	112	(112)
Current portion of medium/long-term financial debt (F)	122,848	98,354	24,494
- Financial accruals and deferred income	3,857	6,231	(2,374)
- Payables for business acquisitions	29,207	6,693	22,514
- Lease Liability – current portion	89,784	85,430	4,354
Current Financial Indebtedness (E+F) (G)	251,013	169,837	81,177
Current Financial Indebtedness (G-D) (H)	(261,538)	(384,170)	122,632
Non current financial payables (I)	873,145	1,005,245	(132,100)
- Bank borrowings – Non current portion	522,097	635,633	(113,536)
- Payables for business acquisitions – Non current portion	14,383	32,262	(17,879)
- Lease Liability – Non current portion	336,665	337,350	(685)
Bonds (J)	442,561	439,642	2,919
- Eurobond 2020-2027	350,000	350,000	-
- Private placement 2013-2025	92,561	89,642	2,919
Trade and other non current payables (K)	(7,190)	(4,272)	(2,918)
- Hedging derivatives – non current portion	(7,190)	(4,272)	(2,918)
Non Current Financial Indebtedness (I+J+K) (L)	1,308,516	1,440,615	(132,099)
Total Financial Indebtedness (H+L) (M)	1,046,978	1,056,445	(9,467)

Net of lease liabilities (€426,449 thousand at 30 June 2021) net financial debt amounted to €620,529 thousand at 30 June 2021, broken down as follows:

(€ thousands)	06/30/2021	12/31/2020	Change
Cash and Cash Equivalents	472,543	545,027	(72,484)
Short Term Investments	40,008	8,980	31,028
Cash, Cash Equivalents and Short Term Investments	512,551	554,007	(41,456)
Current Financial Indebtedness (excluding lease liabilities)	161,229	84,407	76,822
Current Financial Indebtedness (excluding lease liabilities)	351,322	469,600	(118,278)
Non current Financial Indebtedness (excluding lease liabilities)	971,851	1,103,265	(131,414)
Total Financial Indebtedness (excluding lease liabilities)	620,529	633,665	(13,136)

The **non current financial Indebtedness**, excluding the lease liabilities, reached €971,851 thousand at June 30th, 2021 compared to €1,103,265 thousand at 31 December 2020, a difference of €131,414 thousand. The decrease in the period relates primarily to reclasses of bank borrowings and acquisition payables from non-current to current borrowings.

The **short term portion of the net financial position**, excluding the lease liabilities, decreased €118,278 thousand, going from €469,600 thousand at 31 December 2020 to €351,322 thousand at 30 June 2021. The short-term portion refers primarily to short-term portion of the syndicated loan used for the GAES acquisition (€59,265 thousand), the short-term portion of other long-term bank loans (€58,571 thousand), other bank borrowings and bank overdrafts (€9,969 thousand), the interest payable on private placement (€1.764 thousand) and on the Eurobond (€1,498 thousand), the interest payable on other bank loans and finally the best estimate of the deferred payments for acquisitions (€29,207 thousand) as well as cash and cash equivalents (€512,551 thousand). The liquidity includes € 472,543 thousand in available liquidity and €40,008 thousand in other financial assets that are easily liquidated. These financial assets refer to investments placed in liquidated daily money market funds of top-tier financial institutions.

In order to reconcile the above items with the statement of financial position, a breakdown of certain items is provided below.

Bank loans, the Eurobond 2020-2027 and the private placement 2013-2025 are shown in the primary statement of financial position:

- a. under the caption “Medium/long-term financial liabilities” for the non-current portion.

(€ thousands)	06/30/2021
Private placement 2013-2025	92,561
Eurobond 2020-2027	350,000
Syndicated loan for GAES acquisition	119,250
Other medium/long-term debt	402,847
Fees for Eurobond 2020-2027, fees for bank loans, private placement 2013-2025 and Syndicated loan for GAES acquisition	(5,454)
Medium/long-term financial liabilities	959,204

- b. under the caption “Short-term financial liabilities” for the current portion.

(€ thousands)	06/30/2021
Bank overdraft and other short-term debt (including current portion of other long-term debt)	126,366
Other financial payables	3,857
Fees for Eurobond 2020-2027, fees for bank loans, private placement 2013-2025 and Syndicated loan for GAES acquisition	(1,608)
Short-term financial liabilities	128,615

The “Other payables” shown in the net financial debt refer, for €1,799 thousand, to dividends which have already been approved, but not yet distributed.

All the other items in the net financial indebtedness table correspond to items in the statement of financial position.

9. Financial liabilities

Financial liabilities breakdown is as follows:

(€ thousands)	06/30/2021	12/31/2020	Change
Private placement 2013-2025	92,561	89,642	2,919
Eurobond 2020-2027	350,000	350,000	-
Syndicated loan for GAES acquisition	119,250	159,000	(39,750)
Other medium long-term bank loans	402,847	476,633	(73,786)
Fees for bank loans, private placement 2013-2025 and syndicated loan for GAES acquisition	(5,453)	(5,954)	501
Total medium/long-term financial liabilities	959,205	1,069,321	(110,116)
Short term debt	128,615	75,615	53,000
- of which current portion for the financing for GAES acquisition	59,625	39,750	19,875
- of which current portion of other short-term bank loans	58,689	25,964	32,725
- of which fees for bank loans, private placement 2013-2025 and syndicated loan for GAES acquisition	(1,609)	(1,987)	378
Total short-term financial liabilities	128,615	75,615	53,000
Total financial liabilities	1,087,820	1,144,936	(57,116)

The main financial liabilities are detailed below.

- Eurobond 2020-2027

This is a €350,000 thousand 7-year nonconvertible bond with a fixed annual coupon of 1.125% that is listed on the Luxembourg Stock Exchange's unregulated market.

Issue Date	Debtor	Maturity	Nominal value (€/000)	Fair Value (€/000)	Fair value hierarchy as per IFRS 13	Nominal interest rate (*)	Euro interest rate after hedging
02/13/2020	Amplifon S.p.A.	02/13/2027	350,000	353,158	1	1.125%	N/A
Total in Euro			350,000	353,158			

(*) The nominal interest rate is equal to the mid swap plus a spread.

- Private placement 2013-2025

It is a USD 130 million private placement made in the US by Amplifon USA.

Issue Date	Debtor	Maturity	Currency	Nominal value (€/000)	Outstanding debt (€/000)	Fair Value (€/000)	Fair value hierarchy as per IFRS 13	Nominal interest rate (*)	Euro interest rate after hedging
05/30/2013	Amplifon USA	07/31/2023	USD	8,000	8,000	8,834	1	4.46%	3.90%
07/31/2013	Amplifon USA	07/31/2023	USD	52,000	52,000	57,483	1	4.51%	3.90%- 3.94%
07/31/2013	Amplifon USA	07/31/2025	USD	50,000	50,000	58,775	1	4.66%	4.00%- 4.05%
Total				110,000	110,000	125,092			

(*) The rate shown is the nominal rate in USD at the issue date;

(**) The hedging instruments that determine the interest rate as detailed above, are also fixing the exchange rate at 1.2885, the total equivalent of the bond resulting in €85,371 thousand.

- *Syndicated loan for the GAES acquisition*

This is an unsecured syndicated bank loan negotiated with five top-tier banks for the acquisition of GAES, comprised originally of two €265 million tranches, one of which was fully repaid in February 2020 using the proceeds from the above-mentioned Eurobond issue.

Issue Date	Debtor	Maturity	Nominal value (€/000)	Outstanding debt (€/000)	Fair Value (€/000)	Fair value hierarchy as per IFRS 13	Nominal interest rate (*)	Euro interest rate after hedging (**)
12/18/2018	Amplifon S.p.A.	09/28/2023	265,000	178,875	181,773	1	0.437%	1.082%
Total in Euro			265,000	178,875	181,773	1		

(*) The nominal interest rate is equal to 6 months Euribor plus a spread.

(**) The floating Euribor rate has been converted into a fixed rate of 0.132%.

The applicable rates depend on the ratio of net financial position, excluding lease liabilities, over the last four quarters Group EBITDA (determined with reference to recurring operations only, based on pro forma figures in case of significant changes to the structure of the Group).

The following table shows the applicable rates:

Ratio between net financial position, excluding lease liabilities, and Group EBITDA	
Higher than 2.85x	1.65%
Less or equal than 2.84x but higher than 2.44x	1.45%
Less or equal than 2.44x but higher than 2.04x	1.25%
Less or equal than 2.04x but higher than 1.63x	1.10%
Less or equal than 1.63x	0.95%

The rate, calculated based on the Group net debt/EBITDA ratio, is applicable starting from the interest period following the one when the rate was determined and is revisited each year at 30 June and 30 December.

A rate of 0.95% was applied to *Facility A* at 30 June 2021.

- *Bank loans*

Si tratta di principali finanziamenti bancari bilaterali e in *pool* la cui situazione è dettagliata nella seguente tabella.

Issue Date	Debtor	Type	Maturity	Nominal value (€/000)	Outstanding debt (€/000)	Fair Value (€/000)	Fair value hierarchy as per IFRS 13	Nominal interest rate (*)	Interest rate after hedging (**)	Euro interest rate after hedging (**)
04/30/20	Amplifon S.p.A.	<i>Amortizing</i>	30/04/23	30,000	30,000	30,342	1	0.566%		
04/07/20	Amplifon S.p.A.	<i>Bullet</i>	22/03/24	60,000	60,000	62,590	1	1.031%	30,000	1.559%
04/06/20	Amplifon S.p.A.	<i>Amortizing</i>	06/04/25	50,000	50,000	52,415	1	0.712%	50,000	1.012%
04/07/20	Amplifon S.p.A.	<i>Amortizing</i>	07/04/25	150,000	150,000	159,465	1	0.533%	100,000	1.17%
04/28/20	Amplifon S.p.A.	<i>Amortizing</i>	28/04/25	50,000	50,000	51,969	1	0.535%	50,000	1.530%
04/29/20	Amplifon S.p.A.	<i>Amortizing</i>	29/04/25	78,000	78,000	80,886	1	1.132%	54,600	1.540%
04/23/20	Amplifon S.p.A.	<i>Amortizing</i>	30/06/25	35,000	35,000	35,962	1	0.387%	35,000	0.990%
08/03/20	Amplifon S.p.A.	<i>Amortizing</i>	30/06/25	10,000	8,042	8,220	1	1.050%		
Total				463,000	461,042	481,849			319,600	

(*) The nominal interest rate comprises the benchmark rate (3 month Euribor for loans in effect at 06/04/2020 and 03/08/2020, 6 month Euribor for the rest of the bank loans) plus the applicable spread.

(**) An Interest Rate Swap was used to hedge these loans against interest rate risk at the IRS rate plus a spread.

The following loans:

- the USD 110 million private placement 2013-2025 (equal to €85.4 million including the fair value of the currency hedges which set the Euro/USD exchange rate at 1.2885);
- the EUR 298 million medium/long-term bilateral loans with top-tier banking institutions;
- the EUR 230 million in irrevocable credit lines with top-tier banking institutions;

are subject to the covenants listed below:

- the ratio of Group net financial indebtedness to Group shareholders' equity must not exceed 1.65;
- the ratio of net financial indebtedness to EBITDA recorded in the last four quarters (determined based solely on recurring business and restated if the Group's structure should change significantly) must not exceed 2.85.

In the event of relevant acquisitions, the above ratios may be increased to 2.20 and 3.26, respectively, for a period of not more than 12 months, twice over the life of the respective loans.

The outstanding amount of the syndicated loan granted for the GAES acquisition, which originally amounted to €530 million, came to €178,875 thousand at 30 June 2021, along with a €50 million bank loan expiring in 2025 and a €15 million irrevocable revolving credit facility are subject to the following covenants:

- the ratio of net financial indebtedness excluding lease liabilities to EBITDA recorded in the last four quarters (determined excluding the fair value of the share-based payments and based solely on recurring business and restated if the Group's structure should change significantly) must not exceed 2.85;
- the ratio of EBITDA recorded in the last four quarters (determined excluding the fair value of the share-based payments and based solely on recurring business and restated if the Group's structure should change significantly) and net interest paid in the last 4 quarters must exceed 4.9. As this last covenant was granted in favor of the lender, it is also applied to the private placement.

Bank loans amounting to €78 million and €35 million expiring in 2025 and a revolving credit facility of €15 million are subject to the following covenants:

- the net indebtedness excluding lease liabilities/equity ratio must not exceed 1.65;
- the net indebtedness excluding lease liabilities/EBITDA ratio recorded in the last four quarters (determined excluding the fair value of the share-based payments and based solely on recurring business and restated if the Group's structure should change significantly) must not exceed 2.85;
- the ratio of EBITDA/interest paid recorded in the last four quarters (determined excluding the fair value of the share-based payments and based solely on recurring business and restated if the Group's structure should change significantly) must be higher than 4.9.

In the event of relevant acquisitions, the above ratios may be increased to 2.20 and 3.26, respectively, for a period of not more than 12 months, 2 times over the life of the respective loans.

As at 30 June 2021 these ratios were as follows:

	Value as at 06/30/2021
Net financial indebtedness excluding lease liabilities/Group net equity	0.75
Net financial position excluding lease liabilities /EBITDA for the last 4 quarters	1.23
EBITDA for the last 4 quarters/Net financial expenses	29.09

The above-mentioned ratios were determined based on an EBITDA which was restated, in order to reflect the main changes in the Group structure.

(€ thousands)	Value as at 06/30/2021
Group EBITDA first six months 2021	228,415
EBITDA July-December 2020	239,669
Fair value of stock grant assignment	23,048
EBITDA normalized (from acquisitions and disposals)	8,344
Acquisitions and non-recurring costs	5,715
EBITDA for the covenant calculation	505,191

The same agreements are also subject to other covenants applied in current international practice which limit the ability to issue guarantees and complete sales and lease backs, as well as extraordinary transactions involving the sale of assets.

10. Lease liabilities

The lease liabilities stem from long-term leases and rental agreements. These liabilities are equal to the present value of future installments payable over the lease term.

The liabilities for finance leases are shown in the statement of financial position as follows:

	06/30/2021	12/31/2020	Change
Short-term lease liabilities	89,784	85,430	4,354
Long-term lease liabilities	336,665	337,350	(685)
Lease liabilities	426,449	422,780	3,669

The following charges were recognized in the income statement during the reporting period:

	First Half 2021
Interest paid on leased assets	(5,216)
Right-of-use depreciation	(46,698)
Costs relating to short-term and low-value leases	(5,116)

11. Revenues from sales and services

(€ thousands)	First Half 2021	First Half 2020	Change
Revenues from sales of products	838,615	520,176	318,439
Revenues from services	120,872	93,723	27,149
Revenues from sales and services	959,487	613,899	345,588
Goods and services provided at a point in time	838,615	520,176	318,439
Goods and services provided over time	120,872	93,723	27,149
Revenues from sales and services	959,487	613,899	345,588

Consolidated revenues from sales and services amounted to €959,487 thousand in the first six months of 2021, an increase of €345,588 thousand (+56.3%) compared to the same period of the prior year which was impacted negatively by the Covid-19 pandemic.

12. Operating costs, depreciation and impairment, financial income-expenses and taxes

Operating costs amounted to €734,169 thousand in the first half of 2021 versus €493,696 thousand in the same period of 2020. The difference is attributable to the impact of the global Covid-19 pandemic. The operating costs at 30 June 2021 include €2,478 thousand in inventory write-downs.

“Amortization, depreciation and impairment” amounted to €106,861 thousand at 30 June 2021 (of which €47,254 thousand relative to right-of-use), basically in line with 30 June 2020 (€99,773 thousand).

“Financial income, expenses and value adjustments of financial assets” came to €14,005 thousand in the first half of 2021, slightly higher than the €13,743 thousand recorded in the first six months of 2020 due to the increase in gross debt explained by debt refinancing and the extension of maturities in February – June 2020.

Current and deferred tax amounted to €30,374 thousand in the first half of 2021, €25,051 thousand higher than the value recorded in the first six months of 2020 (€5,323 thousand). This difference is attributable to the considerable increase in profit before tax recorded in the first half of 2021 with respect to same period of 2020 which was adversely impacted by the Covid-19 outbreak.

The tax rate was 28.1% in the reporting period versus 29.9% in the first half of 2020.

13. Performance Stock Grant

On 29 April 2021, rights to 373,600 shares were assigned to Group employees and collaborators (subject to the general conditions of the “New Performance Stock Grant Plan” described in the disclosures provided in the consolidated financial statements at 31 December 2020) at the end of the 3-year vesting period.

Each stock grant assigned in the reporting period had a fair value of €35.21.

The following assumptions were used to determine the fair value:

Model used	Binomial (Cox-Ross-Rubinstein method)	
Price at grant date		35.92 €
Threshold		0 €
Exercise Price		0,00
Volatility (6 years)		33.62%
Risk free interest rate		0.000%
Maturity (in years)		3
Vesting Date	3 months after the date of approval from the Board of the project of Consolidated Financial Statements as at 12.31.23 (i.e. June 2024).	
Expected Dividend Yield		0.68%

A figurative cost of €588 thousand for this grant cycle was recognized in the income statement at 30 June 2021.

14. Non-recurring significant events

The first half of 2021 was impacted by the following non-recurring items:

(€ thousands)		First Half 2021	First Half 2020
Operating costs	GAES integration costs	(2,666)	-
	Amplifon S.p.A restructuring cost (*)	(1,626)	-
Profit before tax		(4,292)	-
Tax	Impact of the above items on the tax burden for the period	1,109	-
Total		(3,183)	-

(*) On 1 May 2021 the project to redefine Amplifon S.p.A.'s corporate structure, approved by Amplifon's Board of Directors on 3 March 2021, became operational. The main goal of this project is to render the Group's structure consistent with the changes in its organizational structure and multinational nature. More specifically, as of 1 May 2021 Amplifon S.p.A. (which previously acted as the parent company and ran the Italian market operations) is responsible for the definition and development of the strategic direction and coordination of the entire Group, as well as the Group's centralized purchasing, while Amplifon Italia S.p.A. is now responsible for the Italian market operations.

15. Earnings (loss) per share

Basic Earnings (loss) per share

Basic earnings (loss) per share is obtained by dividing the net profit for the year attributable to the ordinary shareholders of the parent company by the weighted average number of shares outstanding in the period, considering purchases and disposals of own shares as cancellations and issues of shares.

Earnings per share are determined as follows:

Earnings per share	First Half 2021	First Half 2020
Net profit (loss) attributable to ordinary shareholders (€ thousand)	77,144	12,577
Average number of shares outstanding in the period	224,666,794	223,232,696
Average earnings per share (€ per share)	0.34337	0.05634

Diluted earnings (loss) per share

Diluted earnings (loss) per share is obtained by dividing the net profit for the period attributable to the ordinary shareholders of the parent by the weighted average number of shares outstanding during the year adjusted by the diluting effects of potential shares. In the calculation of shares outstanding, purchases and sales of treasury shares are considered as cancellation or issue of shares.

The potential ordinary share categories refer to the possible conversion of Group employees' stock options and stock grants' attribution. The computation of the average number of outstanding potential shares is based on the average fair value of shares for the period; stock options and stock grants are excluded from the calculation since they have anti-diluting effects.

Weighted average diluted number of shares outstanding	First Half 2021	First Half 2020
Average number of shares outstanding in the period	224,666,794	223,232,696
Weighted average of potential and diluting ordinary shares	2,580,900	2,827,776
Weighted average of shares potentially subject to options in the period	227,247,694	226,060,472

The diluted earnings per share were determined as follows:

Diluted earnings per share	First Half 2021	First Half 2020
Net profit attributable to ordinary shareholders (€ thousand)	77,144	12,577
Average number of shares outstanding in the period	227,247,694	226,060,472
Average diluted earnings per share (€)	0.33947	0.05564

16. Transactions with parents and other related parties

The parent company, Amplifon S.p.A. is based in Via Ripamonti 133, Milan, Italy. The Group is controlled directly by Ampliter S.r.l., of which the majority stake (100% at 30 June 2021) is owned by Amplifin S.p.A., which is fully controlled by Susan Carol Holland.

The transactions with related parties, including intercompany transactions, do not qualify as atypical or unusual, and fall within the Group's normal course of business and are conducted at arm's-length as dictated by the nature of the goods and services provided.

The following table details transactions with related parties:

(€ thousands)	06/30/2021				First Half 2021		
	Trade receivables	Trade payables	Other receivables	Other assets	Revenues for sales and services	Operating costs	Interest income and expense
Amplifin S.p.A.	412	-	1,201	-	-	(77)	13
Total – Parent	412	-	1,201	-	-	(77)	13
Comfoor BV (The Netherlands)	6	391	-	-	41	(1,431)	-
Comfoor GmbH (Germany)	-	1	-	-	-	(8)	-
Ruti Levinson Institute Ltd (Israel)	128	-	-	-	49	-	-
Afik - Test Diagnosis & Hearing Aids Ltd (Israel)	22	-	-	23	279	-	-
Total – Other related parties	156	392	-	23	369	(1,439)	-
Total related parties	568	392	1,201	23	369	(1,516)	13
Total as per financial statements	176,055	205,700	69,431	60,926	959,487	(734,169)	(8,743)
% of financial statements total	0.32%	0.19%	1.73%	0.04%	0.04%	0.21%	-0.15%

The trade and other receivables, revenues from sales and services and other income with related parties refer primarily to:

- the recovery of maintenance costs and building fees from Amplifin S.p.A.
- the receivables due by Amplifin S.p.A. for the renovation of the headquarters based on modern and efficient standards for the use of workspaces;
- the trade receivables due by associates (mainly in Israel) which act as resellers and to which the Group supplies hearing aids.

The trade payables and operating costs refer primarily to commercial transactions with Comfoor BV and Comfoor GmbH and to joint ventures from which hearing protection devices are purchased and then distributed in Group stores.

With the application of IFRS 16, the lease for the Milan headquarters (leased to Amplifon by the parent company Amplifin) is no longer recognized as an operating cost, but is recognized under right-of-use depreciation for €901 thousand, interest on leases for €176 thousand and lease liabilities of €16,002 thousand.

17. Contingent liabilities

Currently the Group is not exposed to any particular risks or uncertainties with the exception of the usual periodic tax audits, which are currently underway in two countries of the Group. These audits are presently in the preliminary phase and no findings have been reported so far.

18. Financial risk management

As this condensed consolidated interim financial report does not include all the additional information required to be included in the Annual Report relating to the management of financial risk, for a detailed analysis of financial risk management reference should be made to the Group's 2020 Annual Report.

19. Translation of foreign companies' financial statements

The exchange rates used to translate non-Euro zone companies' financial statements are as follows:

	30 June 2021		2020	30 June 2020	
	Average exchange rate	As at 30 June	As at 31 December	Average exchange rate	As at 30 June
Panamanian balboa	1.2053	1.1884	1.1422	1.102	1.120
Australian dollar	1.5626	1.5853	1.6549	1.678	1.634
Canadian dollar	1.5030	1.4722	1.53	1.503	1.532
New Zealand dollar	1.6810	1.7026	1.7561	1.760	1.748
Singapore dollar	1.6059	1.5976	1.5742	1.541	1.565
US dollar	1.2053	1.1884	1.1422	1.102	1.120
Hungarian florin	357.880	351.680	351.2494	345.261	356.580
Swiss franc	1.0946	1.0980	1.0705	1.064	1.065
Egyptian lira	18.911	19.121	18.0654	17.452	18.101
New Israeli shekel	3.9373	3.8763	3.9258	3.864	3.882
Argentine peso	113.6435 (*)	113.6435	103.2494	78.786 (*)	78.786
Chilean peso	868.020	866.750	903.14	895.570	918.720
Colombian peso	4,370.330	4,474.180	4,217.06	4,065.310	4,203.450
Mexican peso	24.3270	23.5784	24.5194	23.843	25.947
Brazilian real	6.4902	5.9050	5.8943	5.410	6.112
Chinese renminbi	7.7960	7.6742	7.8747	7.751	7.922
Indian rupee	88.4126	88.3240	84.6392	81.705	84.624
British pound	0.8680	0.8581	0.8897	0.875	0.912
Polish zloty	4.5374	4.5201	4.443	4.412	4.456

(*) Argentina is a high inflationary country. As requested by IAS 29, profit and loss items have been converted at 06/30/2021 exchange rate.

Average Argentine peso exchange rate as at 30 June 2021 is 114.6489 (78.1258 as at 30 June 2020).

20. Segment reporting

In accordance with IFRS 8 “Operating Segments”, the schedules related to each operating segment are shown below.

The Amplifon Group’s business (distribution and customization of hearing solutions) is organized into three specific geographical areas which comprise the Group’s operating segments: Europe, Middle-East and Africa - EMEA - (Italy, France, The Netherlands, Germany, the United Kingdom, Spain, Portugal, Switzerland, Belgium, Luxemburg, Hungary, Egypt, Poland and Israel), Americas (USA, Canada, Chile, Argentina, Ecuador, Colombia, Panama and Mexico) and Asia-Pacific (Australia, New Zealand, India and China).

The Group also operates via centralized Corporate functions (Corporate bodies, general management, business development, procurement, treasury, legal affairs, human resources, IT systems, global marketing and internal audit) which do not qualify as operating segments under IFRS 8.

These areas of responsibility, which coincide with the geographical areas (the Corporate functions are recognized under EMEA), represent the organizational structure used by management to run the Group’s operations. The reports periodically analyzed by the Chief Executive Officer and Top Management are divided up accordingly, by geographical area.

Performances are monitored and measured for each operating segment/geographical area, through operating profit including amortization and depreciation (EBIT), along with the portion of the results of equity investments in associated companies valued by using the equity method. Financial expenses are not monitored insofar as they are based on corporate decisions regarding the financing of each region (own funds versus borrowings) and, consequently, neither are taxes. Items in the statement of financial position are analyzed by geographical area without being separated from the Corporate functions which remain part of EMEA. All the information relating to the income statement and the statement of financial position is determined using the same criteria and accounting standards used to prepare the consolidated financial statements.

Statement of Financial Position as at June 30st, 2021 (*)

(€ thousands)	EMEA	AMERICAS	APAC	ELIM.	CONSOLIDATED
ASSETS					
Non-current assets					
Goodwill	884,451	156,713	279,444	-	1,320,608
Intangible fixed assets with finite useful life	278,851	41,529	41,006	-	361,386
Tangible fixed assets	137,594	10,625	27,691	-	175,910
Right-of-use assets	356,512	19,814	35,545	-	411,871
Equity-accounted investments	2,012	-	-	-	2,012
Hedging instruments	7,531	-	-	-	7,531
Deferred tax assets	70,764	10,738	6,879	-	88,381
Deferred contract costs	8,013	735	48	-	8,796
Other assets	25,095	34,933	898	-	60,926
Total non-current assets					2,437,421
Current assets					
Inventories	50,618	6,790	4,456	-	61,864
Receivables	195,304	41,282	22,641	(13,741)	245,486
Deferred contract costs	4,382	486	56	-	4,924
Other financial assets	-	-	-	-	40,026
Cash and cash equivalents					472,543
Total current assets					824,843
TOTAL ASSETS					3,262,264
LIABILITIES					
Net Equity					833,644
Non-current liabilities					
Medium/long-term financial liabilities					959,204
Lease liabilities	293,581	16,452	26,632	-	336,665
Provisions for risks and charges	20,678	28,495	832	-	50,005
Liabilities for employees' benefits	21,954	164	655	-	22,773
Hedging instruments	3,806	-	-	-	3,806
Deferred tax liabilities	68,101	23,573	9,580	-	101,254
Payables for business acquisitions	4,169	10,214	-	-	14,383
Contract liabilities	124,412	9,097	2,581	-	136,090
Other long-term liabilities	10,515	1,171	-	-	11,686
Total non-current liabilities					1,635,866
Current liabilities					
Trade payables	153,065	48,058	18,311	(13,734)	205,700
Payables for business acquisitions	24,839	4,368	-	-	29,207
Contract liabilities	88,157	12,030	8,500	-	108,687
Other payables and tax payables	190,182	16,349	18,087	(7)	224,611
Hedging instruments	179	-	-	-	179
Provisions for risks and charges	1,974	486	-	-	2,460
Liabilities for employees' benefits	1,028	157	2,326	-	3,511
Short-term financial liabilities					128,615
Lease liabilities	72,670	5,630	11,484	-	89,784
Total current liabilities					792,754
TOTAL LIABILITIES					3,262,264

(*) The items in the statement of financial position are analyzed by the CEO and Top Management by geographical segment without being separated from the corporate functions which are included in EMEA. The figures of the operating segments are net of the intercompany eliminations.

Statement of Financial Position as at December 31st, 2020 ^(*)

(€ thousands)	EMEA	AMERICAS	APAC	ELIM.	CONSOLIDATED
ASSETS					
Non-current assets					
Goodwill	856,130	147,528	277,951	-	1,281,609
Intangible fixed assets with finite useful life	274,704	41,641	44,840	-	361,185
Tangible fixed assets	139,426	10,286	27,904	-	177,616
Right-of-use assets	350,450	20,585	38,303	-	409,338
Equity-accounted investments	2,002	-	-	-	2,002
Hedging instruments	4,327	-	-	-	4,327
Deferred tax assets	70,451	6,262	6,958	-	83,671
Deferred contract costs	7,047	677	53	-	7,777
Other assets	24,519	34,518	879	-	59,916
Total non-current assets					2,387,441
Current assets					
Inventories	46,210	8,003	3,219	-	57,432
Receivables	219,976	37,304	19,260	(52,016)	224,524
Deferred contract costs	4,553	433	65	-	5,051
Other financial assets					8,997
Cash and cash equivalents					545,027
Total current assets					841,031
TOTAL ASSETS					3,228,472
LIABILITIES					
Net Equity					
					801,868
Non-current liabilities					
Medium/long-term financial liabilities					1,069,321
Lease liabilities	290,960	17,075	29,315	-	337,350
Provisions for risks and charges	20,175	28,734	856	-	49,765
Liabilities for employees' benefits	23,185	135	699	-	24,019
Hedging instruments	5,963	-	-	-	5,963
Deferred tax liabilities	65,875	18,783	10,492	-	95,150
Payables for business acquisitions	22,253	10,009	-	-	32,262
Contract liabilities	117,351	10,229	2,436	-	130,016
Other long-term liabilities	11,011	333	-	-	11,344
Total non-current liabilities					1,755,190
Current liabilities					
Trade payables	132,707	39,462	22,167	(13,300)	181,036
Payables for business acquisitions	2,536	4,157	-	-	6,693
Contract liabilities	83,802	10,046	9,151	-	102,999
Other payables and tax payables	174,043	54,709	22,794	(38,716)	212,830
Hedging instruments	112	-	-	-	112
Provisions for risks and charges	3,075	485	-	-	3,560
Liabilities for employees' benefits	860	106	2,173	-	3,139
Short-term financial liabilities					75,615
Lease liabilities	68,183	5,810	11,437	-	85,430
Total current liabilities					671,414
TOTAL LIABILITIES					3,228,472

(*) The items in the statement of financial position are analyzed by the CEO and Top Management by geographical segment without being separated from the corporate functions which are included in EMEA. The figures of the operating segments are net of the intercompany eliminations.

Income Statement – First Half 2021 (*)

(€ thousands)	EMEA	AMERICAS	APAC	CORPORATE	ELIM.	CONSOLIDATED
Revenues from sales and services	673,954	172,293	113,240	-	-	959,487
Operating costs	(484,648)	(132,470)	(79,189)	(37,862)	-	(734,169)
Other income and costs	3,129	41	(385)	312	-	3,097
Gross operating profit by segment (EBITDA)	192,435	39,864	33,666	(37,550)	-	228,415
Amortization, depreciation and impairment						
Intangible assets amortization	(18,673)	(5,625)	(5,157)	(5,627)	-	(35,082)
Tangible asset depreciation	(17,248)	(1,491)	(3,429)	(1,073)	-	(23,241)
Right-of-use depreciation	(37,067)	(3,056)	(6,154)	(421)	-	(46,698)
Impairment losses and reversals of non-current assets	(1,214)	(225)	-	(401)	-	(1,840)
	(74,202)	(10,397)	(14,740)	(7,522)	-	(106,861)
Operating result by segment	118,233	29,467	18,926	(45,072)	-	121,554
Financial income, expenses and value adjustments to financial assets						
Group's share of the result of associated companies valued at equity and gains/losses on disposals of equity investments	(568)	-	-	-	-	(568)
Other income and expenses, impairment and revaluations of financial assets						1,397
Interest income and expenses						(8,743)
Interest expenses on lease liabilities						(5,216)
Other financial income and expenses						(197)
Exchange gains and losses						(790)
Gain (loss) on assets accounted at fair value						112
						(14,005)
Net profit (loss) before tax						107,549
Current and deferred income tax						
Current income tax						(31,687)
Deferred tax						1,313
						(30,374)
Total net profit (loss)						77,175
Minority interests						31
Net profit (loss) attributable to the Group						77,144

(*) For the purposes of reporting on economic figures by geographical segment, please note that the corporate structures are included in EMEA.

Income Statement – First Half 2020 (*)

(€ thousands)	EMEA	AMERICAS	APAC	CORPORATE	CONSOLIDATED
Revenues from sales and services	437,470	104,601	71,828	-	613,899
Operating costs	(342,808)	(82,820)	(50,839)	(17,229)	(493,696)
Other income and costs	8,204	925	1,667	300	11,096
Gross operating profit by segment (EBITDA)	102,866	22,706	22,656	(16,929)	131,299
Amortization, depreciation and impairment					
Intangible assets amortization	(18,543)	(3,167)	(5,038)	(3,745)	(30,493)
Tangible asset depreciation	(16,937)	(1,129)	(4,076)	(794)	(22,936)
Right-of-use depreciation	(38,239)	(1,969)	(5,542)	(215)	(45,965)
Impairment losses and reversals of non-current assets	(348)	-	(31)	-	(379)
	(74,067)	(6,265)	(14,687)	(4,754)	(99,773)
Operating result by segment	28,799	16,441	7,969	(21,683)	31,526
Financial income, expenses and value adjustments to financial assets					
Group's share of the result of associated companies valued at equity and gains/losses on disposals of equity investments	(256)	-	-	-	(256)
Other income and expenses, impairment and revaluations of financial assets					-
Interest income and expenses					(8,459)
Interest expenses on lease liabilities					(5,350)
Other financial income and expenses					(410)
Exchange gains and losses					726
Gain (loss) on assets accounted at fair value					6
					(13,743)
Net profit (loss) before tax					17,783
Current and deferred income tax					
Current income tax					(9,035)
Deferred tax					3,712
					(5,323)
Total net profit (loss)					12,460
Minority interests					(117)
Net profit (loss) attributable to the Group					12,577

(*) For the purposes of reporting on economic figures by geographical segment, please note that the corporate structures are included in EMEA.

21. Accounting policies

20.1. Presentation of the financial statements

The condensed consolidated financial statements as at June 30, 2021 were prepared in accordance with the historical cost method with the exception of derivatives, a few financial investments measured at fair value and assets and liabilities hedged against changes in fair value, as explained in more detail in this report, as well as on a going concern basis.

With regard to the financial statements, the following is specified:

- in the statement of financial position, the Group distinguishes between non-current and current assets and liabilities;
- in the income statement, the Group classifies costs by nature insofar as this is deemed to more accurately represent the primarily commercial and distribution activities carried out by the Group;
- comprehensive income statement: in addition to the net result for the year, it includes the effects of changes in exchange rates, the cash flow hedge reserve, the foreign currency basis spread reserve on derivative instruments and the actuarial gains and losses that have been recognized directly in changes in shareholders' equity, these items are divided according to whether or not they can be subsequently reclassified to the income statement;
- statement of changes in net equity: the Group reports all the changes in net equity, including those deriving from shareholder transactions (payment of dividends and capital increases);
- statement of cash flows: is prepared using the indirect method to determine cash flow from operations.

The government grants received during the first half of 2021 are recognized as a reduction of the cost the grant is intended to cover or recognized as other revenue/income if not associated with a specific cost, taking into account the nature of the grant itself.

20.2. Use of estimates in preparing the financial statements

The preparation of the financial statements and explanatory notes requires the use of estimates and assumptions particularly with regard to the following items:

- revenues for services rendered over time recognized based on the effort or the input expended to satisfy the performance obligation;
- allowances for impairment made based on the asset's estimated realizable value;
- provisions for risks and charges made based on a reasonable estimate of the amount of the potential liability, including with regard to any counterparty claims;
- provisions for obsolete inventories in order to align the carrying value of inventories with the estimated realizable value;
- provisions for employee benefits, calculated based on actuarial valuations;
- amortization and depreciation of intangible assets and tangible fixed assets recognized based on the estimated remaining useful life and the recoverable amount;
- income tax recognized based on the best estimate of the tax rate for the full year;

- IRSs and currency swaps (instruments not traded on regulated markets), marked to market at the reporting date based on the yield curve and market exchange rates, which are subject to credit/debit valuation adjustments based on market prices;
- Impact of changes to agreements following the renegotiation of long-term financial liabilities valued using the market rate updated at the time of the negotiation when and if market rates are applied;
- the lease term duration was determined on a lease-by-lease basis and is comprised of the “non-cancellable” period along with the impact of any extension or early termination clauses if exercise of that clause is reasonably certain. This property valuation took into account circumstances and facts specific to each asset;
- incremental borrowing rate determined using the risk-free interest rate of each country for leases with similar terms, plus the parent company’s credit spread and any costs for additional guarantees.

Estimates and assumptions are periodically reviewed, and any changes made, following the change of the circumstances or the availability of better information, are recognized in the income statement. The use of reasonable estimates is essential to the preparation of the financial statements and does not affect their overall reliability.

The Group verifies the existence of a loss in value of goodwill regularly once a year or in the event of impairment indicators.

The impairment test is conducted for the groups of cash generating units to which the goodwill refers and based on which the Group values, directly or indirectly, the return on the investment that includes the goodwill.

20.3. IFRS standards and interpretations

IFRS standards/interpretations approved by the IASB and endorsed in Europe

The following table lists the IFRS/interpretations approved by the IASB, endorsed in Europe and applied for the first time this year.

Description	Endorsement date	Publication	Effective date	Effective date for Amplifon
Amendments to IFRS 4 “Insurance Contracts – deferral of IFRS 9” (issued on June 25, 2020)	15 Dec ‘20	16 Dec ‘20	1 Jan ‘21	1 Jan ‘21
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform – Phase 2” (issued on August 27, 2020)	1 Jan ‘21	13 Jan ‘21	14 Jan ‘21	1 Jan ‘21
Amendments to:				
<ul style="list-style-type: none"> • IFRS 3 Business Combinations; • IAS 16 Property, Plant and Equipment; • IAS 37 Provisions, Contingent Liabilities and Contingent Assets; • Annual Improvements 2018-2020. (All issued on 14 May 2020)	1 Jan ‘22	28 Jun ‘21	2 Jul ‘21	1 Jan ‘22

With reference to the principles and interpretations detailed above, already in effect at the date of this report, the adoption did not have a material impact on the valuation of the Group's assets, liabilities, costs and revenues.

The standards effective as of 1 January 2022 are not expected to have a material impact.

Future financial reporting standards and interpretations

International Financial Reporting Standards and interpretations approved by the IASB but not yet endorsed in Europe

The following are the international accounting standards, interpretations, amendments to existing accounting standards and interpretations, or specific provisions contained in the standards and interpretations approved by the IASB that have not yet been endorsed for adoption in Europe on 20 April 2021.

Description	Effective date
IFRS 17 "Insurance Contracts" (issued on 18 Maggio 2017); including the amendments to IFRS 17 (issued on 25 June 2020)	Periods beginning on or after 1 Jan '23
Amendments to IAS 1: "Presentation of Financial Statements – Classification of liabilities as current or non-current" e "Classification of Liabilities as Current or Non-current - Deferral of Effective Date" (issued on 23 January 2020 and 15 July 2020 respectively)	Periods beginning on or after 1 Jan '23
Amendments to IAS 1: "Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies" (issued on 12 February 2021)	Periods beginning on or after 1 Jan '23
Amendments to IAS 8: "Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates" (issued on 12 February 2021)	Periods beginning on or after 1 Jan '23
Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021 (issued on 31 March 2021)	Periods beginning on or after 1 Apr '21
Amendments to IAS 12 "Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction" (issued on 7 May 2021)	Periods beginning on or after 1 Jan '23

On March 31, 2021 IASB issued the document Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16) with which the period of application of the amendment to IFRS 16, issued in 2020, relating to the accounting of subsidies, is extended by one year granted, due to Covid-19, to tenants.

With reference to the principles and interpretations detailed above, the adoption is not expected to have material impacts in the valuation of the Group's assets, liabilities, costs and revenues.

22. Subsequent events

After the close of the first half, a definitive agreement was signed for the acquisition of Bay Audio Pty Limited in Australia (“Bay Audio”), a leading independent Australian hearing care retailer with a network of over 100 points of sale located in high-traffic premiere shopping malls across the country’s East Coast.

The transaction, which is expected to close by the end of 2021 and calls for a cash out of AUD 550 million (approximately €340 million), will be financed entirely with available cash.

Despite the impact of the Covid-19 pandemic, Bay Audio closed the last financial year (which ended on 31 May 2021) with revenues of roughly AUD 100 million (around €63 million) and recurring EBITDA of more than AUD 30 million (around €20 million). Bay Audio reported impressive revenue growth at a CAGR of more than 20% in the period 2016-2021 and further acceleration is expected in 2022. The Bay Audio acquisition represents a strategic transaction for Amplifon and is perfectly in line with the Company’s growth strategy to further strengthen its position in the core Australian market.

In China the Group also entered into its second joint venture, Sound Bridge, with the biggest retailer in the Hangzhou region and Southeastern China. Amplifon holds 51% of the joint venture, while the local partner holds the remaining 49%.

Moreover, as at 29 July 2021, the Board of Directors resolved to exit the wholesale business, ceasing the operations of Elite Hearing, LLC (“Elite”) in the United States.

Elite, part of the Amplifon Group since 2002, provides hearing aids and services to independent health care providers. Today Elite supports around 740 members (with around 1,900 locations) and employs 15 people.

In 2020 Elite posted revenues and an EBITDA (before corporate costs) of € 52,285 thousand and €5,134 thousand, respectively (€69,881 thousand and €11,965 thousand in 2019). In the first half of 2021 Elite reported revenues and an EBITDA (before corporate costs) of €27,700 thousand and €1,966 thousand, respectively (€34,334 thousand and €5,250 thousand in the first half of 2019).

The decision to dispose of the Elite business, which the directors reached after a careful analysis of all possible options, is perfectly in line with the Group’s customer-centric strategy focused on providing the best customer proposition directly to the final customer. More specifically, the weak performance of this business, including due to the consolidation of independent players which further intensified during the Covid-19 pandemic, and the subsequent drop in profitability stemming from the limited opportunities for further differentiation, gradually caused Elite to have a dilutive impact on the Group’s growth and profitability.

Moreover, the closure of Elite will allow the Company to focus managerial attention, resources and investments on its two strategic businesses with high potential - Miracle-Ear and Amplifon Hearing Healthcare - which together represent the ideal platform to operate in the two fastest growing segments of the core US market (retail and managed care).

The wind-down of Elite, which represents a separate major line of business, will be treated as discontinued operations following the IFRS 5 accounting principle as of the effective date of discontinuation. In particular, Elite P&L data will be excluded from the Group's consolidated P&L and the comparison periods starting from the date of effective discontinuation, with the result of discontinued operations to be reported in a separate P&L line called Net Result after discontinued operations (after the Net Result from continuing operations). As of today Amplifon expects potential costs associated to the discontinued operations of Elite to be around 10 million euros, mainly related to the write-off of assets (credits, other financial assets and goodwill).

The wind down of Elite business is currently expected to be effective and completed by the end of 2021.

Subsequent to 30 June 2021 exercise of the performance stock grants continued and on 26 July 2021 the Company transferred 65,065 treasury shares to the beneficiaries. At the date of this report the Company, therefore, holds a total of 1,271,940 treasury shares or 0.562% of the Company's share capital.

Milan, 29 July 2021

CEO

Enrico Vita

Annexes

Annex I

Consolidation scope

As required by articles 38 and 39 of Law 127/91 and article 126 of Consob's resolution 11971 dated 14 May 1999, as amended by resolution 12475 dated 6 April 2000, the following is the list of companies included in the consolidation scope of Amplifon S.p.A. at 30 June 2021.

Parent company:

Company name	Head office	Currency	Share capital
Amplifon S.p.A.	Milan (Italy)	EUR	4,527,772

Subsidiaries consolidated using the line-by-line method:

Company name	Registered head office	Direct/Indirect ownership	Currency	Share Capital	% held as at 06/30/21
Amplifon Italia S.p.A	Milan (Italy)	D	EUR	100,000	100.0%
Amplifon Rete	Milan (Italy)	I	EUR	19,250	4.35%
Otohub S.r.l.	Naples (Italy)	D	EUR	28,571	100.0%
Audibel S.r.l	Rome (Italy)	D	EUR	70,000	100.0%
Amplifon France SAS	Arcueil (France)	D	EUR	98,550,898	100.0%
SCI Eliot Leslie	Lyon (France)	I	EUR	610	100.0%
Amplifon France Holding	Arcueil (France)	D	EUR	1	100.0%
Laboratoire d'Audiologie Eric Hans SAS	Belfort (France)	I	EUR	380,000	100.0%
Audition Paca SAS	Thionville (France)	I	EUR	5,000	100.0%
Lomaco SAS	Lorient (France)	I	EUR	425,400	100.0%
Akoute Sas	Reims (France)	I	EUR	10,000	100.0%
Le Sens de l'Ecoute Sas	Châlons en Champagne (France)	I	EUR	1,000	100.0%
I Audiogram Sas	Châlons en Champagne (France)	I	EUR	1,000	100.0%
Amplifon Iberica SA	Zaragoza (Spain)	D	EUR	26,578,809	100.0%
Microson S.A.	Barcelona (Spain)	D	EUR	61,752	100.0%
Amplifon LATAM Holding S.L.	Barcelona (Spain)	I	EUR	3,000	100.0%
Entzumena SLU	Barcelona (Spain)	I	EUR	128,628	100.0%
Auditiva 2014 S.A.	Andorra la Vella (Andorra)	I	EUR	3,000	100.0%
Amplifon Portugal SA	Lisboa (Portugal)	I	EUR	15,520,187	100.0%
Amplifon Magyarország Kft	Budapest (Hungary)	D	HUF	723,500,000	100.0%
Amplibus Magyarország Kft	Budaörs (Hungary)	I	HUF	3,000,000	100.0%
Amplifon AG	Baar (Switzerland)	D	CHF	1,000,000	100.0%
Amplifon Nederland BV	Doesburg (The Netherlands)	D	EUR	74,212,052	100.0%
Auditech BV	Doesburg (The Netherlands)	I	EUR	22,500	100.0%
Electro Medical Instruments BV	Doesburg (The Netherlands)	I	EUR	16,650	100.0%

Company name	Registered head office	Direct/Indirect ownership	Currency	Share Capital	% held as at 06/30/21
Beter Horen BV	Doesburg (The Netherlands)	I	EUR	18,000	100.0%
Amplifon Customer Care Service BV	Elst (The Netherlands)	I	EUR	18,000	100.0%
Amplifon Belgium NV	Bruxelles (Belgium)	D	EUR	495,800	100.0%
Amplifon Luxemburg Sarl	Luxembourg (Luxembourg)	I	EUR	50,000	100.0%
Amplifon RE SA	Luxembourg (Luxembourg)	D	EUR	3,700,000	100.0%
Amplifon Deutschland GmbH	Hamburg (Germany)	D	EUR	6,026,000	100.0%
Focus Hören AG	Willroth (Germany)	I	EUR	485,555	100.0%
Focus Hören Deutschland GmbH	Willroth (Germany)	I	EUR	25,000	100.0%
Amplifon Poland Sp. z o.o.	Lodz (Poland)	D	PLN	3,345,460	100.0%
Amplifon UK Ltd	Manchester (UK)	D	GBP	130,951,168	100.0%
Amplifon Ltd	Manchester (UK)	I	GBP	1,800,000	100.0%
Ultra Finance Ltd	Manchester (UK)	I	GBP	75	100.0%
Amplifon Cell	Ta' Xbiex (Malta)	D	EUR	1,000,125	100.0%
Medtechnica Ortophone Ltd (*)	Tel Aviv (Israel)	D	ILS	1,100	80.0%
Amplifon Middle East SAE	Cairo (Egypt)	D	EGP	3,000,000	51.0%
Miracle Ear Inc.	St. Paul (USA)	I	USD	5	100.0%
Elite Hearing, LLC	Minneapolis (USA)	I	USD	1,000	100.0%
Amplifon USA Inc.	Dover (USA)	D	USD	52,500,010	100.0%
Amplifon Hearing Health Care, Inc.	St. Paul (USA)	I	USD	10	100.0%
Amplifon IPA, LLC	New York (USA)	I	USD	-	100.0%
ME Pivot Holdings LLC	Minneapolis (USA)	I	USD	2,000,000	100.0%
ME Flagship LLC	Wilmington (USA)	I	USD	-	100.0%
METX LLC	Waco (USA)	I	USD	-	100.0%
MEFL LLC	Waco (USA)	I	USD	-	100.0%
METAMPA LLC	Waco (USA)	I	USD	-	100.0%
MENM LLC	Waco (USA)	I	USD	-	100.0%
Miracle Ear Canada Ltd.	Vancouver (Canada)	I	CAD	67,801,200	100.0%
2829663 Ontario Inc	Milton (Canada)	I	CAD	-	100.0%
Ossicle Fort McMurray Inc	Fort McMurray (Canada)	I	CAD	-	100.0%
Amplifon South America Holding LTDA	São Paulo (Brasil)	D	BRL	3,636,348	100.0%
GAES S.A.	Santiago de Chile (Chile)	D	CLP	1,901,686,034	100.0%
GAES Servicios Corporativo de Latinoamerica Spa	Santiago de Chile (Chile)	I	CLP	10,000,000	100.0%
Audiosonic Chile S.A.	Santiago de Chile (Chile)	I	CLP	1,000,000	100.0%
GAES S.A.	Buenos Aires (Argentina)	I	ARS	120,542,331	100.0%
GAES Colombia SAS	Bogotá (Colombia)	I	COP	21,803,953,043	100.0%
Soluciones Audiologicas de Colombia SAS	Bogotá (Colombia)	I	COP	45,000,000	100.0%
Audiovital S.A.	Quito (Ecuador)	I	USD	430,337	100.0%
Centros Auditivos GAES Mexico sa de cv	Ciudad de México (Mexico)	I	MXN	164,838,568	100.0%
Compañía de Audiología y Servicios Medicos sa de cv	Aguascalientes (Mexico)	I	MXN	43,306,212	66.4%
GAES Panama S.A.	Panama (Panama)	I	PAB	510,000	100.0%

Company name	Registered head office	Direct/Indirect ownership	Currency	Share Capital	% held as at 06/30/21
Amplifon Australia Holding Pty Ltd	Sydney (Australia)	D	AUD	392,000,000	100.0%
National Hearing Centres Pty Ltd	Sydney (Australia)	I	AUD	100	100.0%
National Hearing Centres Unit Trust	Sydney (Australia)	I	AUD	-	100.0%
Attune Hearing Pty Ltd	Brisbane (Australia)	D	AUD	14,771,093	100.0%
Attune Workplace Hearing Pty Ltd	Brisbane (Australia)	I	AUD	1	100.0%
Ear Deals Pty Ltd	Brisbane (Australia)	I	AUD	300,000	100.0%
Otohub Unit Trust (in liquidation)	Brisbane (Australia)	D	AUD	-	100.0%
Otohub Australasia Pty Ltd	Brisbane (Australia)	D	AUD	10	100.0%
Amplifon Asia Pacific Pte Limited	Singapore (Singapore)	I	SGD	1,000,000	100.0%
Amplifon NZ Ltd	Takapuna (New Zealand)	I	NZD	130,411,317	100.0%
Bay Audiology Ltd	Takapuna (New Zealand)	I	NZD	-	100.0%
Dilworth Hearing Ltd	Auckland (New Zealand)	I	NZD	-	100.0%
Amplifon India Pvt Ltd	Gurgaon (India)	I	INR	1,770,000,000	100.0%
Beijing Amplifon Hearing Technology Center Co. Ltd (**)	Běijīng (China)	D	CNY	2,143,685	100.0%
Tianjin Amplifon Hearing Technology Co. Ltd (**)	Tianjin (China)	I	CNY	3,500,000	100.0%
Shijiazhuang Amplifon Hearing Technology Co. Ltd (**)	Shijiazhuang (China)	I	CNY	100,000	100.0%
Shanghai Amplifon Hearing Aid Co. Ltd	Shanghai (China)	D	CNY	46,000,000	100.0%

(*) Medtechnica Ortophone Ltd, despite being owned by Amplifon at 80%, is consolidated at 100% without exposure of non-controlling interest due to the put-call option exercisable from 2019 and related to the purchase of the remaining 20%.

(**) Beijing Cohesion Hearing Science & Technology Co. Ltd. and its subsidiaries (Tianjin Cohesion Hearing Science & Technology Co. Ltd and Shijiazhuang Cohesion Hearing Science & Technology Co. Ltd), despite being owned by Amplifon at 51%, are consolidated at 100% without exposure of non-controlling interest due to the put-call option exercisable from 2022 and related to the purchase of the remaining 49%.

Companies valued using the equity method:

Company name	Registered head office	Direct/Indirect ownership	Currency	Share Capital	% held as at 06/30/21
Comfoor BV (*)	Doesburg (The Netherlands)	I	EUR	18,000	50.0%
Comfoor GmbH (*)	Emmerich am Rhein (Germany)	I	EUR	25,000	50.0%
Ruti Levinson Institute Ltd (**)	Ramat HaSharon (Israel)	I	ILS	105	16.0%
Afik - Test Diagnosis & Hearing Aids Ltd (**)	Jerusalem (Israel)	I	ILS	100	16.0%
Lakeside Specialist Centre Ltd (**)	Mairangi Bay (New Zealand)	I	NZD	-	50.0%

(*) Joint Venture

(**) Related companies

Declaration of the Executive Responsible for Corporate Accounting Information pursuant to Article 154-bis of Legislative Decree 58/1998 (Consolidated Finance Act)

We, the undersigned, Enrico Vita, Chief Executive Officer, and Gabriele Galli, Executive Responsible for Corporate Accounting Information for Amplifon S.p.A., taking into account the provisions of article 154-*bis*, paragraphs 3 and 4 of Law 58/98, certify:

- the adequacy, by reference to the characteristics of the business;
- the effective application of the administrative and accounting procedures for the preparation of the condensed interim consolidated financial statements during the period from 1 January to 30 June 2021.

We also certify that the condensed interim consolidated financial statements at 30 June 2021:

- have been prepared in accordance with the International Financial Reporting Standards recognized in the European Union under the EC regulation 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- correspond to the underlying accounting entries and records;
- provides a true and fair view of the financial performance and financial position of the issuer and of all of the companies included in the consolidation scope.

The management report includes a reliable operating and financial analysis of the parent and all the companies included in the consolidation scope as well as a description of the main risks and uncertainties to which they are exposed.

Milan, 29 July 2021

CEO

**Executive Responsible for Corporate
Accounting Information**

Enrico Vita

Gabriele Galli

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(Translation from the Italian original which remains the definitive version)

Report on review of condensed interim consolidated financial statements

*To the shareholders of
Amplifon S.p.A.*

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the Amplifon Group, comprising the statement of financial position as at 30 June 2021, the income statement and the statements of comprehensive income, changes in equity and cash flows for the six months then ended and notes thereto. The directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of the review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an 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 condensed interim consolidated financial statements.



Amplifon Group

*Report on review of condensed interim consolidated financial statements
30 June 2021*

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Amplifon Group as at and for the six months ended 30 June 2021 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Milan, 2 August 2021

KPMG S.p.A.

(signed on the original)

Claudio Mariani
Director of Audit